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**REPORT TO: CORPORATE COMMITTEE ON 13 JUNE 2023**

**SUBJECT: DEVOLVED SCHOOL BUDGETS – CARRY FORWARD**

**BY: DEPUTE CHIEF EXECUTIVE [EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT]**

**1. REASON FOR REPORT**

- 1.1 The purpose of this report is to seek Committee's decision on whether to allow schools to carry forward budget spend which was for the financial year however did not go ahead.
- 1.2 This report is submitted to Committee in terms of Section III (B)(1) of the Council's Scheme of Administration relating to the financial and budgetary policy of the Council.

**2. RECOMMENDATION**

- 2.1 It is recommended that Committee allow the following schools to retain the following amounts for planned spend which has not progressed.**
- (i) Newmill Primary School for £9,000
  - (ii) Speyside High School for £118,652

**3. BACKGROUND**

- 3.1 The Devolved School Management (DSM) scheme permits Head Teachers to carry forward up to a 5% overspend or 2.5% underspend in any one year. This facility enables Head Teachers to manage budgets more flexibly and to plan for particular areas of spend over periods of time. This includes for example the purchase of ICT devices, refurbishment of classrooms and purchasing replacement desks/chairs or additional staffing for an academic session.
- 3.2 Budgets are monitored on a monthly basis by Head Teachers and are also scrutinised by the Finance Department. Budget Monitoring statements are provided to schools by Financial Services on a monthly basis and Head Teachers are expected to scrutinise these statements closely and monitor them in line with their actual school position. A situation has arisen however in 2 schools where, for context and property related reasons, the 2.5% underspend limit has been breached. In normal circumstances the school

would be operating outwith financial regulations and the additional budget would be taken away. However, in this case, the Head of Education is of the view that there are mitigating circumstances and that the excess budget should be maintained to allow for the spend to progress when possible.

- 3.3 Speyside High School has a projected carry forward of £102,108 with a permitted underspend of £78,394 which would mean, under DSM restrictions that they would lose £23,714. However, they had submitted plans to the property department in 2022 regarding the refurbishment of a Science classroom costing £35,000, as well as a planned upgrade of their Closed Circuit Television costing £10,000 which have not progressed through no fault of the school. Permission is granted to carry forward an additional £45,000 to cover the planned works which were not completed during the academic year. To lose this budget, the school would be heading towards an excess of 5% overspend for financial year 2023/24 as they have overstaffed in key areas as they had planned for this however if their carry forward is reduced, this will have a major impact if the current budget has to be used for property projects. To lose this funding, the school would be unable to progress with this work and would be unable to undertake further planned work as part of their tenant responsibilities.
- 3.4 Newmill Primary School has a projected carry forward of £18,494 and is allowed, under the DSM scheme to carry forward £9,097. However included in the £18,494 is £9,000 to carry out works required under tenant responsibilities. This budget was being kept to repair floor tiles and resurface the ramp at the entrance to the school which has become a health and safety issue. Although the works were planned, bad weather prior to Easter delayed this with the allocated contractor now withdrawing from the job and as a result the work has gone back out to tender. The school therefore requests permission to carry forward the £9000 over and above their 2.5% underspend for this reason.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

None

**(b) Policy and Legal**

A decision to allow retention of more than 5% overspend would require Committee approval as it would be a deviation from policy.

**(c) Financial implications**

The unspent budget has not arisen due to poor financial management but due to planned works which could not be completed within the financial year. The schools listed would require the budget to be retained within DSM so that there is sufficient budget once orders can be progressed so that they can cover staffing already planned for, for the session ahead as well as any upcoming tenant responsibilities.

**(d) Risk Implications**

Risks associated with not allowing the budget to remain within the DSM of each school will mean that planned spend cannot go ahead and that there will be a negative impact on learning and teaching delivery within each school which will impact on attainment and achievement of learners.

**(e) Staffing Implications**

None arising directly from this report

**(f) Property**

None

**(g) Equalities/Socio Economic Impact**

None

**(h) Climate Change and Biodiversity Impacts**

None

**(i) Consultations**

The Depute Chief Executive (Education, Communities and Organisational Development); The Head of Education Resources and Communities, Quality Improvement Managers, Chief Financial Officer the Headteachers of Speyside High School Newmill Primary and Lindsey Robinson, Committee Services Officer have been consulted on this report and agree with the sections of the report relating to their areas of responsibility.

**5. CONCLUSION**

**5.1 That Committee allow Speyside High School and Newmill Primary School to continue, with no penalty, a larger than normally permitted underspend in their devolved budget for the reasons provided in the report.**

Author of Report: Vivienne Cross, Head of Education (Chief Education Officer)

Background Papers:

Ref: