

By: Keith Abbott, Director, Resources and Planning Group  
Grahame Ward, Director, Capital and Infrastructure Group  
Rosalind Turner, Managing Director, Children, Families & Education Directorate  
Sarah Hohler, Cabinet Member for Children, Families & Education Directorate

To: Resources and Infrastructure – Children, Families & Education Policy Overview Committee

Date: 24 November 2010

Subject: **Financial Monitoring**

Classification: *Unrestricted*

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Summary: *To provide an update on both the revenue and capital budget monitoring for 2010/11 financial year for Children, Families and Education Directorate*

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## **Introduction**

1. This report is the second to this Committee on the forecast outturn against budget for the Children Families and Education (CFE) Directorate for 2010/11 financial year, and is based on the exception monitoring report which was presented to Cabinet on 11 October 2010.

### **August Exception Monitoring Report - Revenue Budget**

2. (1) In summary, the directorate is projecting a balanced budget excluding schools and including asylum and management action of £59k. 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	918,811	3,401	3,401	0
Asylum	1,337	606	606	0
CFE (other)	-713,380	-547	-347	-200
Directorate Total	206,768	3,460	3,660	0
Management Action	n/a	-59	-259	200
Directorate Total after management action	206,768	3,401	3,401	0

(2) The pressure on this portfolio (including Asylum) has reduced by £200k this month to £59k (+£606k Asylum and -£507k CFE other). The movement relates to the 16+ service where a review of high cost placements is currently underway following the significant pressure on the budget reported in the previous monitoring report. Where appropriate, and in harmony with the wishes of the individual child, the team are looking to transfer children to lower cost supported lodgings. Early indications suggest that a reduction of £200k from the previous forecast may be achievable, reducing the pressure on this service to £1,503k. The review is ongoing and the provider Catch 22 is working hard to bring costs down. Any further progress in containing this pressure will be reported in future monitoring reports.

### **Delegated Schools Budgets**

3. (1) Following the Secretary of State's announcement that outstanding schools could convert to academy status and the passing of the Academies Act 2010, the latest position is as follows.

(2) In total, 18 schools (including 4 primary schools, 2 of which are in a federation with secondary schools) have applied for academy status.

(3) At the time of writing this report, nine schools have converted.

Westlands School and Woodgrove Primary School	1/9/2010
Highsted Grammar School	1/10/2010
Castle Community College	1/10/2010
Fulston Manor School	1/10/2010
Canterbury High School and Canterbury Primary School (previously Beauherne)	7/10/2010
Sandwich Technology School	1/11/2010
Swanley Technology College	1/11/2010

(4) At the present time the Local Authority is anticipating the remaining nine schools to covert as follows:

Dartford Grammar School (Boys)	1/12/2010
Meopham Primary School	1/12/2010
Hayesbrook School	1/12/2010
Weald of Kent Grammar School	1/1/2011
Chatham House Grammar School Clarendon House Grammar School (as hard federation)	1/1/2011
Tonbridge Grammar School	1/1/2011
St Stephen's Junior School, Canterbury (see note below)	1/1/2011
Highworth Grammar School	1/1/2011

Note: awaiting Secretary of State Agreement

(5) The forecast drawdown of schools reserves, currently estimated at £3.401m, will be revised in the next full quarterly monitoring return to reflect the latest position on schools converting to academy status and also to reflect the forecast drawdown of school reserves from schools' half yearly monitoring returns.

#### **August Exception Monitoring Report - Capital Budget**

4. (1) The forecast for the portfolio has moved by -£0.482m since the last month. Projects subject to re-phasing and overall variances affecting 2010-11 are:
- Primary Improvement Programme (-£0.759m, rephasing -0.761m): the major changes on this programme relate to projects at St Matthews PS (-£0.565m) and Beaver Green Community PS (-£0.120m).
  - St Matthews – the planned start date for this project was late July. Temporary accommodation is required to accommodate the vacated classrooms which are to be demolished. The decision was made to delay the project by six weeks rather than hiring temporary accommodation over the summer vacation period.
  - Beaver Green - the discovery of asbestos on site has caused delays to the project resulting in the need for rephasing.
  - Overall there is a residual variance of -£0.074 which results from several minor movements.
  - Dartford Campus (+£0.309m, real variance): this relates to additional works required associated due to the relocating of Adult Services from the old Yeomans Building on the Dartford Campus site to accommodation within North West Kent College.
  - The Bridge (-£0.237m, real variance): the settlement of contractor claims on this project have now been agreed and are significantly better than previously expected resulting in a net project saving. The saving of

prudential borrowing on this project has been used to fund most of the additional costs on Dartford Campus.

- Modernisation Programme 2008-11 (+£0.207m, real variance): the additional costs, funded by developer contributions, relate to early costs for the proposed scheme at Maidstone Grammar School for Girls.

**Recommendations:**

5. Members of the Resources and Infrastructure Children, Families and Education Policy Overview and Scrutiny Committee are asked to note the projected outturn figures for both the revenue and capital budgets for the directorate as at the August exception monitoring report.

Keith Abbott  
Director – Resources and Planning Group  
[keith.abbott@kent.gov.uk](mailto:keith.abbott@kent.gov.uk)

Grahame Ward  
Capital Projects and Infrastructure Group  
[grahame.ward@kent.gov.uk](mailto:grahame.ward@kent.gov.uk)

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*Background Documents:*  
Cabinet 11 October 2010