

**REPLY BY THE MINISTER OF  
THE EDUCATION DEPARTMENT  
TO A QUESTION ASKED PURSUANT TO RULE 6 OF THE  
RULES OF PROCEDURE BY DEPUTY M. J. FALLAIZE**

**Question 1a**

*As at the end of April-one third of the way through the year- does the Education Department expect to remain within its revenue cash limit of £61,100,000 in 2013?*

**Answer**

The 2013 Cash Limit of £61,100,000 includes an FTP savings target of £1,830,000. However, to assess the Department's ability to contain expenditure within this cash limit it is first necessary to analyse the ongoing impact of the 2012 savings target of £1,630,000. While the Department achieved its 2012 target, not all of the savings, which went towards this target, were recurrent. The savings target for both years is, therefore, just under £3½m. The Department made just under £½m of recurrent budget adjustments in 2012. It therefore has to find approximately £3m of savings in 2013.

Recurrent adjustments in 2013 (some of which include the 2013 effect of 2012 adjustments) currently amount to just under £1½m and a further £½m non-recurrent adjustment, also appears possible. There is currently a shortfall of just under £1m. At the end of the first quarter of 2013, there are further options that address the full target. These options, as yet to be adjusted in terms of budget, exceed the target figure and therefore the Department would meet its FTP target, if these were delivered. It is, therefore, a case of delivering the savings already identified to remain within budget.

**Question 1b**

*If not, what total amount of revenue expenditure does the Education Department presently forecast it will incur in 2013?*

**Answer**

The Department was significantly within budget in 2012. However, the savings targets, as highlighted above, are extremely challenging, particularly in terms of the time constraints for delivery and the requirement that options should not adversely affect service delivery. At the end of the first quarter, the Department was showing a significant under-spend. However, the new accounting system is still bedding in and, as with any new system, various adjustments are required. It is not possible to confirm the exact position until these adjustments are completed.

**Question 2a**

*As at the end of April, does the Education Department expect to remain within its routine capital limit of £1,000,000?*

**Answer**

Yes, the Department expects to remain within its capital allocation in 2013. The figure available this year is in fact £1,405,000, as some elements have been carried over from the year before. The Department's staffs were engaged on SAP matters last year, which affected

the capacity of the Department to run as many programmes as normal, and the saving was therefore both known about and planned.

**Question 2b**

*If not, what total amount of routine capital expenditure does the Education department presently forecast it will incur in 2013?*

**Answer**

The Department expects to stay within its allocation.

**Question 3a**

*As at the end of April, does the Education Department expect to realise the full amount of its £1,830,000 FTP savings target in 2013?*

**Answer**

Yes, the FTP Target has already been reached. The Department has already “banked” savings which exceed the FTP target figure for 2012 and 2013. The Department “overachieved” savings in 2012, which resulted in an adjusted savings target of £1,262,000 for 2013. However, there is a difference between the FTP target and the FTP cash figure and it is the cash figure which is more challenging to meet. Billet d’État XXVI shows the FTP savings target for 2013 as £2,150,000. This is the cash figure. The reason for the figures being different is that not all of the savings the Department made in 2012 were recurrent. The FTP Target figure in 2012 was £1,630,000 and the Department made total savings against the target of £1,650,000 and so exceeded the target by £20,000. However, non-recurrent savings totalled £1,165,000. This figure was therefore carried over to 2013 along with the £20,000 “credit” and “added” to the 2013 target of £1,830,000. This produced a new savings target of £2,975,000 going into 2013. At the same time, the 2013 effect of recurrent 2012 savings were also netted off and the 2013 budget adjusted downwards. These recurrent savings amounted to £825,000. The FTP savings target is, therefore, derived from the £2,975,000 figure less £825,000 recurrent 2012 savings.

**Question 3b**

*If not, what proportion of its FTP target does the Education Department presently forecast it will achieve in 2013?*

**Answer**

As highlighted in the Department’s response to question 3a, the Department has already met its FTP Target but still has to meet its cash limit. The Department has already “banked” £1½m of savings in 2013 and has other non-recurrent and recurrent options, which would close the gap. The Department remains committed to reaching its FTP cash target. However, being realistic it might not be possible to hit every savings target as planned both in terms of timing and monetary value. If only half of what is currently planned is achieved this financial year, the shortfall would be in the region of £300,000 at year-end.

**Date of Receipt of the Question:** 30<sup>th</sup> April 2013

**Date of Reply:** 10<sup>th</sup> May 2013