

Department for Education

Introduction

This Supplementary Estimate is required for the following purposes:

£			
Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
Section A - A transfer of provision for administration costs associated with the transfer of the Joint International Unit from the Department of Work and Pensions.	909,000		
Section B - A transfer of provision for International Education programmes from the Department of Business, Innovation and Skills.	16,300,000		
Section B - A transfer of provision to the Department of Business, Innovation and Skills for the department's contribution to a programme involving touring schools, promoting and explaining the future higher education system.		-250,000	
Section C - A transfer of provision from the Department of Business, Innovation and Skills for 19–25 discretionary Additional Learner Support managed through the Young People's Learning Agency.	52,600,000		
Section C - A transfer of provision from the Department of Business, Innovation and Skills for 19+ participation and Bursaries, managed through the Young People's Learning Agency.	4,588,000		
Section D - A transfer to the Department for International Development from the Overseas Development Assistance provision.		-3,000,000	
Section I - A transfer of provision to the Home Office for the UK Border Agency to fund leaving care costs.		-9,000,000	
Section I - A decrease in provision due to the policy function for troubled families moving under Machinery of Government to the Department for Communities and Local Government.		-16,977,000	
Total change in Resource DEL (Voted)	74,397,000	-29,227,000	45,170,000
Section L - A transfer of the provision for the Value Added Tax (VAT) Recovery Scheme back to HM Treasury. This scheme was put in place to allow academies to recover VAT incurred on purchases made to support their non-business activities (principally the provision of free education) which would have ordinarily been recovered by the local authority. This has now been transferred to the Her Majesty's Revenue and Customs and therefore the department will give up this budget back to HM Treasury.		-161,000,000	
Section L - An increase in provision to cover the potential costs of the closure of its Arm's Length Bodies.	13,500,000		

Introduction

Section L - An increase in the provision as a consequence of reducing anticipated release from property and early retirement provisions.	19,557,000		
Total change in Resource AME (Voted)	33,057,000	-161,000,000	-127,943,000
Section C - A transfer of provision from the Ministry of Defence (MOD) for capital costs for the Duke of York Military Academy. The department and the MoD have agreed jointly to fund the capital elements of the project.	6,000,000		
Total change in Capital DEL (Voted)	6,000,000		6,000,000
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.			
Total change in Net cash requirement			80,143,000

Part I

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource †	45,170,000	-	45,170,000
Capital	6,000,000	-	6,000,000
Annually Managed Expenditure			
Resource	-127,943,000	-	-127,943,000
Capital	-	-	-
Total Net Budget			
Resource	-82,773,000	-	-82,773,000
Capital	6,000,000	-	6,000,000
Non-Budget Expenditure	-		
Net cash requirement †	80,143,000		

Supplementary amounts required in the year ending 31 March 2012 for expenditure by Department for Education on:

Departmental Expenditure Limit:Expenditure arising from:

Capital, recurrent payments and loans 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 and its Arms Length Bodies (ALBs), including set-up costs for new Departmental Executive Agencies, together with residual costs from ALBs being closed; loans to educational establishments. Expenditure also covers administration costs, for the Department and its ALBs, and for administration of the Teachers' Pension Scheme. Other non cash items. Expenditure on Departmental Executive Agencies.

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. 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. 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. Receipts from the sale of the Partnerships UK joint venture.

Annually Managed Expenditure:Expenditure arising from:

Take up and maintenance of Departmental provisions and other non cash items.

Department for Education will account for this Estimate.

Part I

† The funding of the Troubled Families Unit was transferred from the Department for Education to the Department for Communities and Local Government on 1 November 2011. Within the overall changes sought in this Estimate, the specific changes relating to the machinery of government transfer are:

- a) Departmental Expenditure Limit - Resource (voted) is reduced by £16,977,000; and
- b) the Net cash requirement is reduced by £16,977,000.

Part II: Changes Proposed

£'000

	Present		Net Resources Changes		Revised		Present	Net Capital Changes		Revised
	Admin	Prog	Admin	Prog	Admin	Prog		7	8	
	1	2	3	4	5	6				
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure	469,011	50,828,080	-53,326	98,496	415,685	50,926,576	5,057,856	6,000	5,063,856	
<i>Of which:</i>										
A Activities to Support all Functions	288,921	48,221	-38,298	-3,223	250,623	44,998	-	16,000	16,000	
B School Infrastructure and Funding of Education (Department)	-	34,199,011	-	39,823	-	34,238,834	452,856	-358,000	94,856	
C School Infrastructure and Funding of Education (NDPB) (net)	71,393	12,513,850	-1,707	544,913	69,686	13,058,763	4,605,000	199,915	4,804,915	
D Education Standards, Curriculum and Qualifications (Department)	-	564,907	-	-334,168	-	230,739	-	-	-	
E Education Standards, Curriculum and Qualifications (NDPB) (net)	37,393	27,890	-17,556	-3,470	19,837	24,420	-	-	-	
F Workforce Training and Development (Department)	-	87,600	-	-46,377	-	41,223	-	-	-	
G Workforce Training and Development (NDPB) (net)	54,383	708,949	235	25,989	54,618	734,938	-	-	-	
H Early Years (Department)	-	94,930	-	1,878	-	96,808	-	42,483	42,483	
I Children, Young People and Families (Department)	-	2,395,222	-	-66,980	-	2,328,242	-	105,602	105,602	
K Standards and Testing Agency	-	-	4,000	15,111	4,000	15,111	-	-	-	
<i>Departmental Unallocated Provision</i>	-	75,000	-	-75,000	-	-	-	-	-	
Total Spending in DEL			-53,326	98,496				6,000		
Spending in Annually Managed Expenditure (AME)										
Voted expenditure	-	128,950	-	-127,943	-	1,007	-	-	-	
<i>Of which:</i>										
L Activities to Support all Functions (Department)	-	128,950	-	-127,943	-	1,007	-	-	-	
Total Spending in AME			-	-127,943				-		
Total for Estimate			-53,326	-29,447				6,000		
<i>Of which:</i>										
Voted expenditure			-53,326	-29,447				6,000		
Non-voted expenditure			-	-				-		

Part II: Changes Proposed

	£'000		
	Present Plans	Changes	Revised Plans
Net cash requirement	56,413,964	80,143	56,494,107

Part II: Revised subhead detail including additional provision

£'000

						Revised Plans					
						Resources			Capital		
Administration		Resources		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											
419,845	-4,160	415,685	50,982,438	-55,862	50,926,576	5,063,856	-	5,063,856			
<i>Of which:</i>											
A	Activities to Support all Functions										
254,783	-4,160	250,623	44,998	-	44,998	16,000	-	16,000			
B	School Infrastructure and Funding of Education (Department)										
-	-	-	34,281,555	-42,721	34,238,834	94,856	-	94,856			
C	School Infrastructure and Funding of Education (NDPB) (net)										
69,686	-	69,686	13,058,763	-	13,058,763	4,804,915	-	4,804,915			
D	Education Standards, Curriculum and Qualifications (Department)										
-	-	-	230,780	-41	230,739	-	-	-			
E	Education Standards, Curriculum and Qualifications (NDPB) (net)										
19,837	-	19,837	24,420	-	24,420	-	-	-			
F	Workforce Training and Development (Department)										
-	-	-	41,223	-	41,223	-	-	-			
G	Workforce Training and Development (NDPB) (net)										
54,618	-	54,618	734,938	-	734,938	-	-	-			
H	Early Years (Department)										
-	-	-	96,808	-	96,808	42,483	-	42,483			
I	Children, Young People and Families (Department)										
-	-	-	2,338,242	-10,000	2,328,242	105,602	-	105,602			
J	Children, Young People and Families (NDPB) (net)										
16,921	-	16,921	112,500	-	112,500	-	-	-			
K	Standards and Testing Agency										
4,000	-	4,000	18,211	-3,100	15,111	-	-	-			
<i>Departmental Unallocated Provision</i>											
-	-	-	-	-	-	-	-	-			
Total Spending in DEL											
419,845	-4,160	415,685	50,982,438	-55,862	50,926,576	5,063,856	-	5,063,856			
Spending in Annually Managed Expenditure (AME)											
Voted expenditure											
-	-	-	1,007	-	1,007	-	-	-			
<i>Of which:</i>											
L	Activities to Support all Functions (Department)										
-	-	-	1,007	-	1,007	-	-	-			
Total Spending in AME											
-	-	-	1,007	-	1,007	-	-	-			
Total for Estimate											
419,845	-4,160	415,685	50,983,445	-55,862	50,927,583	5,063,856	-	5,063,856			
<i>Of which:</i>											
Voted expenditure											
419,845	-4,160	415,685	50,983,445	-55,862	50,927,583	5,063,856	-	5,063,856			
Non-voted expenditure											
-	-	-	-	-	-	-	-	-			

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	51,426,041	-82,773	51,343,268
Net Capital Requirement	5,057,856	6,000	5,063,856
Accruals to cash adjustments	-69,933	156,916	86,983
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-26,983	-	-26,983
New provisions and adjustments to previous provisions	-	-13,500	-13,500
Departmental Unallocated Provision	-75,000	75,000	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-350	-350
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-18,148,279	-748,319	-18,896,598
Add cash grant-in-aid	18,148,279	863,642	19,011,921
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	32,050	-19,557	12,493
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	56,413,964	80,143	56,494,107

Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	408,110
<i>Less:</i>	
Administration DEL Income	-4,160
Net Administration Costs	403,950
Gross Programme Costs	56,043,036
<i>Less:</i>	
Programme DEL Income	-55,862
Programme AME Income	-
Non-budget income	-
Net Programme Costs	55,987,174
Total Net Operating Costs	56,391,124
<i>Of which:</i>	
Resource DEL	51,329,768
Capital DEL	5,047,856
Resource AME	13,500
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-5,047,856
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-
Total Resource Budget	51,343,268
<i>Of which:</i>	
Resource DEL	51,342,261
Resource AME	1,007
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	51,343,268

Part III: Note B - Analysis of Departmental Income

	£'000
	Revised Plans
Voted Resource DEL	-60,022
<i>Of which:</i>	
Administration	
Sale of goods and services	-4,160
<i>Of which:</i>	
Section A: Activities to Support all Functions	-4,160
Total Administration	-4,160
Programme	
Sale of goods and services	-3,731
<i>Of which:</i>	
Section B: School Infrastructure and Funding of Education (Department)	-631
Section K: Standards and Testing Agency	-3,100
Other grant income (including repayments of grants/subsidies)	-39,862
<i>Of which:</i>	
Section B: School Infrastructure and Funding of Education (Department)	-29,821
Section D: Education Standards, Curriculum and Qualifications (Department)	-41
Section I: Children, Young People and Families (Department)	-10,000
Interest and dividends	-12,269
<i>Of which:</i>	
Section B: School Infrastructure and Funding of Education (Department)	-12,269
Total Programme	-55,862
Total Voted Resource Income	-60,022

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

No CFER income or receipts are expected in 2011-12.

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	Tom Jeffery
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In accordance with Chapter 3 of *Managing Public Money* (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

NDPB Accounting Officers

Mr Anthony Douglas	Children and Family Court Advisory and Support Service
Mrs Jane Haywood	Children's Workforce Development Council
Mr Steve Munby	The National College for School Leadership Limited
Dr Maggie Atkinson	Children's Commissioner
Ruth Thompson	Partnerships For Schools
Ms Lin Hinnigan	Qualifications and Curriculum Development Agency
Mrs Judy Hardogan	The School Food Trust
Mr Stephen Hillier	Training and Development Agency for Schools
Mr Peter Lauener	Young People's Learning Agency
Mr Alan Meyrick	General Teaching Council for England

Tom Jeffrey 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 C	Partnerships for Schools Limited		627,850	4,699,915	5,359,637
Section C	Young People's Learning Agency		12,500,599	105,000	12,644,215
Section E	Qualifications and Curriculum Development Agency		42,151	-	56,016
Section E	The School Food Trust		2,106	-	2,106
Section G	Children's Workforce Development Council		110,498	-	128,254
Section G	Training and Development Agency for Schools		556,755	-	556,755
Section G	The National College for School Leadership Limited		111,689	-	132,969
Section G	General Teaching Council for England		10,614	-	-
Section J	Children's Commissioner		2,675	-	2,675
Section J	Children and Family Court Advisory and Support Service		126,746	-	129,294
Total			14,091,683	4,804,915	19,011,921

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Non-statutory	
<p>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.</p>	2,100,000