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**TO:** Education Cabinet Committee – 19 March 2013

**SUBJECT:** Education, Learning & Skills Directorate Financial Monitoring  
2012/13

**Classification:** Unrestricted

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**Summary:**

Members of the Cabinet Committee are asked to note the third quarter's full budget monitoring report for 2012/13 reported to Cabinet on 18 March 2013.

**FOR INFORMATION**

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**1. Introduction:**

1.1 This is a regular report to this Committee on the forecast outturn for the 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 third quarter's monitoring report for 2012/13 is attached.

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

3.1 There are no exceptional revenue changes since the writing of the attached quarter 3 report.

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

4.1 There are no capital movements from the attached quarter 3 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 third quarter's full monitoring to Cabinet.

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## EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY DECEMBER 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 2 monitoring report to reflect the transfer of responsibility for Early Years Education from the SCS portfolio to the ELS portfolio, centralisation of the ICT budgets to BSS directorate (see annex 6), and the transfer of the Service Level Agreements for Home to School Transport to the new Transport Operations A-Z budget within the EH&W portfolio (see annex 4), following the transfer of the Transport Integration Unit to E&E directorate from Commercial Services. 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 reduction in DSG as a result of schools converting to Academies up to the end of December.

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	
<b>Education, Learning &amp; Skills portfolio</b>							
<b>Delegated Budget:</b>							
Schools Delegated Budgets	744,614	-744,614	0	5,655		5,655	Drawdown for expected academy converters; drawdown in KCC school reserves
<b>TOTAL DELEGATED</b>	<b>744,614</b>	<b>-744,614</b>	<b>0</b>	<b>5,655</b>	<b>0</b>	<b>5,655</b>	
<b>Non Delegated Budget:</b>							
ELS Strategic Management & directorate support budgets	10,616	-7,647	2,969	-1,107	15	-1,092	Restructure contingency not required; legal costs pressure; participation by rights underspend
<b>Services for Schools:</b>							
- PFI Schools Schemes	23,810	-23,810	0	0	0	0	
- Schools' Meals	566	-566	0	41	-41	0	
- Schools' Non Delegated Staff Costs	2,808	-2,705	103	-592	602	10	Reduced traded service with schools for excepted items
- Schools' Other Services	7,113	-6,646	467	694	-693	1	Increased cleaning and refuse contracts (gross and income)
- Schools' Redundancy Costs	1,273	-1,232	41	0	0	0	
- School Improvement Services	18,325	-13,661	4,664	-449	413	-36	Reduced traded training service with schools
- Special School & Hospital Recoupment	1,660	-2,460	-800	22	-762	-740	Additional recoupment from OLA pupils in Kent schools

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	370	-12	358	Increased capitalisation costs
	63,384	-53,764	9,620	86	-493	-407	
<u>Children's Services</u>							
- Education & Personal							
- 14 - 19 year olds	5,257	-1,650	3,607	-1,938	-297	-2,235	Kent Employment project costs to span more than one year; underspend against grant
- Attendance & Behaviour	19,708	-18,907	801	1,037	-490	547	Unachievable contract saving; additional spend and income for PRU places
- Connexions	6,784	0	6,784	0	0	0	
- Early Years & Childcare	8,874	-5,335	3,539	80	-233	-153	Income from schools and academies
- Early Years Education	42,656	-40,500	2,156	0	0	0	
- Education Psychology Service	2,902	-13	2,889	-160	-543	-703	Vacancies & reduced TRP costs; additional income for traded service
- Free School Meals	1,288	-1,288	0	0	0	0	
- Individual Learner Support	10,292	-9,115	1,177	-1,844	1,472	-372	Early Years training provided elsewhere within existing resources; Reduced traded service with schools for MCAS; Reduced expenditure and income for portage service
- Statemented Pupils	7,618	-7,618	0	-685	685	0	Reduced costs and income from other local authority placements
- Independent Special School Placements	12,324	-12,324	0	-74	74	0	
	117,703	-96,750	20,953	-3,584	668	-2,916	
<u>Transport Services</u>							
- Home to College Transport	1,947	-367	1,580	709	-942	-233	New 16+ card transport scheme
- Mainstream HTST	13,202	-584	12,618	-1,025	364	-661	Fewer than budgeted numbers travelling
- SEN HTST	17,052	0	17,052	1,197	-7	1,190	Higher than budgeted number travelling
	32,201	-951	31,250	881	-585	296	
<u>Assessment Services</u>							
- Assessment of Children's Educational Needs	1,727	-581	1,146	51		51	
<b>TOTAL NON DELEGATED</b>	<b>225,631</b>	<b>-159,693</b>	<b>65,938</b>	<b>-3,673</b>	<b>-395</b>	<b>-4,068</b>	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Total ELS portfolio controllable</b>	<b>970,245</b>	<b>-904,307</b>	<b>65,938</b>	<b>1,982</b>	<b>-395</b>	<b>1,587</b>	
<b>Assumed Mgmt Action</b>							
- ELS portfolio						0	
<b>Total ELS after mgmt action</b>	<b>970,245</b>	<b>-904,307</b>	<b>65,938</b>	<b>1,982</b>	<b>-395</b>	<b>1,587</b>	

### 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 +£5,655k

The forecast £5.655m drawdown of school reserves shown in table 1 represents the estimated reduction in reserves of £1.955m resulting from 35 schools converting to academies, including 30 schools which converted to academies by the end of January, and a further 5 expected to convert before the end of March 2013, together with the nine monthly monitoring received from schools, which suggests that the drawdown from reserves for the remaining Kent schools is +£3,700k.

##### **Non Delegated Budgets**

#### 1.1.3.2 ELS Strategic Management & Directorate Support Budgets; Gross -£1,107k, Income +£15k, Net -£1,092k

The ELS Strategic Management & Directorate Support budget is reporting a gross underspend of -£1,107k. However within this there is a pressure of £435k due to both the legal costs incurred when schools convert to academies and general legal fees attributable to the directorate. 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 previously there is an underspend of £222k on the Participation by Rights budget within the Inclusion Unit. The 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 throughout the year. In addition there is a reported underspend on the contingency budget of £1,000k. Savings attributed to the ELS restructure were phased over three years in the MTFP (2011-12 to 2013-14) but as the new structure 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 offset 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 -£320k, all of which are less than £100k in value, including -£170k 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 -£592k, Income +£602k, Net +£10k

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 -£590k and under recovery of income +£590k. There are other minor gross and income variances.

- b. Schools' Other Services: Gross +£694k, Income -£693k, Net +£1k  
The gross pressure on this budget is mainly due to an increase in school cleaning and refuse contract costs +£696k which, as a traded service, has generated an additional £740k of income. All other variances are less than £100k in value.
- c. School Improvement Services: Gross -£449k, Income +£413k, Net -£36k  
Although there is a forecast gross underspend on this line, there is a gross pressure of +£252k due to additional staff being retained to work with secondary schools on improving standards. There is a gross underspend on the Employment based initial teacher training scheme of -£209k, together with an income variance of +£209k as this scheme is grant funded and any unspent grant will be rolled forward as a receipt in advance into 2013-14 and spent in line with the academic year. The training and development and school leadership teams were given ambitious income targets this year and whilst they are forecasting an under recovery of income of +£437k, they have also reduced the costs associated with this by -£331k. The Improving Together Network which receives income from schools for this service is forecasting additional income of -£124k. There are other gross and income variances, all under £100k in value, totalling -£161k and -£109k respectively.
- d. Special School & Hospital Recoupment: Gross +£22k, Income -£762k, Net -£740k  
This service is forecasting additional income from other local authorities for their pupils in our special schools of -£762k.
- e. Schools' Teachers Pension Costs: Gross +£370k, Income -£12k, Net +£358k  
There is a forecast pressure of £370k due to additional annual pension capitalisation costs.

#### 1.1.3.4 Children's Services – Education & Personal:

- a. 14 – 19 Year Olds: Gross -£1,938k, Income -£297k, Net -£2,235k  
A rollover 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 business 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 budget (£1,890k) 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).  
  
The Skills and Employability Unit has received grant funding for the final term of the 2011-12 academic year. This grant has not been utilised leading to a gross underspend of -£104k. In addition £240k of income for the same grant was received during 2011-12 and brought forward into 2012-13 as a receipt in advance as it could be used over the academic year. This also remains unspent and accounts for -£240k of the income variance. There is no requirement to repay any unspent grant.
- b. Attendance & Behaviour: Gross +£1,037k, Income -£490k, Net +£547k  
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. There is a gross pressure of £421k and income variance of -£421k relating 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 +£80k, Income -£233k, Net -£153k  
Additional income of £233k has been generated on this budget line from course 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. Early Years Education

The latest forecast suggests an overspend of around £1.3m on payments to PVI providers for 3 and 4 year olds as overall the actual hours exceeds the budgeted number of hours for the summer, autumn and spring 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.

e. Education Psychology Service: Gross -£160k, Income -£543k, Net -£703k

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 -£543k 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.

f. Individual Learner Support: Gross -£1,844k, Income +£1,472k, Net -£372k

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 delegation 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.

The portage service is forecasting a reduction in income, of which the majority is internal income, of +£131k, and a corresponding gross underspend of -£131k. In addition there is a forecast gross underspend on this budget line of -£206k, due to early years training previously supported by the Early Years Inclusion and Equalities budget being provided elsewhere in the directorate, within existing resources. There are a number of other gross and income variances all of which are below £100k in value.

g. Statemented Pupils: Gross -£685k, Income +£685k, Net Nil

The forecast income from other local authorities for Statemented support of their pupils in our schools has reduced by £685k. There is a corresponding gross underspend of -£685k.

1.1.3.5 Transport Services:a. Home to College Transport: Gross +£709k, Income -£942k, Net -£233k

There is a gross pressure on this budget line of +£1,180k due to the implementation of the new Kent 16+ card which is partly covered by income from the sale of tickets of £1,142k. The forecast pressure is based on limited usage data from when the scheme began in September 2012 and a more accurate forecast is expected in the next exception report. As a result of the successful launch of the 16+ card, only those students who started post 16 studies before September 2012 still receive transport under existing home to college arrangements and consequently, during this transitional period, numbers travelling are less than budgeted for, leading to a gross underspend of -£471k and a reduction in income for the sale of tickets of +£200k.

b. Mainstream HTST: Gross -£1,025k, Income +£364k, Net -£661k

The forecast gross underspend of -£1,025k is due to the numbers requiring transport being considerably lower than budgeted levels, in part due to the success of the Freedom Pass and 16+ travel card. This has been reflected as a saving in the 2013-15 MTFP. In addition there is a corresponding reduction in post statutory charge income of +£364k because, as mentioned above, new 16+ students are tending to opt for the 16+ card for school transport.

c. SEN HTST: Gross +£1,197k, Income -£7k, Net +£1,190k

There is a forecast gross pressure on this budget line of +£1,197k as the number of children travelling is consistently higher than the budgeted number. However, 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 as well as pupil numbers. As the numbers continue to increase, existing vehicles are running at full occupancy and additional or larger vehicles have had to be provided.

The increased number of statements has also resulted in some pupils being transported further to be placed in suitable provision for their needs.

**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 (+)			Underspend (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves for remaining Kent schools	+3,700	ELS	14-19 year olds (gross) - Kent Employment project	-1,890
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 35 schools converting to academies	+1,955	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Home to college transport (income) - new 16+ transport scheme	-1,142
ELS	SEN transport (gross) - higher than budgeted numbers travelling	+1,197	ELS	Mainstream home to school transport (gross) - fewer numbers travelling	-1,025
ELS	Home to college transport (gross) - new 16+ transport scheme	+1,180	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-1,000
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+696	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-762
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+685	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-740
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+590	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-685
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-590
ELS	School Improvement (Income) - reduced income from Workforce and Professional Development traded service	+437	ELS	Education Psychology Service (income) - income from traded service with schools and other customers	-543
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs & general legal fees	+435	ELS	Home to college transport (gross) - fewer students requiring transport under old scheme	-471
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+421	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-421
ELS	Schools' Teachers Pensions costs - capitalisation costs	+370	ELS	School Improvement (gross) - reduced expenditure from Workforce and Professional Development traded service	-331



Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Mainstream home to school transport (income) - reduction in post statutory charge income due to students opting for 16+ card	+364	ELS	14-19 year olds (income) - Young Apprentices Grant income for academic year	-240
ELS	School Improvement (gross) - additional costs to improve secondary school standards	+252	ELS	Early Years & Childcare (income) - income from course fees, training and support	-233
ELS	School Improvement (income) - Employment based initial teacher training grant to be spent in line with academic year	+209	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
ELS	Home to college transport (income) - reduced income from ticket sales under old transport scheme	+200	ELS	School Improvement (gross) - Employment based initial teacher training grant to be spent in line with academic year	-209
ELS	Individual Learner Support (income) - Portage service reduced income in line with reduced expenditure	+131	ELS	Individual Learner Support (gross) - Early Years training	-206
			ELS	Individual Learner Support (gross) - Portage service reduced spend in line with reduced income	-131
			ELS	School Improvement (income) - Additional income from Improving Together network	-124
			ELS	14-19 year olds (gross) - unspent grant funding for final term of 2011-12 academic year	-104
		+14,719			-12,416

#### 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 2013-15 MTFP of £583k and therefore alternative savings have been identified to fund this.

There has been a realignment between the legal services and contingency budgets in the 2013-15 MTFP to offset the pressure on the legal budget resulting from schools converting to academies.

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. Although the current forecast shows a net underspend of -£661k, the full year effect of the reduction in pupil numbers should yield a larger saving in 2013-14. Consequently a saving of £950k has been included in the 2013-15 MTFP.

A pressure has been included in the 2013-15 MTFP for the increased demand for SEN Home to School Transport. However, since the budget was set, the pressure on this budget has increased and if this continues additional offsetting savings will need to be identified within the directorate in 2013-14.

Additional income from trading with schools and academies has been reflected in the 2013-15 MTFP.

It should be noted that the underspend on special school recoupmnt is for 2012-13 only as the Department for Education is changing the way that recoupmnt 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 £1,890k 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]*

The forecast underspend for the directorate, excluding schools, is -£4,068k as shown in table 1. After adjusting for the roll forward of £1,890k for the Kent Youth Employment Programme referred to in section 1.1.6 above, there is a residual underspend of £2,178k to contribute towards the £5m underspend from 2012-13 being used to support the overall 2013-14 KCC budget, as approved by County Council on 14 February 2013.

## 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 £281.078m excluding schools (see table 1 below). The forecast outturn against this budget is £282.753m, giving a variance of +£1.675m. After adjustments for funded variances and reductions in funding, the revised variance comes to £0.000m (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	275.660	
Approvals made since last reported to Cabinet	5.418	
Revised approved budget	281.078	

1.2.5 Table 2 – Funded Variances

Scheme	Portfolio	Amount £m	Reason
<b>Cabinet to approve cash limit changes</b>			
Platt CEPS	ELS	0.633	Project agreed by P&R committee Sept 2012
<b>No cash limit changes to be made</b>			
St Johns/Kingsmead	ELS	0.646	Additional contribution expected from the Diocese
Goat Lees	ELS	0.013	Additional developer contributions
Basic Need - Modular Classrooms	ELS	-0.765	Savings to be used against Basic Need Future Years programme
Basic Need Future Years	ELS	0.977	From Basic Need Modular Classrooms and additional developer contributions
The Judd	ELS	-0.420	Savings to be used against Modernisation Programme Future Years
Archbishop Courtenay - Primary Improvement Programme	ELS	0.040	Highways Revenue Contribution
Modernisation Programme	ELS	0.491	Minor changes across the programme to be partly offset by The Judd
Self Funded Project (Quarryfields)	ELS	0.060	Revenue Contribution
<b>Total</b>		<b>1.675</b>	

## 1.2.6 Table 3 – Summary of Variance

	Amount £m
<b>Unfunded variance</b>	<b>0.000</b>
Funded variance (from table 2)	1.545
Variance to be funded from revenue	0.100
Project underspend	0.000
<b>Rephasing (beyond 2012-15)</b>	<b>0.000</b>
Total variance	1.675

**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 Progress

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
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
Basic Need - Modular Classrooms	5.455	0.076	5.379	0.000	4.614	0.000	-0.765	-0.765	Green
Modernisation Programme 2008/09/10	0.500	0.000	0.500	0.000	0.080	0.000	-0.420	-0.420	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	1.626	0.000	0.040	0.040	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 - Swadelands	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	28.706	28.309	0.397	0.000	0.397	0.000	0.000	0.000	Green
Academy - Cornwallis Academy	35.394	33.460	1.934	0.000	1.934	0.000	0.000	0.000	Green
Academy - Longfield Academy	24.956	24.578	0.378	0.000	0.378	0.000	0.000	0.000	Green
Academy - Spires	13.694	10.440	3.254	0.000	3.254	0.000	0.000	0.000	Green

## Annex 1

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Academy - Sheppey	50.578	25.683	24.895	0.000	24.895	0.000	0.000	0.000	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	4.760	0.246	4.514	0.000	4.527	0.000	0.013	0.013	Green
Repton Park (Templar Barracks)	6.100	1.789	4.311	0.000	4.311	0.000	0.000	0.000	Green
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	29.885	0.000	29.885	0.000	30.862	0.000	0.977	0.977	Green
Modernisation Programme 2008/09/10	3.000	0.389	2.611	0.000	2.614	0.000	0.003	0.003	Green
Modernisation Programme 2011/12	6.512	3.590	2.922	0.000	2.965	0.000	0.043	0.043	Green
Modernisation Programme Future Years	19.797	0.000	19.797	0.000	20.242	0.000	0.445	0.445	Green
Dev Opps - St Johns PS/Kingsmead	2.017	0.030	1.987	0.000	2.633	0.000	0.646	0.646	Green
Dev Opps - Platt CEPS	0.000	0.000	0.000	0.000	0.633	0.000	0.633	0.633	Green
Academy - John Wallis	7.647	0.032	7.615	0.000	7.615	0.000	0.000	0.000	Green

## Annex 1

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Academy - Wilmington Enterprise	13.056	0.200	12.856	0.000	12.856	0.000	0.000	0.000	Green
Academy - The Knole	16.946	0.000	16.946	0.000	16.946	0.000	0.000	0.000	Green
Academy - Dover Christchurch	10.253	0.134	10.119	0.000	10.119	0.000	0.000	0.000	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
Self Funded Project (Quarryfields)	0.264	0.198	0.066	0.000	0.126	0.000	0.060	0.060	Green
<b>TOTAL</b>	684.468	377.768	281.078	25.622	282.753	25.622	1.675	1.675	

## 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 have been classified as amber or red.

**Other Significant Variances**

1.2.13 There is significant re phasing within the 2012-15 budget (2012/13 -£50.326m, 2013/14 +£36.506m & 2014/15 +£13.820m). 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.

1.2.14 **Annual Planned Enhancement Programme** - £1.222m has been re-phased into 13/14. This is due to less than anticipated spend on Day to Day Emergency Works and also the Schools Access Initiative, both of which are reactive programmes responding to school requests.

1.2.15 **Basic Need** - £5.743m has been re-phased into 13/14 to reflect delivery of the current programme.

1.2.16 **Modernisation Programme** - Across the whole modernisation programme, £8.131m has been re-phased into 13/14 to reflect development of the programme.

1.2.17 **Special Schools Review** - £10.541m has been re-phased into 2014/15 to reflect development of the programme. The programme will be managed in stages with future capital receipts realised from the disposal of current school sites being utilised to assist with the funding of future projects.

1.2.18 **£5m DSG Revenue Grant** - £1.950m has been re-phased into 2013/14. This is reflective of school projects which are not going to be completed in the current financial year along with projects which have been programmed for school holidays so as to avoid disruption.

1.2.19 **Self Funded Project (Quarryfields)** - this project has transferred from FSC portfolio to ELS.

1.2.20 **St Johns Primary School/Kingsmead** - This project is currently forecasting a £646k overspend. There is an informal agreement with Canterbury Diocese that they will make a contribution of £600k from the sale of the Diocese Payne School site.

**1.2.21 Key issues and Risks**

None to report.

## 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	462
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£53,433k
Number of deficit schools	15	15	13	23	17	7	10
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£322k

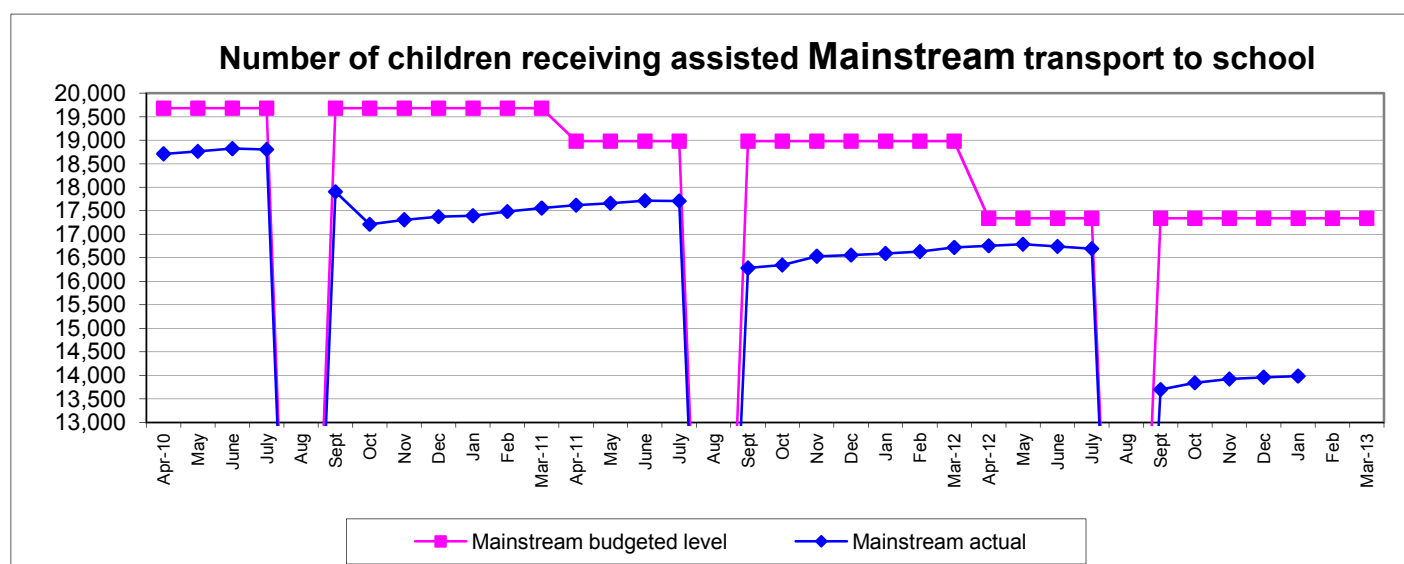
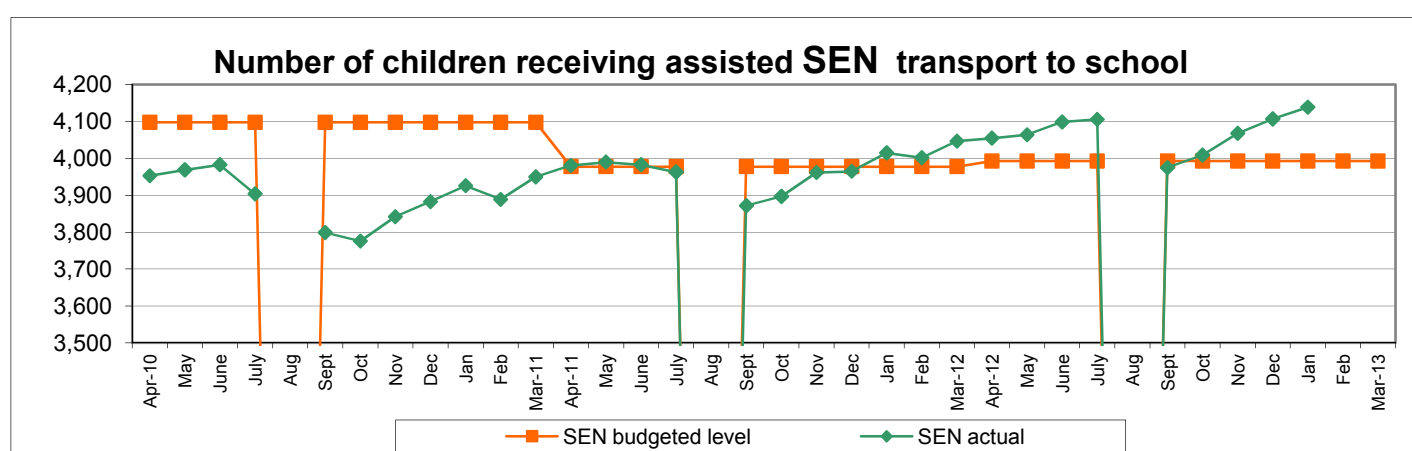
#### Comments:

- 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 35 schools (including 6 secondary schools and 29 primary schools) will convert to academies before the 31<sup>st</sup> March 2013 in line with the government’s decision to fast track outstanding schools to academy status. In addition two primary schools have merged and a new school has opened in Ashford.
- The estimated drawdown from schools reserves of £1,955k represents the estimated reduction in reserves resulting from 35 schools converting to academy status. In addition, the nine month monitoring has now been received from schools and the estimated drawdown from reserves for the remaining Kent schools is £3,700k.



## 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	4,068	17,342	13,925
Dec	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960
Jan	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985
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	

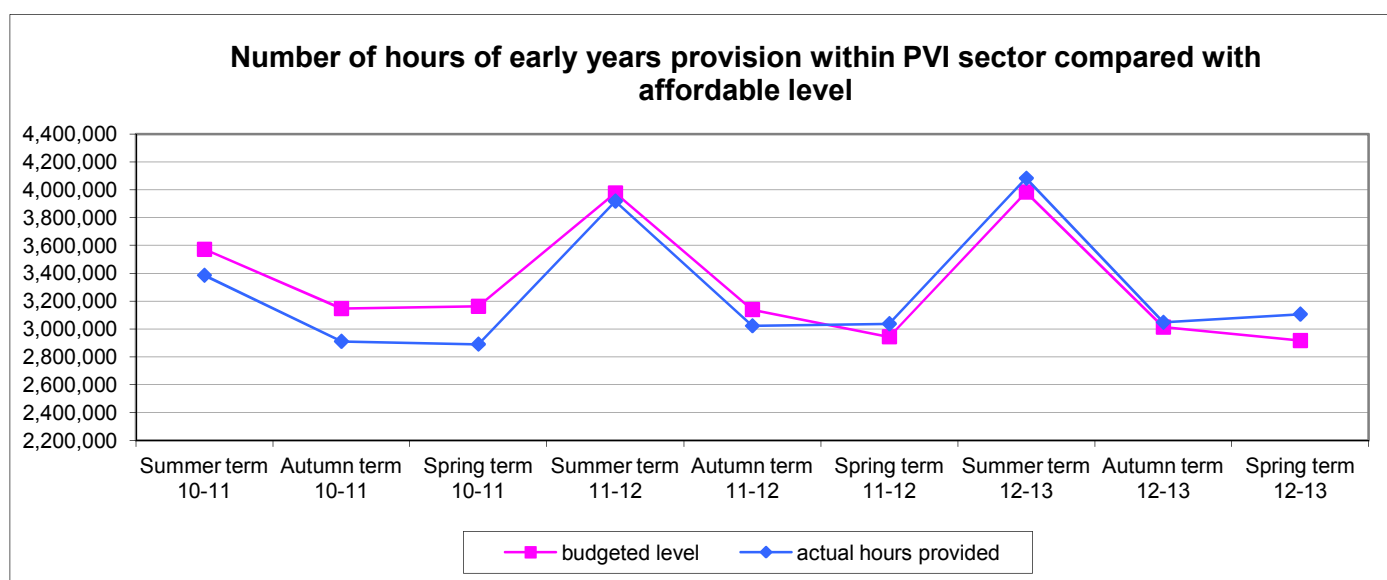


## Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and 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. Therefore a gross overspend of +£1,197k is reported in 1.1.3.5.c. A pressure is also reflected in the 2013-15 MTFP.
- **Mainstream HTST** – A gross underspend of +£1,025k is expected on the Mainstream Home to School Transport budget based on the current numbers requiring transport in the new academic year as reported in section 1.1.3.5.b. A saving is also reflected in the 2013-15 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	3,048,035
Spring term	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	3,106,277
	<b>9,881,796</b>	<b>9,186,557</b>	<b>10,058,366</b>	<b>9,977,499</b>	<b>9,912,767</b>	<b>10,237,182</b>



#### 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 324,415 hours above the affordable level for the year, which suggests an overspend of £1.317m on this budget which has been mentioned in section 1.1.3.4.d 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.