

**Decision Maker:** EDUCATION BUDGET SUB COMMITTEE

**Date:** 23<sup>rd</sup> July 2013

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** FINAL OUTTURN REPORT 2012/13

**Contact Officer:** David Bradshaw, Head of Education, Care and Health Services Finance  
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**Chief Officer:** Executive Director of Education, Care and Health Services

**Ward:** (All Wards);

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1. Reason for report

1.1 This report provides the final position for 2012/13.

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2. **RECOMMENDATION(S)**

2.1 The Education Budget Sub Committee are requested to:

- (i) **Note that there was an underspend of £3,091,000 on controllable expenditure at the end of 2012/13 and consider any issues arising from it.**
- (ii) **Note that the Executive have agreed to a carry forward totalling £297,000 as detailed in Appendix 2.**
- (iii) **Refer the report to the Portfolio Holder for approval.**

### 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: Education Portfolio
  4. Total current budget for this head: £16.208m
  5. Source of funding: Education Services Approved Budget
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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
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2012/13 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
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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

- 3.1 This report provides an update of the final budget position for the Education Budget Sub Committee, which is broken down in detail in Appendix 1a, along with explanatory notes in Appendix 1b.
- 3.2 The final outturn for the “controllable” element of the Education Portfolio budget in 2012/13 is an underspend of £3,091,000 compared to the last reported figure of £2,114,000 which was based on activity at the end of January 2013. After allowing for the £297,000 carry forward request if agreed by Executive, the final outturn position will be £2,794,000.
- 3.3 A considerable amount of the underspend relates to savings assumed for 2013/14 but delivered early. Details are shown in table one below.

#### **Table One**

##### **Breakdown of savings made early in 2012/13**

**2012/13**  
**£000**

##### **Savings made early**

Bromley Youth Support Programme	-395
Cessation of pupil clothing grant	-51
Reorganisation of the Education Commissioning and Business Services team	-347
Reorganisation of the School Improvement team	-149
	<b><u>-942</u></b>

##### **Other in year pressures/savings**

Early years - underspends on staffing and SLA's	-210
Early years - underspends on Nursery grants for 2 year olds	-108
Education Welfare - underspends in staffing and over achievement of trading account	-60
Other turnover pressures and trading income surpluses in the Access division	14
Transport - underspend on the contract and additional recoupment income	-767
SEN - Additional SEN tribunals	41
Education Psychology under achievement of trading account partly offset by minor underspend	31
Underspend on PSAG expenditure	-32
Underspend on staffing and running expenses in the children centres	-297
Salary underspend in the parent partnership service	-24
Delays in restructuring of the Adult Education centre	59
Non recurrent underspends relating to previous years	-236
Increase in recharges funding by the DSG	-560
	<b><u>-2,149</u></b>

##### **Total outturn variance**

**-3,091**

- 3.4 On the 12<sup>th</sup> June 2013 the Executive was asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2013/14. Appendix 2 provides a detailed breakdown of the carry forward request for this Portfolio.
- 3.5 Appendix 3 provides a detailed reconciliation of the Original 2012/13 budget to the Latest Approved 2012/13 budget.

## 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 2013/14 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 budgetary control and monitoring arrangements.

## 5. FINANCIAL IMPLICATIONS

- 5.1 A detailed breakdown of the projected outturn by service area is shown in Appendix 1(a) with explanatory notes in Appendix 1 (b).
- 5.2 The main variations since the last Budget Monitoring report in March are shown in table 2 below broken down over the divisions:-

Table two

### **Movement since the January Budget Monitoring**

	<b>£000</b>
Access	
Increases in trading account income	-7
Fewer 2 year old grant payments than expected	-67
Ceasing pupil clothing grant	-12
Staffing in access and admissions	-13
SEN and Inclusion	
More income from Education Psychology trading account	-5
Less expenditure on tribunals and pre school services than expected	-13
Less expenditure on transport contract, drivers and escorts	-82
Education Commissioning and Business Services - Restructure of service not realising as much savings as anticipated	11
School Improvement - Restructure of service realised more savings than anticipated	-77
Youth Service - decrease in the early achievement of savings	25
Adult Education - delay in implementing the restructure	59
<b>Difference by Division</b>	<b><u>-181</u></b>
More expenditure recharged to DSG	-560
Prior year creditor not needed	-236
	<b><u>-796</u></b>
<b>Total</b>	<b><u>-977</u></b>

<b>Non-Applicable Sections:</b>	Legal Personnel
Background Documents: (Access via Contact Officer)	2012/13 Budget files in ECHS Finance Section