

Decision Maker: **Education Portfolio Holder**

Date: **For Pre-Decision Scrutiny by the Education Policy Development and Scrutiny Committee on 19 March 2013**

Decision Type: Non-Urgent Executive Non-Key

TITLE: EDUCATION PORTFOLIO BUDGET MONITORING REPORT 2012/13

Contact Officer: David Bradshaw, Head of Education and Care Services Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director of Education and Care Services

Ward: Boroughwide

1. REASON FOR REPORT AND SUMMARY OF BUDGET POSITION

- 1.1 This report reviews budget monitoring based on spending to the end of January 2013.
- 1.2 The Schools' Budget is funded from Dedicated Schools' and specific grants and is forecast to spend in line with the budget.
- 1.3 The Non-Schools' Budget is funded from Council Tax, Revenue Support and specific grants and the controllable part of it is forecast to be in an underspend position of £2,114,000.

2. RECOMMENDATIONS

2.1 The Education PDS Budget Sub committee are invited to:

- (i) Consider the latest 2012/13 budget projection for the Education Portfolio; and
- (ii) Consider the carry forward requests detailed in paragraph 3.5 and 3.6

2.2 The Education Portfolio Holder is asked to:

- (i) consider any comments arising from the Education Policy Development and Scrutiny Committee;
- (ii) Approve the latest 2012/13 budget projection for the Education Portfolio
- (iii) Agree the carry forward requests detailed in paragraph 3.5 and 3.6.

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: CYP Portfolio budgets
 4. Total current budget for this head: £20,665k
 5. Source of funding: RSG, Council Tax, DSG, other grants
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Staff

1. Number of staff (current and additional): 1,920 Full Time Equivalent, of which 1,510 are based in schools.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

The 2012/13 projected outturn for the Education Portfolio is detailed in Appendix 1, broken down over each division within the service. Appendix 2 gives explanatory notes on the movements in each service.

The Schools' Budget

- 3.1** An element of the Education budget within Education and Care Services (ECS) department is classed as Schools budget and is funded by the Dedicated schools Grant (DSG) this is projected to underspend by £1,492,000. Legislation requires that any variance should be carried forward to the next financial year. Details are contained within Appendix 3.

The Non-Schools' Budget

- 3.2** An element of the Education budget within ECS is classed as Non Schools Budget and this is projected to underspend by £2,114,000. Details are contained within Appendix 3.
- 3.3** Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has influence and control. “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include for example cross departmental recharges and capital financing costs. This ensures clear accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance.

Directors Comments

- 3.4** A series of major service reviews over the last six months have seen significant reductions in expenditure, with many of those savings able to be carried forward into 13/14. Reductions in expenditure in pupil transport have been achieved through the new service arrangements which have included a review of routes leading to much greater efficiencies. Staffing reviews in early years have led to a lowering of our cost base. The significant reductions in cost and complexity expected to be seen through the SEN Green paper pilot work are yet to be realised. However, we are seeing some small cost reductions now along with a streamlining of services. We continue to be members of the national pilot scheme, informing the forthcoming Act, leaving us well placed to benefit from the advantages the new system is expected to bring. The closure of the EDC and the rationalisation of our school improvement services has realised significant reductions in cost with no reported loss to service quality. The review of sold services will allow us to offer only high quality services to schools on a full cost recovery basis. This work in this area will accelerate as more schools convert to academy status and we develop a very clear commissioner/provider relationship with our schools.

Carry forward requests

- 3.5** Of the current projected underspend of £2.114m, a carry forward request has been made totalling £297k. This is the underspend currently projected for children’s centres to cover urgent property work.
- 3.6** Additionally requests for carry forward of specific DSG projects have also been made totalling £204k. These are:-

- i) £50k Project Manager to support and accelerate our academy conversion process
- ii) £30k HR support for academy conversion
- iii) £60k Temporary additional staff costs for school improvement
- iv) £54k Roof repairs at Kingswood
- v) £10k Kitchen repairs at Kingswood

The above requests are DSG backed, would use in year underspends and would therefore have no impact of the Council bottom line.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley’s Best Value Performance Plan “Making a Difference” refers to the Council’s intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2012/13 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council’s budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2012/13 budget for the Education Portfolio is projected to be underspent by £2,114,000 at the year end based on the financial information as at 31st January 2013. This is in the main due to the restructuring of services within the Schools Improvement/Education Development Centre areas and the early implementation of savings within the Youth Support programme which were savings targets for 2013/14.
- 5.2 These savings are outlined in the table below:-

Savings found early for 2013/14

	£000
Bromley Youth Support Programme	420
Access - Pupil Clothing & Footwear	39
Education Commissioning and Business Services	358
School Improvement	104
	<u>921</u>

- 5.3 A detailed breakdown of the projected outturn by service is shown in Appendix 1 with explanatory notes in Appendix 2. Appendix 3 shows the split between Schools Block and Local Authority Block. Appendix 4 gives the analysis of the latest approved budget.

Non-Applicable Sections:	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	2012/13 Budget Monitoring files in ECS Finance Section