

Report No.
ED13075

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Education Budget Sub-Committee**

Date: **23rd July 2013**

Decision Type: Non-Urgent Executive Non-Key

**TITLE: EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2013/14**

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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 May 2013.
- 1.2 The Schools' Budget is funded from Dedicated Schools' and specific grants and is forecast to be underspent by £458,000. Any over or underspends on this budget are carried forward into the next financial year.
- 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 £89,000.

2. RECOMMENDATIONS

- 2.1 **The Education Budget Sub committee is invited to:**
 - (i) **Consider the latest 2013/14 budget projection for the Education Portfolio;**
 - (ii) **Consider the draw down from central contingency of the carry forward request of £297,000**
 - (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: CYP Portfolio budgets
 4. Total current budget for this head: £14,231k
 5. Source of funding: RSG, Council Tax, DSG, other grants
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Staff

1. Number of staff (current and additional): 2,074 Full Time Equivalent, of which 1,760 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): 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 Care and Health Services (ECHS) department is classed as Schools budget and is funded by the Dedicated schools Grant (DSG) this is projected to underspend by £458,000. Legislation requires that any variance should be carried forward to the next financial year. Details are contained within Appendix 2 and 3.

The Non-Schools' Budget

- 3.2 An element of the Education budget within ECHS is classed as Non Schools Budget and this is projected to underspend by £89,000. Details are contained within Appendix 2 and 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.

Director's Comments

- 3.4 Although very early, projections show the Education budget to be in-line with the required levels of expenditure. Major reorganisations continue in the Education team which should give further service efficiencies and so leave these budgets well placed to respond to in-year pressures should any appear. Increasingly effective use is being made of DSG, for example in supporting placement costs, which further reduces the pressures on the Council’s controllable budget.

Drawdown of carry forward request

- 3.5 On the 12th 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. Before being drawn down all carry forward requests must be approved by the relevant PDS.

The Education Portfolio requested one carry forward of £297,000. This is to cover the costs of urgent property works at children’s centres.

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 Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2013/14 budget for the Education Portfolio is projected to be underspent by £89,000 at the year end based on the financial information as at 31st May 2013. This is in the main due to above budget trading income in the Education Welfare Service and lower than expected costs in Education Transport.
- 5.2 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)	2013/14 Budget Monitoring files in ECHS Finance Section