

EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY
SEPTEMBER 2013-14 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (excl Schools) (£k)	+55,543	-1,955	-	-1,955
Schools (£k)	-	+1,881	-	+1,881
Directorate Total (£k)	+55,543	-74	-	-74

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Education, Learning & Skills portfolio						
Delegated Budget:						
Schools Delegated Budgets	720,559.5	-720,559.5	0.0	+1,881	+1,881	Drawdown from school reserves for 24 expected academy converters and 2 school closures
TOTAL DELEGATED	720,559.5	-720,559.5	0.0	+1,881		
Non Delegated Budget:						
Strategic Management & Directorate Support budgets	8,721.5	-9,171.9	-450.4	+378	+524	New Kent Integrated Adolescent Support Service managed by ELS but covering services across directorates
					-230	<i>DSG variances over a number of headings, all less than £100k in value</i>
					+84	Other minor variances
Children's Services - Education & Personal						
- 14 - 19 year olds	4,778.0	-1,335.8	3,442.2	-1,451	-1,376	Kent Youth Employment programme placements - this underspend will need to be rolled forward to be spent on placements which straddle the financial year, with the scheme continuing until 2015-16.
					-75	Other minor variances

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Attendance & Behaviour	3,833.9	-2,671.4	1,162.5	-265	-205 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£146k)</i> -60 Other minor variances	
- Connexions	5,696.6	0.0	5,696.6	0		
- Early Years & Childcare	7,376.4	-5,991.6	1,384.8	-85		
- Early Years Education	50,900.0	-50,900.0	0.0	+1,183	+1,183 <i>DSG variance - additional week of provision for 3 & 4 year olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement.</i> +1,092 <i>DSG variance - greater than budgeted number of hours being provided for 3 & 4 year olds due to increased parental demand</i> -1,092 <i>DSG variance - reduced demand for 2 year old placements</i>	Additional DSG income is expected next year as it will be based on a more up to date count of children in early years settings and this increase will be reflected in the 2014-17 MTFP.
- Education Psychology Service	3,004.4	-400.0	2,604.4	-366	-191 Traded income from schools for non statutory psychology services -143 Staff vacancies -32 Other minor variances	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
- Individual Learner Support	8,642.4	-7,579.0	1,063.4	-334	-80 Minority Community Achievement Service (MCAS) income from schools in excess of costs -118 Portage staff vacancies and non staff savings offset by the write off of old debts <i>(includes a DSG variance of -£82k)</i> -65 Head of Inclusion and Support budget part year vacancies and general non staffing underspends <i>(includes a DSG variance of -£44k)</i> -71 Other minor variances	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Statemented Pupils	5,491.1	-5,491.1	0.0	-835	-651	<i>DSG variance - budget allocated for statemented support is not required for 2013-14 and will in part cover the reported pressure on independent and non maintained special school placements (reported below)</i>	
					-184	<i>DSG variance - changes to provision of some statemented support services and to numbers of pupils receiving support</i>	
	89,722.8	-74,368.9	15,353.9	-2,153			
School Budgets:							
- Independent Special School Placements	14,924.0	-14,924.0	0.0	+3,332	+3,332	<i>DSG variance - Increased number of pupils in independent and non maintained special school placements</i>	This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process
- PFI Schools Schemes	23,810.0	-23,810.0	0.0	0			
- Pupil Referral Units	16,142.4	-16,142.4	0.0	0			
	54,876.4	-54,876.4	0.0	+3,332			
Schools Services:							
- Non Delegated Staff Costs	2,644.0	-2,541.0	103.0	-54			
- Other Schools Services	7,595.1	-7,189.8	405.3	-107	-55	<i>DSG variance - Reduction in spend on the moving of mobile classrooms for schools</i>	
					-52	Other minor variances	
- Redundancy Costs	1,188.7	-1,188.7	0.0	+865	+865	<i>DSG variance - Expected increase in school based staff redundancy costs</i>	
- School Improvement	11,034.8	-8,719.0	2,315.8	+157	+266	Higher costs for the provision of training and development courses in excess of additional income generated	Income targets for School Improvement will need to be reviewed as part of the MTFP process
					-126	Increase in income generated by the Improving Together Network scheme	
					+17	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Teachers & Education Staff Pension Costs	7,954.0	-2,684.0	5,270.0	+248	+248	Increase in annual capitalization payments	
	30,416.6	-22,322.5	8,094.1	+1,109			
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,174.2	-1,720.0	1,454.2	-500	+230	SEN pupils receiving Home to College transport	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
					-730	Income from the 16+ card in excess of costs	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
- Mainstream HTST	11,517.3	-20.0	11,497.3	-1,567	-1,567	Lower than budgeted numbers of pupils travelling and the full year impact of transport policy changes, (this forecast remains an estimate until all pupil transport for the new academic year is finalised)	This saving is expected to be ongoing & will be reflected in the 2014-17 MTFP
- SEN HTST	17,207.5	0.0	17,207.5	+1,322	+1,322	Higher than budgeted numbers of pupils travelling with overall costs also influenced by other factors (see section 2.2)	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
	31,899.0	-1,740.0	30,159.0	-745			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	7,319.1	-4,932.4	2,386.7	-63			
TOTAL NON DELEGATED	222,955.4	-167,412.1	55,543.3	+1,858			
- <i>Transfer to(+)/from(-) DSG reserve</i>				<i>-3,813</i>	<i>-3,813</i>	<i>drawdown from DSG reserve to offset +£3,988k of DSG variances explained above, together with other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	222,955.4	-167,412.1	55,543.3	-1,955			
Total ELS portfolio	943,514.9	-887,971.6	55,543.3	-74			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2010-11	2011-12	2012-13	2013-14
	as at 31-3-11	as at 31-3-12	as at 31-3-13	projection
Total number of schools	538	497	463	438
Total value of school reserves	£55,190k	£59,088k	£48,124k	£46,243k
Number of deficit schools	17	7	8	3
Total value of deficits	£2,002k	£833k	£364k	£2,126k

Comments:

- The information on deficit schools for 2013-14 has been obtained from the schools 3 year plans completed in spring/early summer 2013 and show 3 schools predicting a deficit at the end of year 1. 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 but these only include information relating to the current year. School's Financial Services will be working with these 3 schools to reduce the risk of a deficit in 2013-14 and 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.
- It should be noted that, based upon the three year planning returns submitted by schools in May/June, the number of schools in deficit is forecast to rise to eight in 2014-15 (with a value of £6.3m) and up to 24 in 2015-16 (with a value of £12.6m). However, all of this is before any management action. In line with existing policies, Finance staff, together with colleagues in ELS are now working to draw up recovery plans with each of these schools in order to avoid the deficit position from arising. The position currently forecast by these schools is largely a reflection of the impact of four years of flat cash settlements for schools, and for some, the impact of falling rolls.
- 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.
- The total number of schools is based on the assumption that 24 schools (including 4 secondary schools and 20 primary schools) will convert to academies before the 31st March 2014. In addition, 2 schools are closing and 1 new school is opening.
- The estimated drawdown from schools reserves of £1,881k assumes 24 schools convert to academy status and 2 schools close. The schools 6 month monitoring has recently been received and is currently being checked and verified. An update will be provided in future monitoring reports.

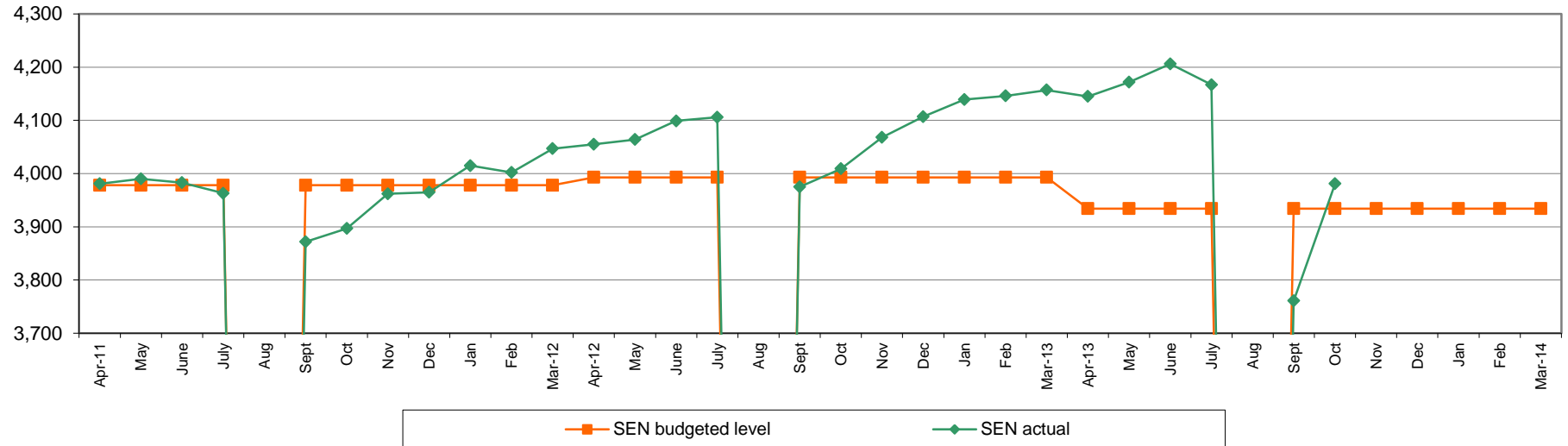
2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2011-12				2012-13				2013-14			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119
May	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119
Jun	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106
Jul	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300
Oct	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258
Nov	3,978	3,962	18,982	16,553	3,993	4,068	17,342	13,925	3,934	0	14,667	0
Dec	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960	3,934	0	14,667	0
Jan	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985	3,934	0	14,667	0
Feb	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	0	14,667	0
Mar	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	0	14,667	0

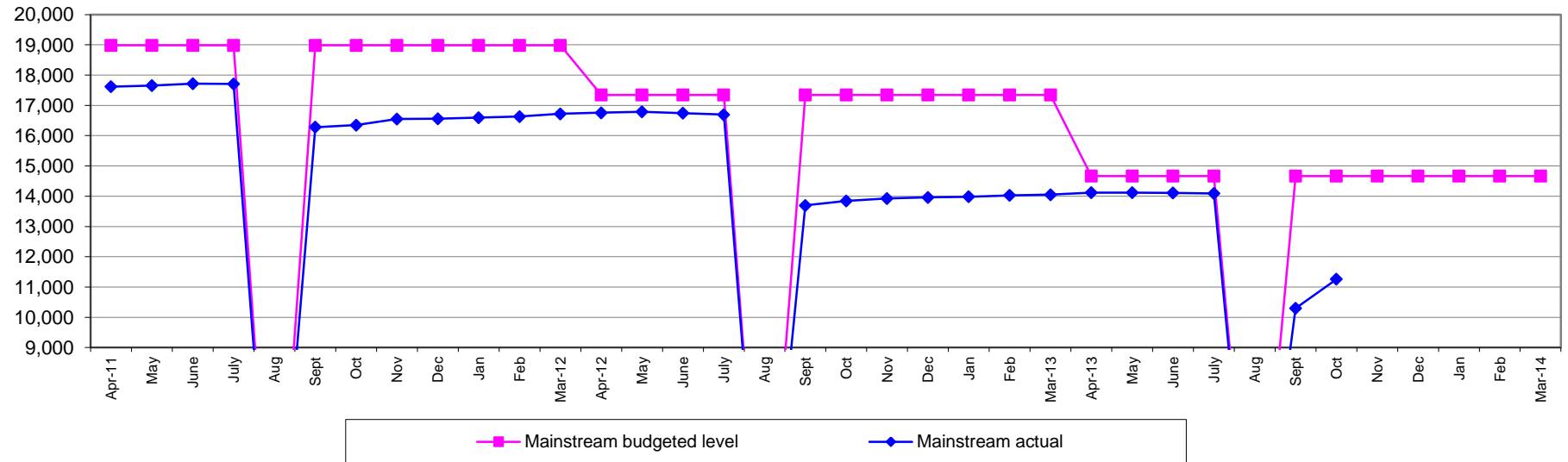
Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£1,322k is therefore reported in table 1.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore an underspend of £1,567k is reported in table 1, but until all pupil transport for the 2013-14 academic year is finalised, this position could change.

Number of children receiving assisted SEN transport to school



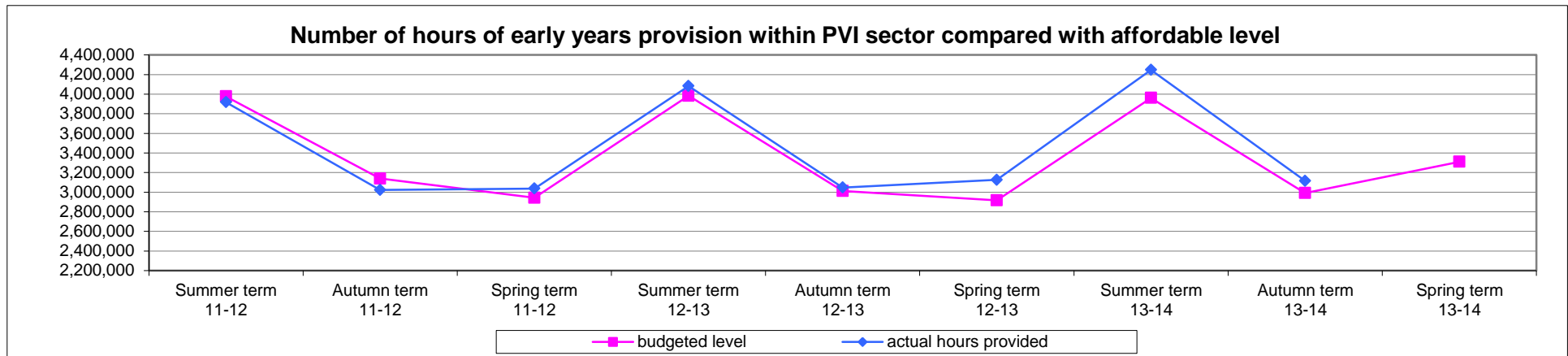
Number of children receiving assisted Mainstream transport to school



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:

	2011-12		2012-13		2013-14	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,976,344	3,917,710	3,982,605	4,082,870	3,961,155	4,247,356
Autumn term	3,138,583	3,022,381	3,012,602	3,048,035	2,990,107	3,115,817
Spring term	2,943,439	3,037,408	2,917,560	3,125,343	3,310,417	
TOTAL	10,058,366	9,977,499	9,912,767	10,256,248	10,261,679	7,363,173

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



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 suggests a pressure of £2.275m, which is due to an additional week of provision for 3 and 4 years olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement and additional hours as a result of increased parental demand. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore this pressure will be transferred to the schools unallocated DSG reserve at year end, as reflected in table 1 of this annex.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education, Learning & Skills Directorate has a working budget (excluding schools) for 2013-14 of £149,868k. The forecast outturn against the 2013-14 budget is £135,527k giving a variance of - £14,341k.

3.2 **Table 2** below details the ELS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	24,255	12,718	0	0			Green		
Devolved Formula Capital Grants for Pupil Referral Units	537	442	0	0			Green		
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Future Basic Need Schemes	43,506	36,801	-4,486	-4,486	Rephasing	Re-profiling of the basic need budget for the provision of additional places. No delays to completion dates.	Green		
Dunton Green	800	800	0	0			Green		
Goat Lees Primary School, Ashford	2,194	2,951	0	0			Green		
Repton Park Primary School, Ashford	19	210	0	0			Green		
Ryarsh Primary School, Ryarsh	169	169	0	0			Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Wrotham	8	4	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Modernisation Programme - Future Years	5,992	2,087	-1,875	-1,875	Real - DfE grant	Halfway House to be funded from Priority Schools Building Programme.	Green		
St Johns / Kingsmead Primary School, Canterbury	1,544	2,405	0	0			Green		
Special Schools Review - major projects supporting the special schools review									
Special Schools Review phase 1	24	663	0	0			Green		
Special Schools Review phase 2	40,330	9,362	-5,581	-5,581	Rephasing	Re-profiling of the SSR budget to reflect latest forecasts	Green		
The Wyvern School, Ashford (Buxford Site)	1	1	0	0			Green		
Primary Improvement Programme	85	237	0	0			Green		
Academy Projects:									
Academies Unit Costs	778	1,183	0	0			Green		
Maidstone New Build, New Line Learning	0	31	0	0			Green		
Longfield New Build	0	358	0	0			Green		
Maidstone New Build, Cornwallis	0	67	0	0			Green		
Spires New Build	0	2	0	0			Green		
Marsh Academy, New Romney	888	887	0	0			Green		
The John Wallis C of E Academy	7,615	7,387	0	0			Green		
The Knowle Academy Sevenoaks	13,557	14,735	0	0			Green		
Dover Christ Church	10,119	7,791	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Astor of Hever	9,236	11,199	0	0			Green		
Duke of York	21,816	16,968	0	0			Green		
Wilmington Enterprise College	7,387	7,289	0	0			Green		
Isle of Sheppey Academy	6,108	3,610	0	0			Green		
Skidders Kent Academy, Tunbridge Wells	489	1,611	0	0			Green		
Building Schools for the Future Projects:									
BSF Wave 3 Build Costs	2,104	905	0	0			Green		
BSF Unit Costs (including SecTT)	0	669	0	0			Green		
Other Projects:									
Nursery Provision for Two Year Olds	2,468	2,468	-2,000	-2,000	Rephasing	Delays due to larger projects requiring planning permission and work being carried out in holiday periods.	Green		
Schools Self Funded projects - Quarryfield / Aldington Eco Centre	0	32	0	0			Green		
Specialist Schools	0	325	0	0			Green		
Platt CEPS	0	91	10	10	Rephasing		Green		
One-off Schools Revenue to Capital	1,881	1,999	0	0			Green		
Unit Review	1,108	1,263	-830	-825 -5	Real - Prudential Rephasing	Good design and cost management has reduced overall project costs.	Green		
Vocational Education Centre Programme	0	148	0	0			Green		

ANNEX 1

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Sevenoaks Grammar Schools annexe	5,000	0	421	421	Rephasing		Green		
Total	210,018	149,868	-14,341	-14,341					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget