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To: Children, Families and Education Policy Overview Committee –
27 March 2009

Subject: Children, Families and Education Budget Monitoring 2008/09

Classification: Unrestricted

FOR INFORMATION

1 Introduction

- 1.1 This report is the third report to this Committee on the forecast outturn against budget for the Children Families and Education (CFE) Directorate for 2008/09.

2 Quarterly Monitoring Report

- 2.1 Attached is the monitoring report for the third quarter for 2008/09. The main points to highlight are:

a) Revenue

- The Directorate is projecting a balanced budget of which pages 5-8 of Annex 1 detail the main under and overspends. This forecast excludes Asylum and the expected draw down of schools reserves and assumes that the planned action will ensure that the forecast overspend can be offset.
- £5.2m projected overspend in relation to support for unaccompanied asylum seeking children in respect of 2008-09. The amounts owed by the Home Office in respect of 2006-07 and 2007-08 have now been received. In addition, the DCSF have paid the full £2.6m of our special circumstances claim from the 2007-08 financial year, with a small retention subject to a satisfactory audit.

b) Capital

- A £2.590m overspend is forecast over the current MTP period, which is covered by additional funding from a mixture of developer contributions, grant & revenue funding. Further details of this overspend are contained in Annex 1, section 1.2.5.

- For projects that are wholly or partly funded from capital receipts, the realisation of such receipts continues to be the major risk area for the Directorate.

3 Schools

- 3.1 The detailed nine month monitoring returns from schools have been received by the LA. The returns indicate a large drawdown of reserves however past experience indicates that this figure is normally overstated. We are therefore predicting a drawdown of reserves in the region of £8m. However it is very difficult to predict this with accuracy, particularly this year when factoring in the recovery of £1.5m from 15 schools earlier this year and the review and subsequent tightening of the 'balance control mechanism' which schools are being encouraged to work towards before they formally apply at the end of 2009/10 financial year.

4. Recommendations

- 4.1 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 quarter.

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Background Documents: Report to Cabinet 17 March 2009
Other useful information: None