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To: Children, Families & Education Policy Overview Committee -
18 September 2009

Subject: CHILDREN, FAMILIES & EDUCATION BUDGET MONITORING
2009/10

Classification: Unrestricted

FOR INFORMATION

1. Introduction

- 1.1. This report is the second to this Committee on the forecast outturn against budget for the Children Families and Education (CFE) Directorate for 2009/10 financial year, and is based on the first full quarterly monitoring report which will be presented to Cabinet on 14 September 2009.

2. Schools

- 2.1. As reported at the last committee meeting, the Local Authority agreed a similar process to last year, to challenge schools with excessive revenue reserves at the end of 2008-09 financial year.
- 2.2. The process initially focused on 42 schools, each of who were asked to provide evidence to support the level of reserves being held at 31 March 2009. The evidence provided by schools was considered by a panel of officers and Schools' Funding Forum members and 19 schools were deemed to be holding reserves totaling £2,340k without sufficient evidence or justification. Of these, 18 schools appealed against the original panel's decision. Following the appeal panel meetings, a total of £762k is being recovered from 8 schools, of which, £300k will be set aside for a specific capital project and the remainder will be re-distributed amongst Kent schools via the Schools' Funding Forum.
- 2.3. At the time of writing this report, one of the schools is looking to pursue a judicial review against the decision to recover revenue reserves.

3. 1st Quarter's Full Monitoring Report - Revenue Budget

- 3.1. The directorate is projecting a balanced budget, the detail of which is contained within the 1st quarter's full monitoring report attached at Annex 1, section 1.1. This forecast excludes Asylum and assumes that the planned management action of £1,711k will be achieved to ensure that the forecast overspend can be offset. The summarised position for the Directorate is provided in Table 1 below.

Table 1 – CFE Revenue Budget Monitoring Summary Position

Portfolio	Cash Limit £000s	Variance		Movement £000s
		This month £000s	Last report £000s	
Schools	878,229	0	0	0
Asylum	0	3,600	0	3,600
CFE (other)	-668,351	1,711	830	881
Directorate Total	209,878	5,311	830	4,481
Management Action		-1,711	-830	-881
Directorate Total after management action		3,600	0	3,600

- 3.2. At the time of writing this report the Directorate has received notification that the Home Office are changing the rules by which the LA can claim grant funding for Unaccompanied Asylum Seeking Children. In some instances the new rules apply from the 1 October 2009 and we are currently reviewing the new rules to see what the implications are for the Asylum budget. These issues will be raised at a meeting on 16 September with senior staff from the United Kingdom Border Agency (UKBA) that the Leader will be attending. A verbal update will be provided at the meeting.
- 3.3. Annex 1 also includes details of the planned management action and confirmation that the significant movements have been included within the 2010-13 draft Medium Term Plan (MTP) submission.

4. **1st Quarters Full Monitoring Report - Capital Budget**

- 4.1. The directorate is projecting an overspend in 2009/10 of £5,311k, the detail of which is contained within the 1st quarter's full monitoring report attached at Annex 1, section 1.2. The major element of this overspend will be covered by the roll forward of resources from 2008/09. The main pressures and savings are:
- Special Schools Review: +£5,393k
 - Corporate Property Management Fee: -£338k
 - Self Funded projects: +£147k
- 4.2. The overall funding shortfall on the Special Schools Review programme will be addressed as part of the Medium Term Planning process and the reflection in it of the Manifesto commitments.

5. **Recommendations**

- 5.1. Members of the Children Families and Education Policy Overview Committee are asked to note the projected outturn figures for the directorate as at the first full quarterly monitoring report.

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Background Documents: Report to Cabinet 14 September 2009
Other useful information: None

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