

TO: Education Cabinet Committee – 18 January 2013

BY: Mike Whiting, Cabinet Member for Education, Learning & Skills
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SUBJECT: Education Learning & Skills Directorate Financial Monitoring
2012/13

Classification: Unrestricted

Summary:

Members of the Cabinet Committee are asked to note the second quarter's full budget monitoring report for 2012/13 reported to Cabinet on 3 December 2012.

FOR INFORMATION

1. Introduction:

1.1 This is a regular report to this Committee on the forecast outturn for Education, Learning & Skills Directorate.

2. Background:

2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio and will be reported to Cabinet Committees after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report. The second quarter's monitoring report for 2012/13 is attached. The Early Years and Childcare budget in Families and Social Care is not included within Annex 1 and it should be noted that there is currently an underspend of £300k on this budget line.

3. Education, Learning & Skills Directorate 2012/13 Financial Forecast - Revenue

3.1 There are no exceptional revenue changes since the writing of the attached quarter 2 report.

4. Education, Learning & Skills Directorate/Portfolio 2012/13 Financial Forecast - Capital

4.1 There are no capital movements from the attached quarter 2 report.

5. Recommendations

- 5.1 Members of the Education Cabinet Committee are asked to note the revenue and capital forecast variances from budget for 2012/13 for the Education, Learning & Skills Portfolio based on the second quarter's full monitoring to Cabinet.

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EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect the agreed split of the Early Years and Childcare budget, with a transfer of £3.192m from the SCS portfolio within the FSC directorate (reported in annex 2), to the ELS portfolio/directorate, leaving budget only for Childrens Centre Development within the SCS portfolio within FSC directorate. There have also been a number of other technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary and include a net increase of £1.9m in DSG as a result of the final settlement and schools converting to academies.

1.1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
Delegated Budget:							
Schools Delegated Budgets	746,533	-746,533	0	2,286	0	2,286	Drawdown for expected academy converters
TOTAL DELEGATED	746,533	-746,533	0	2,286	0	2,286	
Non Delegated Budget:							
ELS Strategic Management & directorate support budgets	11,084	-7,660	3,424	-1,011	23	-988	Restructure contingency not required; legal costs pressure; participation by rights underspend
Services for Schools:							
- PFI Schools Schemes	23,810	-23,810	0	0	0	0	
- Schools' Meals	566	-566	0	23	-23	0	
- Schools' Non Delegated Staff Costs	2,692	-2,589	103	-557	571	14	Reduced traded service with schools for excepted items (gross and income)
- Schools' Other Services	7,113	-6,646	467	619	-713	-94	Increased cleaning and refuse contracts (gross and income)
- Schools' Redundancy Costs	1,232	-1,232	0	0	0	0	
- School Improvement Services	18,292	-13,579	4,713	-51	240	189	Unachievable income target
- Special School & Hospital Recoupment	1,660	-2,460	-800	56	-712	-656	Additional recoupment from OLA pupils in Kent schools
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	336	-21	315	Increased capitalisation costs
	63,194	-53,566	9,628	426	-658	-232	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
<u>Children's Services</u>							
- <u>Education & Personal</u>							
- 14 - 19 year olds	5,270	-1,650	3,620	-1,878	-51	-1,929	Kent Employment project costs to span more than one year
- Attendance & Behaviour	19,723	-18,909	814	935	-385	550	Unachievable contract saving; Additional spend and income for PRU places
- Connexions	6,787	0	6,787	0	0	0	
- Early Years & Childcare	8,932	-5,335	3,597	-49	-140	-189	Income from schools and academies
- Education Psychology Service	2,915	-13	2,902	-140	-517	-657	Vacancies & reduced TRP costs; additional income for traded service
- Free School Meals	1,288	-1,288	0	0	0	0	
- Individual Learner Support	10,378	-9,182	1,196	-1,560	1,347	-213	Early Years training provided elsewhere within existing resources; Reduced traded service with schools for MCAS
- Statemented Pupils	7,618	-7,618	0	-313	313	0	Reduced costs and income from other local authorities placements
- Independent Special School Placements	12,324	-12,324	0	-290	290	0	Reduced costs and income from joint funded places
	75,235	-56,319	18,916	-3,295	857	-2,438	
<u>Transport Services</u>							
- Home to College Transport	1,973	-367	1,606			0	
- Mainstream HTST	13,600	-584	13,016			0	
- SEN HTST	17,272	0	17,272			0	
	32,845	-951	31,894	0	0	0	
<u>Assessment Services</u>							
- Assessment of Children's Educational Needs	1,727	-581	1,146	35		35	
TOTAL NON DELEGATED	184,085	-119,077	65,008	-3,845	222	-3,623	
Total ELS portfolio	930,618	-865,610	65,008	-1,559	222	-1,337	
Specialist Children's Services portfolio							
Early Years Education	42,276	-40,500	1,776			0	
Total SCS portfolio	42,276	-40,500	1,776	0	0	0	
Total ELS directorate controllable	972,894	-906,110	66,784	-1,559	222	-1,337	
Assumed Mgmt Action							
- ELS portfolio						0	
- SCS portfolio						0	
Total ELS after mgmt action	972,894	-906,110	66,784	-1,559	222	-1,337	

1.1.3 Major Reasons for Variance: [provides an explanation of the 'headings' in table 2]

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Education, Learning & Skills portfolio:

Delegated Budgets

1.1.3.1 Schools Delegated Budgets: Gross +£2,286k

The forecast £2.286m drawdown of schools reserves shown in table 1 represents the estimated reduction in reserves resulting from 39 schools converting to academies, including 23 schools which converted to academies by the end of September 2012 and a further 16 expected to convert before the end of March 2013. The six monthly monitoring information is currently being collected from schools and the forecast movement on school reserves arising from this will be included in the next exception report.

Non Delegated Budgets

1.1.3.2 ELS Strategic Management & Directorate Support Budgets: Gross -£1,011k, Income +£23k, Net -£988k

The ELS Strategic Management & Directorate Support budget is reporting a gross underspend of £1,011k. However within this there is a pressure of £285k for Legal Services due to the legal costs incurred when schools convert to academies. It had been anticipated that academy legal costs would reduce significantly in 2012-13 as approximately 2/3rds of secondary schools had already converted or were in the process of converting during 2011-12. However there is an increase in the number of primary schools converting which contributes towards the overall pressure.

As reported in the last exception report there is an underspend of £222k on the Participation by Rights budget within the Advocacy and Entitlement Unit. This budget will not be spent in 2012-13 and will, in part, offset the pressure on the Attendance and Behaviour service due to an unachievable contract saving reported in the first quarter. In addition there is a reported underspend on the contingency budget of £800k. Savings attributed to the ELS restructure were phased over three years in the MTFP (2011-12 to 2013-14) but as the new structures took effect from early 2012-13 most of the savings will be achieved by the end of year two with the balance of the cash limit held to fund any in year contingencies that arise as a result of the restructure. This has not been required as yet and the declared underspend will also partly off set the pressure on the Attendance and Behaviour service as well as the pressure, mentioned above, on legal services. There are a number of other gross variances totalling -£274k, all of which are less than £100k in value, including -£173k for staff vacancies across several different units and -£79k for Choice Advisers.

1.1.3.3 **Services for Schools:**

a. Schools' Non Delegated Staff Costs: Gross -£557k, Income +£571k, Net Nil

The budget for excepted items (maternity, public duties and suspensions) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of budget delegated leading to a gross underspend of -£571k and an under recovery of income of +£571k. There are minor other gross variances totalling +£14k.

b. Schools' Other Services: Gross +£619k, Income -£713k, Net -£94k

The gross pressure on this budget is mainly due to an increase in school cleaning and refuse contract costs (+£689k) which as a traded service has generated an additional £772k of income. All other variances are less than £100k in value.

c. School Improvement Services: Gross -£51k, Income +£240k, Net +£189k

The Workforce and Development budget was set an ambitious income target to become self funded during 2012-13 and whilst it is making significant strides to achieve this, the service is still struggling to achieve the necessary income to cover the costs of the team resulting in a +£189k under-recovery of income.

- d. Special School & Hospital Recoupment: Gross +£56k, Income -£712k, Net -£656k
This service is forecasting additional income from other local authorities for their pupils in our special schools of -£712k.
- e. Schools' Teachers Pension Costs: Gross +£336k, Income -£21k, Net +£315k
There is a forecast pressure of +£336k due to additional annual pension capitalisation costs.

1.1.3.4 Children's Services – Education & Personal:

- a. 14 – 19 Year Olds: Gross -£1,878k, Income -£51k, Net -£1,929k
A roll over of £2m from 2011-12 to 2012-13 was agreed for the Kent Youth Employment programme from the Big Society Fund which was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the gross budget (£1,930k) will not be spent in 2012-13. (Any underspend on this budget, which is a strategic priority of the Council, will need to be rolled forward to be spent on placements which straddle the financial year but it should be noted that the scheme will continue to run until 2015-16).
- b. Attendance & Behaviour: Gross +£935k, Income -£385k, Net +£550k
As part of the overall ELS savings target for 2012-13, a savings target was assigned to an Attendance and Behaviour contract which it has subsequently not been possible to generate, leading to a £550k pressure on this budget line. The remaining gross pressure of +£385k and the income variance of -£385k relate to additional spend for staffing and premises costs at Pupil Referral Units (PRU), offset by income from schools and academies for PRU places.
- c. Early Years & Childcare: Gross -£49k, Income -£140k, Net -£189k
Additional income of £140k has been generated on this budget line from courses fees from schools and academies, charges to academies and other organisations for training and support from Early Years staff and cancellation charges for non attendance at free courses.
- d. Education Psychology Service: Gross -£140k, Income -£547k, Net -£657k
During 2012-13 the Kent Educational Psychology Service has begun to offer a range of traded services – as part of EduKent – that schools and other customers can purchase whilst continuing to provide statutory services to schools which are not chargeable. The income variance of £547k reflects the current level of buy back for the traded services. The gross underspend is due to a number of variances all less than £100k including staff vacancies and delays on the Technology Refresh Programme.
- e. Individual Learner Support: Gross -£1,560k, Income +£1,347k, Net -£213k
The budget for Minority Communities Achievement Service (MCAS) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of budget delegated and whilst some income has been secured from other sources there is a gross underspend of -£1,347k and an under recovery of income of +£1,347k.

In addition there is a forecast gross underspend on this budget line of -£215k, due to early years training previously supported by the Early Years Inclusion and Equalities budget being provided elsewhere in the directorate, within existing resources.

- f. Statemented Pupils: Gross -£313k, Income +£313k, Net Nil

The forecast income from other local authorities for Statemented support of their children in our schools has reduced by £313k. There is a corresponding gross underspend of -£313k.

- g. Independent Special School Placements: Gross -£290k, Income +£290k, Net Nil
The number of placements for which the Council is lead partner and receives funding from other agencies has reduced by £290k. This has a corresponding impact on gross spend which is now showing an underspend of the same value.

1.1.3.5 **Transport Services:**

- a. Mainstream HTST
An underspend is expected on the Mainstream Home to School Transport budget based on numbers requiring transport in the new academic year, as reported in section 2.2 below. Transport Integration Unit are currently working to assess the financial impact of this and until this exercise is complete a balanced position is currently included within the overall forecast. Any saving resulting from this exercise will be reflected in the 2013-16 MTFP.

Specialist Children's Services portfolio:

- 1.1.3.6 Early Years Education
The latest forecast suggests an overspend of around £0.3m on payments to PVI providers for 3 and 4 year olds as overall the actual hours provided exceeds the budgeted number of hours for summer and autumn terms as per section 2.3. As this budget is funded entirely from DSG, any deficit will be carried forward to the next financial year in accordance with the regulations.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 39 schools converting to academies	+2,286	ELS	14-19 year olds (gross) - Kent Employment project	-1,930
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+689	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-800
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+571	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-772
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-712
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+385	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-571
ELS	Schools' Teachers Pensions costs - capitalisation costs	+336	ELS	Education Psychology Service (income) - income from traded service with schools and other	-547
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+313	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-385
ELS	Independent Special School Placements (income) - reduction in joint funded places income	+290	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-313
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs	+285	ELS	Independent Special School Placements (gross) - reduction in joint funded places spend	-290
ELS	School Improvement Service (income) - under recovery of expected income	+189	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
			ELS	Individual Learner Support (gross) - Early Years training	-215
			ELS	Early Years & Childcare (income) - income from course fees, training and support	-140
		+7,241			-8,244

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

The failure to achieve savings against the Attendance and Behaviour contract in 2012-13 has an implication for the 2013-16 MTFP of £583k and therefore alternative savings will need to be identified.

The pressure on the legal services budget of £285k will also need to be addressed as the number of schools converting to academy status continues to increase.

The current numbers of pupils travelling suggest that Mainstream Home to School Transport savings will be achieved in excess of those attributed to changes in denominational and selective transport. The Transport Integration Unit is currently working to assess the financial impact of this and the outcome of this exercise will be included in the 2013-16 MTFP.

It should be noted that the underspend on special school recoupment is for 2012-13 only as the Department for Education is changing the way that recoupment is dealt with and the income will no longer be collected by the local authority.

1.1.6 Details of re-phasing of revenue projects:

The Kent Youth Employment Programme funded from the Big Society Fund involves the payment of grants to employers for placements for unemployed young people but as the payments are only made following completion of 6 months and 12 months in placements it is forecast that £1,930k will need to be re-phased into 2013-14 (and beyond).

1.1.7 Details of proposals for residual variance: *[eg roll forward proposals; mgmt action outstanding]*

None

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Education Learning & Skills Directorate has an approved budget for 2012-15 of £274.096m excluding schools (see table 1 below). The forecast outturn against this budget is £275.700m, giving a variance of +£1.604m. After adjustments for funded variances and reductions in funding, the revised variance comes to nil (see table 3).

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	274.096
Approvals made since last reported to Cabinet	
Revised approved budget	274.096

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
Academies	ELS	1.564	Academy Grant
No cash limit changes to be made			
Archbishop Courtenay - Primary Improvement Programme	ELS	0.040	Highways Revenue Contribution
Primary Improvement Programme - Other Projects	ELS	0.024	Minor changes across the programme
Basic Need Programme	ELS	-0.073	Minor changes across the programme
Modernisation Programme	ELS	0.049	Minor changes across the programme
Total		1.604	

1.2.6 Table 3 – Summary of Variance

	£m
Unfunded variance	
Funded variance (from table 2)	1.564
Variance to be funded from revenue (from table 2)	0.040
Rephasing (beyond 2012-15)	
Total variance	1.604

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Table 4 Scheme Name	Total Cost £m	Previous Spend £m	2012-15 approved budget £m	Later Years approved budget £m	2012-15 Forecast Spend £m	Later Years Forecast Spend £m	2012-15 Variance £m	Total Project Variance	Status
Annual Planned Enhancement Programme	26.496	0.000	26.496	0.000	26.496	0.000	0.000	0.000	Green
Non Delegated Devolved Capital (PRU's)	0.653	0.000	0.653	0.000	0.653	0.000	0.000	0.000	Green
Ryarsh Primary School	0.169	0.000	0.169	0.000	0.169	0.000	0.000	0.000	Green
Archbishop Courteney (Site Purchase)	5.001	4.854	0.147	0.000	0.147	0.000	0.000	0.000	Green
Modernisation Programme 2008/09/10	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	Green
Specialist Schools Programme 2009/10	0.350	0.013	0.337	0.000	0.337	0.000	0.000	0.000	Green
Other Residual Projects	-0.001	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	Green
Special Schools Review - Phase 1	47.556	46.836	0.720	0.000	0.688	0.000	-0.032	-0.032	Green
Special Schools Review - Phase 2	3.000	1.677	1.323	0.000	1.355	0.000	0.032	0.032	Green
Vocational Education Programme	1.542	1.393	0.149	0.000	0.149	0.000	0.000	0.000	Green
Primary Improvement Programme	31.606	30.020	1.586	0.000	1.650	0.000	0.064	0.064	Green
Unit Review	3.500	0.816	2.684	0.000	2.684	0.000	0.000	0.000	Green
Dev Opps - Whitstable Community College	0.681	0.673	0.008	0.000	0.008	0.000	0.000	0.000	Green
Dev Opps - Swadlands	0.400	0.385	0.015	0.000	0.015	0.000	0.000	0.000	Green
Self Funded Projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Building Schools for the Future - Wave 3	138.438	133.154	5.284	0.000	5.284	0.000	0.000	0.000	Green
BSF Unit Costs	0.693	0.000	0.693	0.000	0.693	0.000	0.000	0.000	Green
Practical Cooking Spaces	3.695	3.693	0.002	0.000	0.002	0.000	0.000	0.000	Green
Academy Unit Costs	4.680	2.862	1.818	0.000	1.818	0.000	0.000	0.000	Green
Academy - New Line Learning	28.599	28.309	0.290	0.000	0.397	0.000	0.107	0.107	Green
Academy - Cornwallis Academy	35.328	33.460	1.868	0.000	1.934	0.000	0.066	0.066	Green
Academy - Longfield Academy	24.597	24.578	0.019	0.000	0.378	0.000	0.359	0.359	Green
Academy - Spires	13.694	10.440	3.254	0.000	3.254	0.000	0.000	0.000	Green
Academy - Sheppey	49.578	25.683	23.895	0.000	24.895	0.000	1.000	1.000	Green
Academy - Marsh	16.627	13.905	2.722	0.000	2.722	0.000	0.000	0.000	Green
Academy - Skinners	20.399	5.963	14.436	0.000	14.436	0.000	0.000	0.000	Green
Goat Lees Primary School	2.685	0.246	2.439	0.000	2.439	0.000	0.000	0.000	Green
Repton Park (Templar Barracks)	6.100	1.789	4.311	0.000	4.311	0.000	0.000	0.000	Green

Annex 1

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
Dunton Green Primary School	0.800	0.000	0.800	0.000	0.800	0.000	0.000	0.000	Green
Lansdowne Primary School	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	Green
Cheesemans Green PS	4.300	0.000	0.000	4.300	0.000	4.300	0.000	0.000	Green
Rushenden Primary School	3.000	0.000	0.000	3.000	0.000	3.000	0.000	0.000	Green
Leybourne Primary School	2.000	0.000	0.000	2.000	0.000	2.000	0.000	0.000	Green
John Wesley, Ashford	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	Green
Aylesham Primary School	1.000	0.000	0.000	1.000	0.000	1.000	0.000	0.000	Green
Ebbsfleet	5.100	0.000	0.000	5.100	0.000	5.100	0.000	0.000	Green
BN Other	31.987	0.000	31.987	0.000	31.914	0.000	-0.073	-0.073	Green
Modernisation Programme 2008/09/10	3.000	0.389	2.611	0.000	2.611	0.000	0.000	0.000	Green
Modernisation Programme 2011/12	6.512	3.590	2.922	0.000	2.971	0.000	0.049	0.049	Green
Modernisation Programme Future Years	19.873	0.076	19.797	0.000	19.797	0.000	0.000	0.000	Green
Dev Opps - St Johns PS/Kingsmead	2.017	0.030	1.987	0.000	1.987	0.000	0.000	0.000	Green
Dev Opps - Platt CEPS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Academy - John Wallis	7.615	0.032	7.583	0.000	7.615	0.000	0.032	0.032	Green
Academy -- Wilmington Enterprise	13.056	0.200	12.856	0.000	12.856	0.000	0.000	0.000	Green
Academy - The Knole	16.947	0.000	16.947	0.000	16.946	0.000	-0.001	-0.001	Green
Academy - Dover Christchurch	10.252	0.134	10.118	0.000	10.119	0.000	0.001	0.001	Green
Academy - Astor of Hever	11.545	0.000	11.545	0.000	11.545	0.000	0.000	0.000	Green
Academy - Duke of York	24.240	0.000	24.240	0.000	24.240	0.000	0.000	0.000	Green
Special Schools Review - Phase 2	30.000	0.065	29.935	0.000	29.935	0.000	0.000	0.000	Green
Folkestone Academy Playing Fields	2.256	2.256	0.000	0.000	0.000	0.000	0.000	0.000	Green
£5m DSG Revenue Grant - Schools Mtce	5.000	0.050	4.950	0.000	4.950	0.000	0.000	0.000	Green
Dev Opps - Headcorn Primary School	1.184	0.000	0.000	1.184	0.000	1.184	0.000	0.000	Green
Dev Opps - Bromstone Primary	3.088	0.000	0.000	3.088	0.000	3.088	0.000	0.000	Green
Dev Opps - Highworth Grammar	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Istead Rise	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Paddock Wood	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Sevenoaks Primary	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Whitehill Primary	0.950	0.000	0.000	0.950	0.000	0.950	0.000	0.000	Green
Total Education, Learning and Skills	677.288	377.570	274.096	25.622	275.700	25.622	1.604	1.604	

- 1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 Assignment of Green/Amber/Red Status

- 1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.
- 1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

- 1.2.12 No projects currently have been assigned the red or amber status.

Key issues and Risks

- 1.2.13 There are a number of large programmes of work within the approval to plan section of the monitoring where we continue to forecast at cash limit until individual projects have been submitted for approval to spend & have individual cash limits. These major programmes of work are Basic Need for Future years (£26.608m), Special Schools Review Phase 2 (£29.805m) & Modernisation Programme for Future Years (£19.698m).
- 1.2.14 There is significant rephasing within the 2012-15 budget (2012/13 -£25.612m, 2013/14 +£22.365m & 2014/15 +£3.247m). Most of the re phasing relates to the BSF & Academy Schools programmes. In particular the Batch 2 Academies where estimated expenditure has either been re-profiled in accordance with the contracted payment schedule or in line with revised dates for contract signature. The Batch 1 Academies are now all substantially complete and the new build at the Isle of Sheppey Academy, which has suffered some delay, is also nearing completion. The exit from the BSF ICT contract is scheduled to take place within the next few days which will crystallise the outstanding BSF ICT payments.
- 1.2.15 DSG Maintenance Programme – the rephasing of £1.881m from 2012/13 to 2013/14 is due to the nature of some works & the schools ability to fund their contribution. The £5m budget has yet to be fully allocated. The Schools Capital Group agreed to extend the completion date to 31st March 2014 to allow the unallocated balance, to continue to be available throughout 2013/14. This will allow the opportunity to take advantage of school holidays for works to be undertaken minimising the disruption & give schools an additional years funding towards their contributions.
- 1.2.16 Non Delegated Devolved Capital (Pupil Referral Units) – there is rephasing of £0.273m from 2012/13 to 2013/14. The commissioning of improvement works has been put on hold until the PRU review has completed.
- 1.2.17 Schools Access Initiative – the rephasing of £0.256m from 2012/13 to 2013/14 is due to the nature of the programme. This is a reactive programme which must respond to the needs of children with specific needs. It is dependent upon specific ad-hoc school demands. The work is often programmed to be carried out during school holiday periods to avoid disruption to the operations of the schools.
- 1.2.18 Modular Classrooms – there is rephasing of £0.751m from 2012/13 to 2013/14. Previous assumptions had been made based on the average spend per classroom as well as assuming that in all instances additional classrooms would be needed. In some instances we have been able to adapt existing accommodation rather than provide new classrooms and one project (Ethelbert Road) did not proceed as a result of further negotiations with the school and agreement that any additional accommodation would not be needed until a later date, this scheme will now be part of the 2013-15 BN programme.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of schools with deficit budgets compared with the total number of schools:

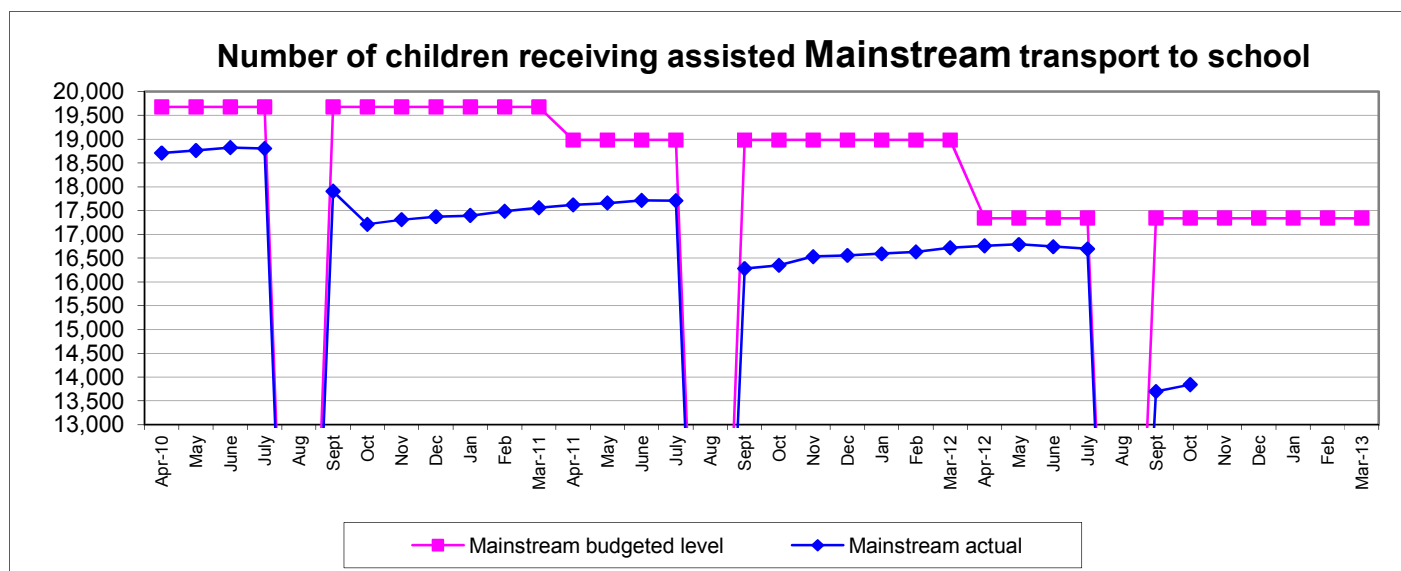
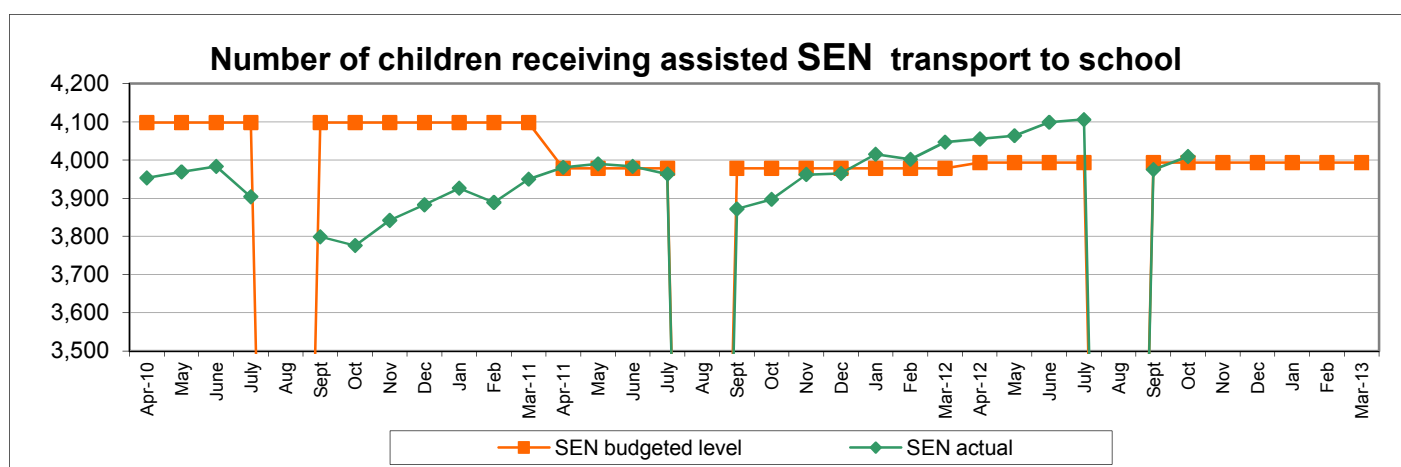
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	as at 31-3-07	as at 31-3-08	as at 31-3-09	as at 31-3-10	as at 31-3-11	as at 31-3-12	projection
Total number of schools	596	575	570	564	538	497	458
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£56,802k
Number of deficit schools	15	15	13	23	17	7	11
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£330k

Comments:

- The information on deficit schools for 2012-13 has been obtained from the schools budget submissions. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end.
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. School’s Financial Services are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- The number of schools is based on the assumption that 39 schools (including 7 secondary schools and 32 primary schools) will convert to academies before the 31st March 2013 in line with the government’s decision to fast track outstanding schools to academy status.
- The estimated drawdown from schools reserves of £2,286k represents the estimated reduction in reserves resulting from 39 schools converting to academy status, however the value of school reserves and deficits are very difficult to predict at this stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from schools.

2.2 Numbers of children receiving assisted SEN and Mainstream transport to school:

	2010-11				2011-12				2012-13			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
April	4,098	3,953	19,679	18,711	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757
May	4,098	3,969	19,679	18,763	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788
June	4,098	3,983	19,679	18,821	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741
July	4,098	3,904	19,679	18,804	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sept	4,098	3,799	19,679	17,906	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698
Oct	4,098	3,776	19,679	17,211	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844
Nov	4,098	3,842	19,679	17,309	3,978	3,962	18,982	16,533	3,993		17,342	
Dec	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993		17,342	
Jan	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993		17,342	
Feb	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993		17,342	
Mar	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993		17,342	



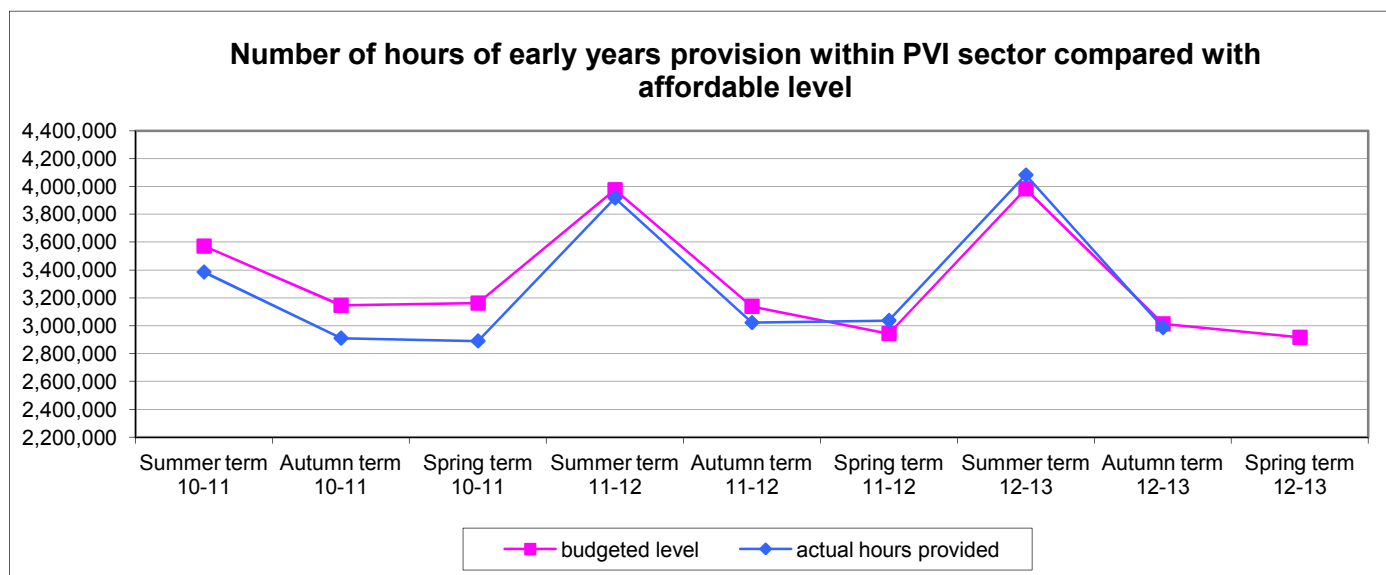
Comments:

- **SEN HTST** – Although the number of children travelling is higher than the budgeted level, there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel, and therefore no variance is being declared on this budget at this stage.
- **Mainstream HTST** - An underspend is expected on the Mainstream Home to School Transport budget based on the current numbers requiring transport in the new academic year and Transport

Integration Unit are currently working to assess the financial impact of this. Any saving resulting from this exercise will be reflected in the 2013-16 MTFP.

2.3 Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:

	2010-11		2011-12		2012-13	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605	4,082,870
Autumn term	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602	2,986,620
Spring term	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	
	9,881,796	9,186,557	10,058,366	9,977,499	9,912,767	7,069,490



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity shows 74,283 hours above the affordable level for the summer and autumn terms, which suggests an overspend of £0.301m on this budget which has been mentioned in section 1.1.3.6 of this annex. As this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget, therefore this overspend will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change