



**REPORT TO: EDUCATION CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 20 FEBRUARY 2024**

SUBJECT: DEVOLVED SCHOOL BUDGETS – CARRY FORWARD

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 This report seeks Committee approval to allow a school to carry forward budget spend which was planned for this financial year and which has not progressed due to reasons outwith the school's control.
- 1.2 This report is submitted to Committee in terms of Section III (D) (16) of the Council's Scheme of Administration relating to financial matters.

2. RECOMMENDATION

- 2.1 **It is recommended that Committee allow the following school to retain the following amounts for planned spend which has not progressed:**

- (i) **Milne's High School for flooring circa £20k and altering a room to create an additional PE changing room circa £50k**

3. BACKGROUND

- 3.1 The Devolved School Management (DSM) scheme permits Head Teachers to carry forward up to 2.5% overspend or 2.5% underspend in any one year. This facility enables Head Teachers to manage budgets more flexibly across the academic year and to plan for particular areas of spend over periods of time where the budget line is small and they build finance for bigger projects under their tenant responsibilities. This includes for example, the purchase of ICT devices over and above the ICT roll out, refurbishment of classrooms including recarpeting and blinds and purchasing replacement desks/chair.
- 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 one school where, for reasons beyond its control the budget underspend would exceed 2.5%. 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 Milne's High School has been working with the property department for some time to convert a Physical Education (PE) cupboard in to an additional changing room. Architects have advised that this cannot be done prior to the summer holidays and so the school will need to carry forward the budget to accommodate this spend. This work is out to tender however at the time of finalising this report, actual costs were unknown. Estimated costs as of August 2023 were £39k however Property Services have advised that due to market conditions and following a meeting in November, that by the time the job is completed the school should consider budgeting for around £50k. In addition to this there are also planned works to replace flooring in various parts of the school as per phased review and update. Again the company has said it will likely be summer before this work is completed and this amounts to £20k. Therefore permission is sought to carry forward £70k in the Milne's High Budget to fund these two projects.
- 3.4 It should be noted that ongoing works are tenant responsibilities and it is expected that the condition of schools is maintained and so these works are appropriate and will either maintain the condition of the school or will add value whereby the school has appropriate changing facilities. It is essential that our young people learn in a positive learning environment and flooring at the school is in need of replacement.

4. SUMMARY OF IMPLICATIONS

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

This report supports the LOIP outcomes:

Building a better future for children and young people in Moray:

- A place where children and young people thrive;
- A place where they have a voice, have opportunities to learn and can get around;
- A place where they are able to reach their full potential.

Also the aims of the Corporate Plan to:

- Provide opportunities where young people can achieve the potential to be the best they can be

(b) Policy and Legal

A decision to allow retention of more than 2.5% underspend 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 rather that the planned works have not been completed within

financial timescales and the financial year. The school listed would require the budget to be retained within DSM so that there is sufficient budget once orders can be progressed.

(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

There are no staffing risks arising directly from this report.

(f) Property

There are no property issues arising from this report.

(g) Equalities/Socio Economic Impact

The National Improvement Framework is aimed at reducing inequalities.

(h) Consultations

The Depute Chief Executive (Education, Communities and Organisational Development); Acting Head of Education Resources and Communities, Quality Improvement Managers, Nicky Gosling, Accountant, Don Toonen, Equal Opportunities Officer, Headteacher of Milne's High School and Caroline O'Connor, 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 Milne's High School to continue, with no penalty, a larger than normally permitted overspend in their devolved budget.

Author of Report: Vivienne Cross, Head of Education
Background Papers:

Ref: SPMAN