

**Decision Maker:** EDUCATION BUDGET SUB COMMITTEE

**Date:** 24<sup>th</sup> 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 10<sup>th</sup> 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 10<sup>th</sup> 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.

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