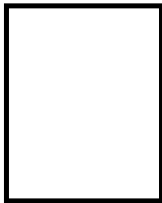
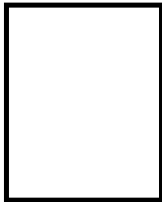
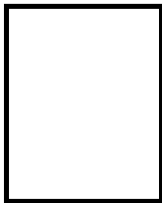
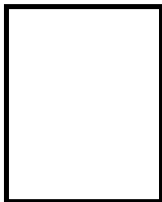
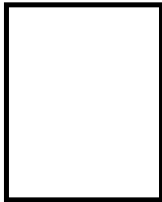


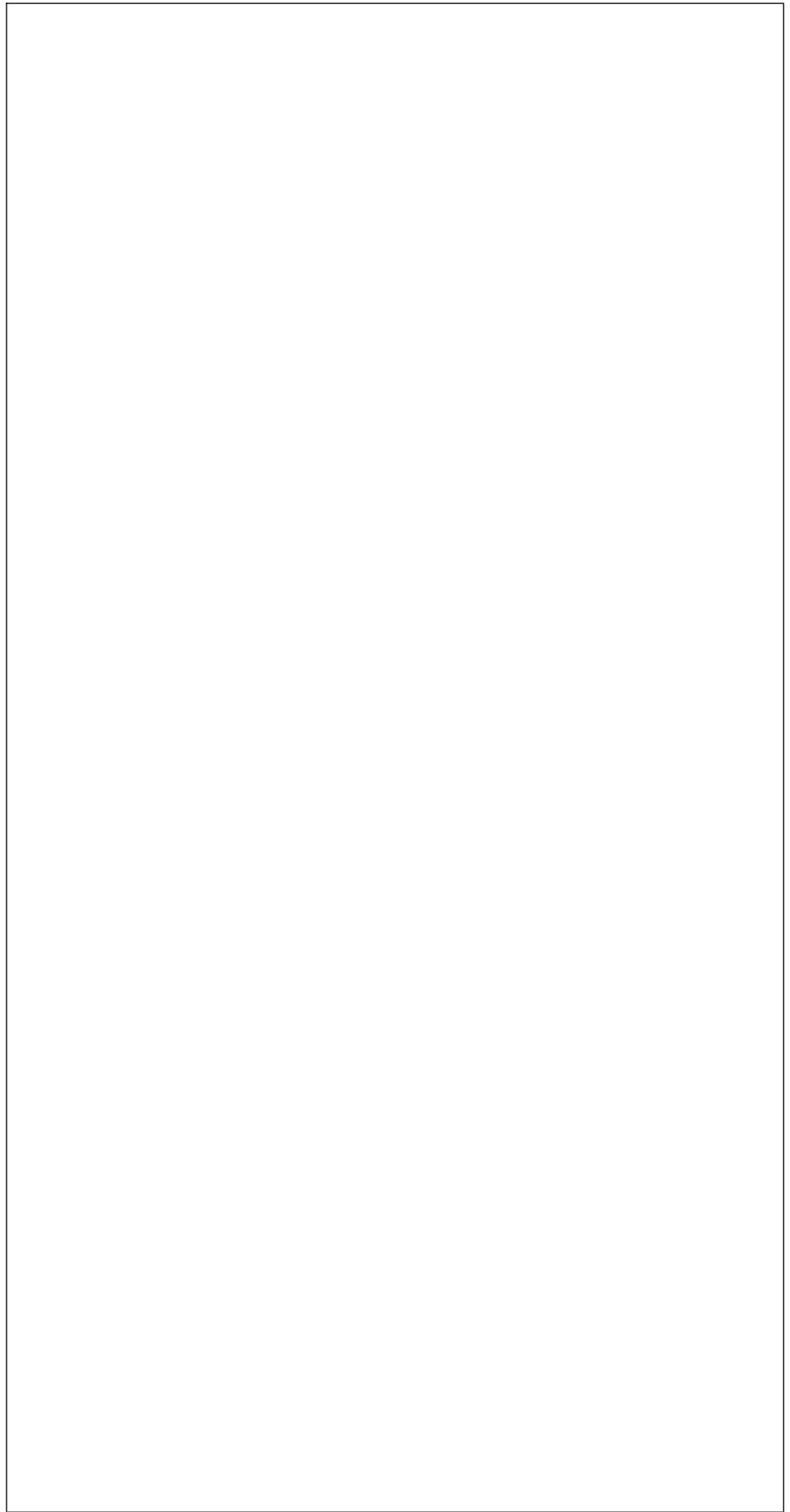
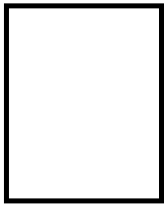
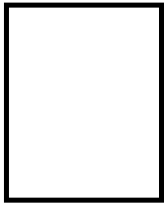
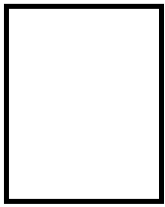
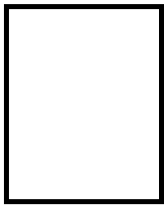
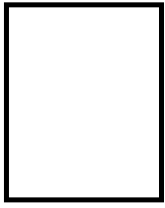
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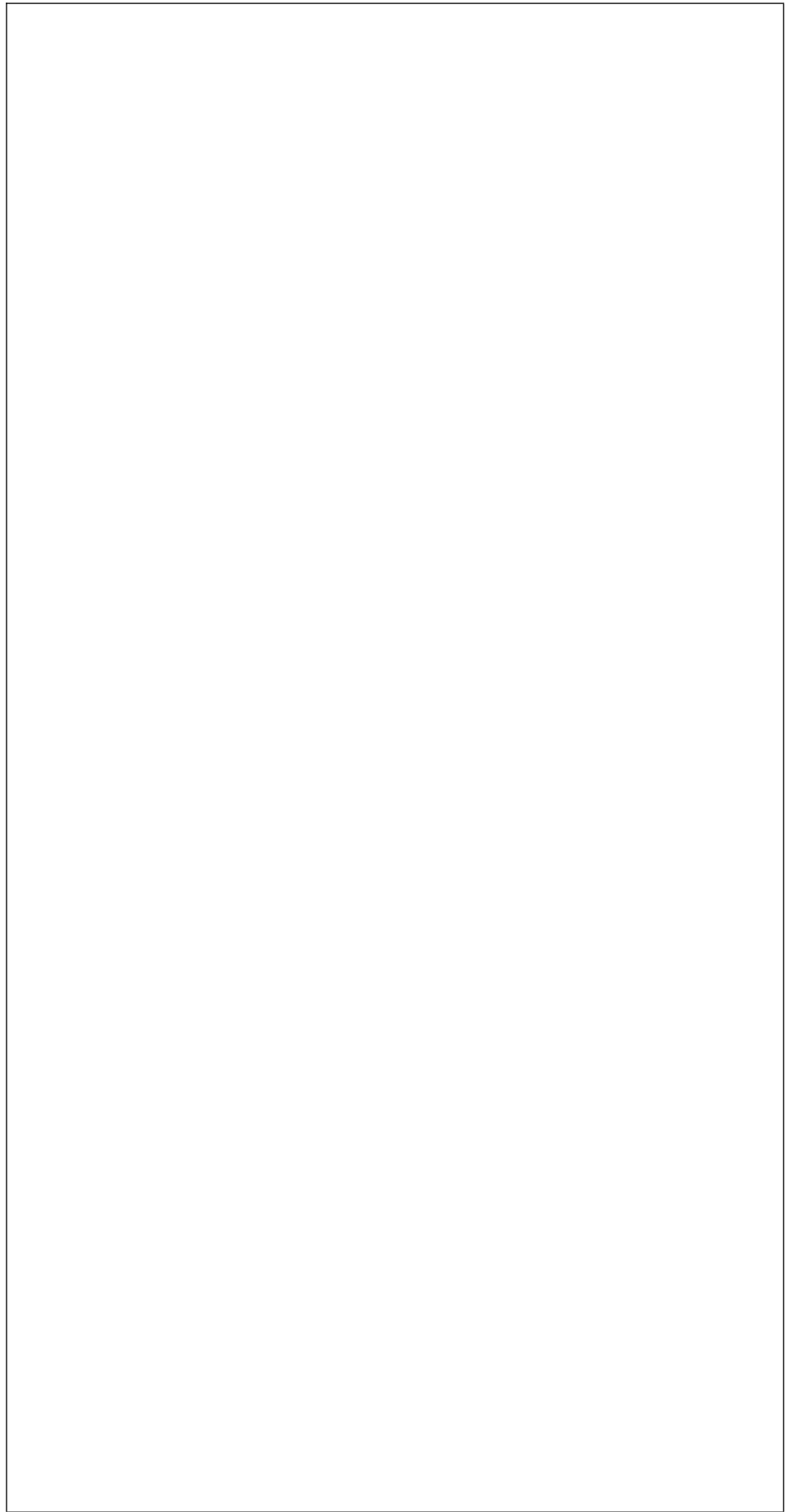
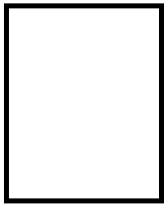
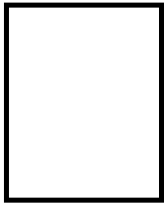
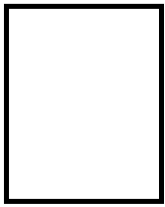
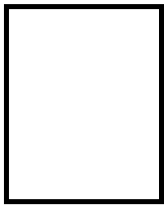
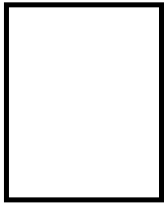
**TO:** Executive Member – Schools & Education

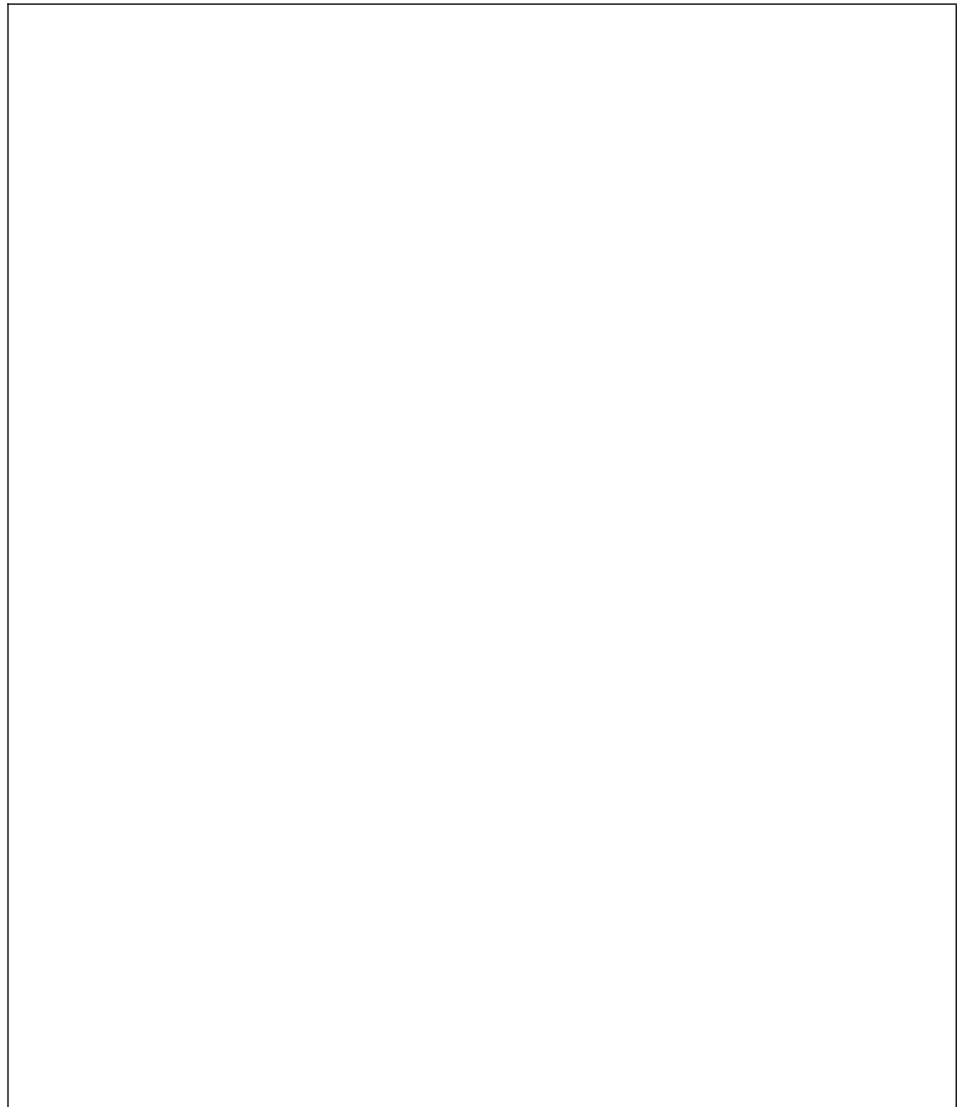
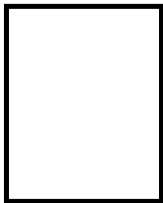
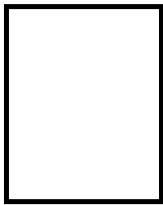
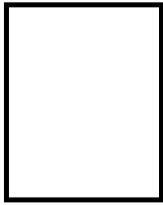
**FROM:** Director of Children’s Services & Education

**DATE:** 22 AUGUST 2012









**PORTFOLIOS AFFECTED:** SCHOOLS & EDUCATION

**WARDS AFFECTED:** ALL

**KEY DECISION:** No

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**BUDGET MONITORING REPORT – 2012/13**  
**Based on Monitoring Information as at end of July 2012**

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**1. PURPOSE**

- 1.1 To report the latest position with regard to the delivery of the Portfolio's capital programme for the current year and highlight any issues of concern.
- 1.2 To report the latest revenue position including:
  - (a) The latest projections of expenditure and income for 2012/13 against the Portfolio's approved cash limit. Monitoring of items outside the cash limit will be undertaken by the appropriate Lead Director and reported corporately by the Director of Finance.

- (b) To comment on the financial pressures and opportunities and how it is proposed to manage them.
- (c) To provide details of windfall income received during the year and where applicable, any approved in-year budget increases.

## **2. RECOMMENDATIONS**

- 2.1 To note the capital and revenue financial position for the portfolio.
- 2.2 To note the content of the information prepared for presentation to the portfolio scrutiny and opposition Members at Appendix 4.

## **3. BACKGROUND**

- 3.1 All portfolios are required to examine their revenue and capital budget position on a monthly basis.

## **4. RATIONALE**

- 4.1 To provide the latest available capital monitoring information together with an assessment of how projects are delivering the right outcomes and to report the latest revenue budget monitoring information.

## **5. KEY ISSUES**

- 5.1 The portfolio is currently **on target** to deliver the capital programme within its approved budget for 2012/13. See 7.1.
- 5.2 The Schools and Learning portfolio is currently predicting to **spend in line** with its approved cash limit for 2012/13. See 7.2.

## **6. POLICY IMPLICATIONS**

- 6.1 None

## **7. FINANCIAL IMPLICATIONS**

### **7.1 CAPITAL PROGRAMME**

- 7.1.1 The latest information available on individual schemes in the capital programme is detailed in Appendix 1 based on the new portfolio structure. An update on the major projects and other variations are highlighted in the table below.
- 7.1.2 Based on the latest information at end of July 2012, the capital budget for approved schemes is **£33,366,000** with expenditure to date of **£5,138,000 (or 15.4%)**. The latest information available on major projects is highlighted in the tables below, and detailed monitoring for each individual scheme is attached at Appendix 1.
- 7.1.3 The Executive Board has approved the request to an increase of £700,000 for works at St Barnabas & St Paul's CE primary school to increase pupil number capacity at the school. The funding will be met from borrowing previously included as a contingent scheme in the capital programme.
- 7.1.4 There is an additional allocation of Basic need capital grant for schools of £1,074,877 for 2012/13. A separate report at this SPT considers options for investment and seeks approval to enlarge Lower Darwen CP school to meet

the need for increased pupil places in the area. Once the preferred option is endorsed, the scheme will be brought into the capital programme.

(a) Update on Major Projects

| <b>Project / Scheme</b>                             | <b>Commentary in respect of current year progress</b>   | <b>Commentary in respect of overall progress</b>  |
|---|---|---|
| Building Schools for the Future                     | Review of spend at outturn 2011/12 has resulted in £683,000 being slipped into current financial year. The forecast for this year is at £28,119,000 on the basis of the latest re-profile of spend across years.                            | Pleckgate School is complete and open for 2011/12. The sites at Darwen Vale, Blackburn Central (New East Blackburn/Crosshill) and Witton Park are nearing completion. |
| St Silas  | The new school opened in April 2012. On the basis of outturn 2011/12, the spend profile has been revised resulting in a transfer of £984,000 to be utilised in this financial year.   | Predicted spend of around £6.4m is currently under review and any adjustments to costs will be met from capital grant allocations for 2012/13.                        |
| Schools Planned Improvement Programme (Minor Works) | Estimated project costs for school improvement works are reflected in the detailed report but following tender evaluation predicted costs may need further refinement. The schemes are to be financed from this year's capital allocations. | The projects are expected to complete in this year.   |
| St Barnabas & St Paul's                             | Works to increase the number of pupil places at the school are expected to begin from 1st September 2013. The funding for the £700,000 scheme will be met from borrowing.   | The Executive Board has given the go ahead for this scheme to commence.   |

**\* Adjustments to the capital programme subject to approval of Executive Board**

**7.2 CASH LIMITS AND REVENUE EXPENDITURE**

7.2.1 The opening cash limit for the newly set up Schools & Education portfolio is at £8,156,500 following transfer from Children's Services portfolio (see Appendix 2).

7.2.2 An adjustment of £43,200 in respect of carry forward of grants and contributions from 2010/11, brings the latest cash limit for Schools and Education to £8,199,700. The Portfolio is currently **predicting to spend in line with** this anticipated cash limit (See Appendix 3).

7.2.3 An analysis of the major changes is as follows:

|  | Budget/Latest Prediction | Cash Limit | Budget Gap |
|--|--------------------------|------------|------------|
|  | £                        | £          | £          |
| <u>Previous report – forecasted position</u> | 0                        | 0          | 0          |

|  |                  |                  |          |
|--|------------------|------------------|----------|
| <u>Movements since previous report:</u>    |                  |                  |          |
| Transfer from Children's Services          | 8,156,500        | 8,156,500        | 0        |
| Cash Limit increase for cfwd grants:-      |                  |                  |          |
| EIP Partnership                            | 24,300           | 24,300           | 0        |
| Workforce training grant                   | 18,900           | 18,900           | 0        |
| <b>Current position against Cash Limit</b> | <b>8,199,700</b> | <b>8,199,700</b> | <b>0</b> |

**\* Cash limit adjustment subject to approval of Executive Board**

Transfer of cash limited budgets of £8,156,500 from Children's Services to the newly created Schools & Education portfolio. Elements of the Children's Services Department, Policy Planning and Performance sections will be retained within the Children's Services Portfolio but shared with Schools & Education.

Underspends arising from unspent grants and contributions in 2011/12 amounted to £43,200 comprising of £24,300 for EIP partnership and £18,900 for workforce training grant. It is requested that these sums be transferred into the current year's cash limit.

**7.2.4 ACTION PLAN (Management within the 2012/13 cash limit)**

The portfolio has included all known budget pressures in its approved budget for the year and is currently expected to deliver services within this budget.

**7.2.5 Transformation Monitoring**

Progress in relation to the transformation programme is monitored and reported separately to the Transformation Board. Monitoring of Transformation Reviews as at the end of July shows that savings of £713K have been implemented effectively and £75K remain on target for delivery in the year. See Appendix 4.

The Portfolio target for Year 2 of the transformation programme is £267,000 plus £521,000 of new savings introduced to balance the budget for 2012/13.

**7.2.6 Summary of Windfall Gains and Approved In-Year Budget Increases (Year to Date)**

There are no current windfall gains forecast for the portfolio.

**7.2.7 Financial Performance of Schools Budget**

Services in the Schools Block are currently **predicted to spend the funding** available in 2012/13 through the Dedicated Schools Grant (See Appendix 3).

**Dedicated Schools Grant/School Block**

|                               | Budget/Latest Prediction | Available Budget   | Surplus (-) / Deficit (+) |
|-------------------------------|--------------------------|--------------------|---------------------------|
|                               | £                        | £                  | £                         |
| Original Budget (DSG Funding) | <b>126,797,900</b>       | <b>126,797,900</b> | <b>0</b>                  |

|  |                    |                    |          |
|--|--------------------|--------------------|----------|
| Movements since previous report:       |                    |                    |          |
| None                                   |                    |                    |          |
|  |                    |                    |          |
| <b>Current position against Budget</b> | <b>126,797,900</b> | <b>126,797,900</b> | <b>0</b> |

**\* Budget adjustments subject to approval of The School Forum**

The total DSG allocation for 2012/13 is £126,797,900. Of this, £662,000 has been allocated to LA services in the Children's Services portfolio, leaving £16,742,000 allocated to LA retained services and £109,393,900 to Individual School Budgets within the Schools Block. These amounts include Pupil Premium devolved to schools.

**7.2.8 Future Pressures and Opportunities**

The portfolio continues to evaluate financial challenges as they arise in the year and will report progress and predicted variances each month.

**7.2.9 Proposals for Balancing the 2013/14 Budget**

The Schools & Education Portfolio is committed to delivering further budget reductions of £37,000 as part of the budget planning process already approved. There is a potential loss of DSG grant to children's centres of £1.5 million and any budget cuts yet to be agreed.

A detailed review of all essential and statutory services is underway to assess budget options from April 2013.

**8. LEGAL IMPLICATIONS**

8.1 None

**9. RESOURCE IMPLICATIONS**

9.1 None

**10. EQUALITY IMPLICATIONS**

10.1 The decisions to be taken do not change policy and do not require any further consideration in respect of equality issues.

**11. CONSULTATIONS**

11.1 Regular and frequent consultations with budget holders via the Departmental Management teams are an essential feature of the budget monitoring process.

**DIRECTOR OF CHILDREN'S SERVICES & EDUCATION**

**Contact Officer:** Zoe Evans Tel: (58) 5553

**Date Prepared:** 9th July 2012

**Background Papers:** Budget Report to Council 5<sup>th</sup> March 2012  
Capital Programme 2012/2015  
Revenue Estimates 2012/2013  
Capital Monitoring 2012/13 Appendix 1



## Revenue Monitoring 2012/13 Appendix 2, 3 and 4