

Decision Maker: EDUCATION BUDGET SUB COMMITTEE

Date: 24th June 2014

Decision Type: Non-Urgent Executive Non-Key

Title: FINAL OUTTURN REPORT 2013/14

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

Chief Officer: Executive Director of Education, Care and Health Services

Ward: (All Wards);

1. Reason for report

1.1 This report provides the final position for 2013/14.

2. RECOMMENDATION(S)

2.1 The Education Budget Sub-Committee is requested to:

- i) Note that there was an underspend of £539,000 on controllable expenditure at the end of 2013/14 and consider any issues arising from it.
- ii) Note that the Executive on the 10th June 2014 have agreed the carry forward as detailed in Appendix 2.
- iii) Refer the report to the Portfolio Holder for Education for approval.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Care Services Portfolio
 4. Total current budget for this head: £18.070m
 5. Source of funding: Education Services Approved Budget
-

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
-

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2013/14 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
-

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 1, along with explanatory notes.
- 3.2 The final outturn for the “controllable” element of the Education Services budget in 2013/14 is an underspend of £539,000 compared to the last reported figure of £481,000 underspent which was based on activity at the end of January 2014. After allowing for the carry forward request agreed by Executive the final outturn position would be £228,000 unspent (January £189,000 underspent).

DEDICATED SCHOOLS GRANT

- 3.3 The Dedicated Schools Grant (DSG) outturned a £4.265m in year underspend compared to the last reported figure of £3.774m. Legislation requires that any variance should be carried forward to the following financial year. A total of £8.947m (£4.682m from 2012/13 carried forward and £4.265m from 2013/14 has been carried forward into 2014/15 and can be used on specific Education type purposes as defined by legislation. All DSG expenditure is covered off by the grant so there is a net nil effect on the Council and has no impact on the bottom line variance described in paragraph 3.2.

CARRY FORWARDS

- 3.4 On the 10th June 2014 the Executive were 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 2014/15. Appendix 2 provides a detailed breakdown of the carry forward request made by Education for the Portfolio. Future reports to the Portfolio Holder will be required to approve its release.

FULL YEAR EFFECTS MOVING INTO 2014/15

- 3.5 Appendix 3 provides a breakdown of any full year implications arising from the final 2013/14 outturn. It should be noted that there are pressures across the Portfolio of over £336k in 2014/15 that will need to be managed and contained within existing budgets. The breakdown is contained within the table below.

FULL YEAR EFFECT PRESSURES FOR 2014/15

	<u>£'000</u>
Education Services Grant - Grant shortfall	106
Adult Education - loss of grant funding streams	230
	<u>336</u>

- 3.6 Appendix 4 provides a detailed reconciliation of the Original 2013/14 budget to the Latest Approved 2013/14 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 2014/15 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 were minor adjustments around staffing, running expenses and income generation totalling a favourable movement of £58k.

Non-Applicable Sections:	Legal Personnel
Background Documents: (Access via Contact Officer)	2013/14 Budget files in ECHS Finance Section