

Department for Education

Introduction

This Supplementary Estimate is required for the following purposes:

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Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
(Section A) Decrease in net programme spend for Budget Exchange		-1,704,000	
(Section B) A transfer to the Ministry of Defence for the Cadet expansion programme		-1,100,000	
(Section C) Decrease in net programme spend for Budget Exchange		-63,294,000	
(Section C) A transfer to the Department for International Development from the Overseas Development Assistance provision		-3,000,000	
(Section C) A reclassification to capital for the Education Endowment Fund		-10,000,000	
(Section D) Decrease in net programme spend for Budget Exchange		-30,817,000	
(Section E) A transfer of provision from the Home Office for seconded staff costs.	100,000		
(Section F) Decrease in net programme spend for Budget Exchange		-3,771,000	
(Section G) Decrease in net programme spend for Budget Exchange		-2,803,000	
(Section H) Decrease in net programme spend for Budget Exchange		-5,440,000	
(Section I) A transfer of provision from the Department of Business, Innovation and Skills for 19-25 discretionary Additional learner Support and Continuing Learners	60,541,000		
(Section I) Decrease in net programme spend for Budget Exchange		-440,117,000	
(Section J) An increase in provision for additional Academy Depreciation	500,000,000		
(DUP) A transfer of provision to the Department of Business, Innovation and Skills for Estate costs associated with the closure of the Learning and Skills Council		-2,900,000	
(DUP) Decrease in net programme spend for Budget Exchange		-64,054,000	
Total change in Resource DEL (Voted)	560,641,000	-629,000,000	-68,359,000

(Section K) An increase in provision for the maintenance and utilisation of provisions	79,134,000		
(Section L) A decrease in provision for the maintenance and utilisation of provisions		-450,000	
(Section M) An increase in provision for the maintenance and utilisation of provisions	997,700,000		
Total change in Resource AME (Voted)	1,076,834,000	-450,000	1,076,384,000
(Section B) A transfer to the Department for Energy and Climate Change to aid school energy efficiency		-8,000,000	
(Section B) A transfer to the Ministry of Defence for the Cadet expansion programme		-400,000	
(Section B) Decrease in net Capital spend for Budget Exchange		-62,889,000	
(Section C) A reclassification to capital for the Education Endowment Fund	10,000,000		
(Section J) Decrease in net Capital spend for Budget Exchange		-111,000	
Total change in Capital DEL (Voted)	10,000,000	-71,400,000	-61,400,000
Revisions to the Net Cash Requirement reflect the changes to resources and capital as set out above and changes required in working capital for the Departments Arms Length Bodies		-467,386,000	
Total change in Net Cash Requirement		-467,386,000	-467,386,000

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-68,359,000	-	-68,359,000
Capital	-61,400,000	-	-61,400,000
Annually Managed Expenditure			
Resource	1,076,384,000	-	1,076,384,000
Capital	-	-	-
Total Net Budget			
Resource	1,008,025,000	-	1,008,025,000
Capital	-61,400,000	-	-61,400,000
Non-Budget Expenditure	-		
Net cash requirement	-467,386,000		

Supplementary amounts required in the year ending 31 March 2013 for expenditure by Department for Education on:

Departmental Expenditure Limit:Expenditure arising from:

Capital, recurrent payments and loans and associated non cash items in support of the Department's objectives for primary, secondary, tertiary and international education; children's services, including Early Years and Sure Start; Young Peoples services and welfare; curriculum; qualifications and the inspection regime; workforce development and reform; and pension costs for voluntary services overseas (VSO) participants. Expenditure covers both the Department itself, its Executive Agencies and Arms Length Bodies (ALBs), together with residual costs from ALBs being closed; loans to educational establishments. Expenditure also covers administration costs and associated non cash items, for the Department, its Executive Agencies and ALBs, and for administration of the Teachers' Pension Scheme.

* Expenditure associated with Academy activities

Income arising from:

Contributions towards and receipts from the three National Executives, other Government Departments and other sources (including the EC) in connection with a range of educational, training, children and family projects and initiatives in UK and overseas; Early Intervention Foundation receipts. Income also derives from sales of products and publications; rent, sales receipts and profits from surplus Departmental or former ALB properties, equipment or other assets (including some repayment of proceeds of sale), rental income from properties at the European School at Culham and repayments of grant overpaid in previous years. Receipts associated with the closure of departmental ALB's. General administration receipts, including from Teachers TV, recoveries from services provided to Sure Start, international receipts, Schools Standards Fund receipts and Music Manifesto Champion. Recovery of salaries and associated costs for seconded staff.

* Income associated with Academy activities

Annually Managed Expenditure:Expenditure arising from:

Take up and maintenance of Departmental, Executive Agencies and ALBs provisions and associated non cash items.

* Impairments, tax and pension costs for the Department, it's ALB's and Executive Agencies. Provisions, impairments, tax and pension costs associated with Academy activities and associated non cash items.

Department for Education will account for this Estimate.

Part II: Changes Proposed

£'000

Net Resources						Net Capital		
Present		Changes		Revised		Present	Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog			
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
407,246	52,044,737	100	-68,459	407,346	51,976,278	4,563,000	-61,400	4,501,600
<i>Of which:</i>								
A Activities to Support all Functions								
285,794	43,809	1,490	-3,194	287,284	40,615	15,000	-	15,000
B School Infrastructure and Funding of Education (Department)								
-	1,029,934	-	-745,976	-	283,958	178,052	-162,917	15,135
C Education Standards, Curriculum and Qualifications (Department)								
-	378,921	-	550,174	-	929,095	-	10,000	10,000
D Children, Young People and Families (Department)								
-	2,625,640	-	-30,817	-	2,594,823	31,000	10,883	41,883
E Children, Young People and Families (NDPB) (Net)								
14,802	112,500	350	1,430	15,152	113,930	-	-	-
F Standards and Testing Agency								
5,428	35,700	-	-3,771	5,428	31,929	-	-	-
G Teaching Agency								
19,394	471,617	-2,355	-448	17,039	471,169	-	-	-
H National College								
11,700	96,513	58	-26,248	11,758	70,265	-	949	949
I Education Funding Agency - Excluding Academies								
70,128	37,799,998	557	-701,502	70,685	37,098,496	4,029,989	57,690	4,087,679
J Academies (Net)								
-	9,383,151	-	958,847	-	10,341,998	308,959	21,995	330,954
Departmental Unallocated Provision								
-	66,954	-	-66,954	-	-	-	-	-
Total Spending in DEL								
		100	-68,459			-61,400		
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
-	-5,416	-	1,076,384	-	1,070,968	-	-	-
<i>Of which:</i>								
K Activities to Support all Functions (Department)								
-	-5,416	-	79,134	-	73,718	-	-	-
L Activities to Support all Functions (NDPB)								
-	-	-	-450	-	-450	-	-	-
M Executive Agencies								
-	-	-	997,700	-	997,700	-	-	-
Total Spending in AME								
		-	1,076,384			-		

Part II: Changes Proposed

£'000

Net Resources						Net Capital		
Present		Changes		Revised		Present	Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9
1	2	3	4	5	6			
Total for Estimate								
		100	1,007,925				-61,400	
<i>Of which:</i>								
Voted Expenditure								
		100	1,007,925				-61,400	
Non Voted Expenditure								
		-	-				-	

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	56,920,604	-467,386	56,453,218

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration			Programme					
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
412,811	-5,465	407,346	52,003,823	-27,545	51,976,278	4,501,703	-103	4,501,600
<i>Of which:</i>								
A Activities to Support all Functions								
292,499	-5,215	287,284	40,615	-	40,615	15,000	-	15,000
B School Infrastructure and Funding of Education (Department)								
-	-	-	285,559	-1,601	283,958	15,135	-	15,135
C Education Standards, Curriculum and Qualifications (Department)								
-	-	-	929,625	-530	929,095	10,000	-	10,000
D Children, Young People and Families (Department)								
-	-	-	2,594,823	-	2,594,823	41,883	-	41,883
E Children, Young People and Families (NDPB) (Net)								
15,152	-	15,152	113,930	-	113,930	-	-	-
F Standards and Testing Agency								
5,428	-	5,428	33,389	-1,460	31,929	-	-	-
G Teaching Agency								
17,039	-	17,039	471,616	-447	471,169	103	-103	-
H National College								
11,758	-	11,758	73,624	-3,359	70,265	949	-	949
I Education Funding Agency - Excluding Academies								
70,935	-250	70,685	37,118,644	-20,148	37,098,496	4,087,679	-	4,087,679
J Academies (Net)								
-	-	-	10,341,998	-	10,341,998	330,954	-	330,954
Total Spending in DEL								
412,811	-5,465	407,346	52,003,823	-27,545	51,976,278	4,501,703	-103	4,501,600
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	1,070,968	-	1,070,968	-	-	-
<i>Of which:</i>								
K Activities to Support all Functions (Department)								
-	-	-	73,718	-	73,718	-	-	-
L Activities to Support all Functions (NDPB)								
-	-	-	-450	-	-450	-	-	-
M Executive Agencies								
-	-	-	997,700	-	997,700	-	-	-
Total Spending in AME								
-	-	-	1,070,968	-	1,070,968	-	-	-

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration				Programme				
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
1	2	3	4	5	6	7	8	9
Total for Estimate								
412,811	-5,465	407,346	53,074,791	-27,545	53,047,246	4,501,703	-103	4,501,600
<i>Of which:</i>								
Voted Expenditure								
412,811	-5,465	407,346	53,074,791	-27,545	53,047,246	4,501,703	-103	4,501,600
Non Voted Expenditure								
-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	52,446,567	1,008,025	53,454,592
Net Capital Requirement	4,563,000	-61,400	4,501,600
Accruals to cash adjustments	-88,963	-1,414,011	-1,502,974
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-27,425	-3,824	-31,249
New provisions and adjustments to previous provisions	-	-1,119,049	-1,119,049
Departmental Unallocated Provision	-66,954	66,954	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-9,819,412	-1,015,177	-10,834,589
Add cash grant-in-aid	9,819,412	614,870	10,434,282
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	5,416	42,215	47,631
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	56,920,604	-467,386	56,453,218

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

	Revised Plans
Gross Administration Costs	384,644
<i>Less:</i>	
Administration DEL Income	-5,465
Net Administration Costs	379,179
Gross Programme Costs	57,242,623
<i>Less:</i>	
Programme DEL Income	-27,648
Programme AME Income	-
Non-budget income	-
Net Programme Costs	57,214,975
Total Net Operating Costs	57,594,154
<i>Of which:</i>	
Resource DEL	52,335,348
Capital DEL	4,139,562
Resource AME	1,119,244
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-
<i>Adjustments to remove:</i>	
Capital in the SoCNE	-4,139,562
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-
Other adjustments	-
Total Resource Budget	53,454,592
<i>Of which:</i>	
Resource DEL	52,383,624
Resource AME	1,070,968
<i>Adjustments to include:</i>	
Prior period adjustments	-
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	53,454,592

Part III: Note B - Analysis of Departmental Income

£'000

	Revised Plans
Voted Resource DEL	-33,010
<i>Of which:</i>	
Administration	
Sales of Goods and Services	-2,055
<i>Of which:</i>	
A Activities to Support all Functions	-2,055
Other Grants	-117
<i>Of which:</i>	
A Activities to Support all Functions	-117
Other Income	-3,293
<i>Of which:</i>	
A Activities to Support all Functions	-3,043
I Education Funding Agency - Excluding Academies	-250
Total Administration	<u>-5,465</u>
Programme	
Sales of Goods and Services	-5,372
<i>Of which:</i>	
C Education Standards, Curriculum and Qualifications (Department)	-106
F Standards and Testing Agency	-1,460
G Teaching Agency	-447
H National College	-3,359
Interest and Dividends	-30
<i>Of which:</i>	
B School Infrastructure and Funding of Education (Department)	-30
Other Grants	-21,155
<i>Of which:</i>	
B School Infrastructure and Funding of Education (Department)	-956
C Education Standards, Curriculum and Qualifications (Department)	-51
I Education Funding Agency - Excluding Academies	-20,148
Other Income	-988
<i>Of which:</i>	
B School Infrastructure and Funding of Education (Department)	-615
C Education Standards, Curriculum and Qualifications (Department)	-373
Total Programme	<u>-27,545</u>
Total Voted Resource Income	<u>-33,010</u>
Voted Capital DEL	-103
<i>Of which:</i>	
Programme	
Other Grants	-103
<i>Of which:</i>	
G Teaching Agency	-103
Total Programme	<u>-103</u>
Total Voted Capital Income	<u>-103</u>

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2012-13.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Chris Wormald

NDPB Accounting Officers:

Anthony Douglas	Children and Family Court Advisory and Support Service
Maggie Atkinson	Office Children's Commissioner

Academy Accounting Officers:

The Head Teacher of each Academy is designated as the Accounting Officer.

Federation Academy (Groups) Accounting Officers:

The CEO of each Federation Academy (Academy Group) is designated as Accounting Officer. An individual Head Teacher of an Academy within a Federation is accountable to the Accounting Officer (CEO) of the Federation Academy (Academy Group).

Chris Wormald has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s), and with their Ministers, together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal/Additional Accounting Officer and the NDPB Accounting Officer(s) is set out in writing.

Part III: Note E - Non-Departmental Public Bodies

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
Section E	Children and Family Court Advisory and Support Service	126,579	-	126,582
Section E	Office Children's Commissioner	2,053	-	2,500
Section J	Academies †	10,341,998	363,959	10,305,200
Total		10,470,630	363,959	10,434,282

† Academies are classified to central government as Arms Length Bodies and are not themselves Non Departmental Public Bodies. The Education Funding Agency has responsibility for financing Academy spend, although the individual Academies are responsible for their own income and expenditure.

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Non-statutory	
Contingent liabilities in connection to Private Finance Initiative (PFI) contracts to Academies. These contingent liabilities are a result of the Department providing an indemnity to the local authority for potential costs on buildings they own, with existing PFI arrangements, which will be used by the academies. This type of indemnity is considered to be low risk and is only a feature of the academies programme in very specific circumstances. These contingent liabilities only arise where an academy is using a local authority building with an existing PFI contract.	2,100,000
Free Schools Group for Principal designates. The majority of contingent liabilities recorded by Free School Group currently relate to the potential costs that maybe incurred resulting from the engagement of staff prior to the opening of a Free School e.g. head teacher /deputy head teacher. It is important that the senior staff likely to be running the school once it is opened, are involved and take forward the development of the potential Free School prior to opening. These staff will, in many cases have had to tender their resignation at an existing school to take up their post in the Free School. The Department has agreed to underwrite the salaries of these staff for up to two terms in the event that the Free School does not open as planned. Each potential liability is calculated on an individual basis for each project. Once the Free School opens the liability will expire.	1,051
Liabilities that arise from Commercial/ EPC staff who have been made redundant and may seek redress through an Employment Tribunal.	59

