

Decision Maker: EDUCATION, CHILDREN AND FAMILIES BUDGET AND PERFORMANCE MONITORING SUB-COMMITTEE

Date: 18th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2016/17

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Chief Officer: Deputy Chief Executive & Executive Director ECHS

Ward: (All Wards);

1. Reason for report

1.1 This report provides the provisional outturn position for 2016/17.

2. **RECOMMENDATION(S)**

2.1 **The Education, Children and Families Budget and Performance Monitoring Sub committee are invited to:**

- (i) **Note that there was an underspend of £109,000 on controllable expenditure at the end of 2016/17 and consider any issues arising from it;**
- (ii) **Note that the Executive on the 20th June have agreed the net carry forwards as detailed in Appendix 2.**

2.2 **The Portfolio Holder is asked to:**

- (i) **Endorse the 2016/17 provisional outturn position for the Education Services Portfolio.**

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: Care Services Portfolio
 4. Total current budget for this head: £632k
 5. Source of funding: Care Services Approved Budget
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Staff

1. Number of staff (current and additional): 341 Full time equivalent
 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 2016/17 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 the provisional outturn position for the Education Services Portfolio PDS Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The provisional outturn for the “controllable” element of the Care Services budget in 2016/17 is an underspend of £109,000 compared to the last reported figure of £75,000 overspend which was based on activity at the end of December 2016.

FINAL POSITION (NON SCHOOLS BUDGET)

- 3.3 The £109k underspend is summarised in table one. All of the pressures and savings are further detailed and broken down in Appendix 1b.

<u>DIVISION</u>	<u>£'000</u>
Adult Education Centre - Reduction in income and business rates payment	147
Nursery recharge income partially offset by additional schools income and staff vacancies	31
SEN Transport overspend partially offset by Education Psychologists income, additional grant and staff vacancies	391
Recharge overspend offset by corresponding amount in non controllable expenditure	87
YOT - staffing and running costs	- 20
Early Intervention Service - Staffing and running expenses plus additional recharge of Public Health grant	- 699
Other minor over/underspends	- 46
	<u>- 109</u>

FINAL POSITION (SCHOOLS BUDGET)

- 3.4 An element of the Education budget within the Education Care and Health Services (ECHS) department is classed as Schools’ Budget and is funded by the Dedicated Schools grant (DSG). Grant conditions requires that any over or under spend should be carried forward to the next financial year.
- 3.5 The Schools’ Budget has underspent by £226k during 2016/17, which will be added to the £1.4m remaining carry forward from 2015/16, giving a total of £1.6m to be carried forward into 2017/18
- 3.6 A summary of the main variations is provided in the table below, and further details of the variations can be found within Appendix 2.

	£000
	Outturn
	Variance
Beacon House Refurbishment	1,572
Bulge Classes (inc Modular classroom renta	379
SEN - Placements	Cr 482
SEN - Other Variations	Cr 353
Free Early Education	Cr 651
FAP Payments	117
Standard Fund Grant	Cr 745
Other Variations	Cr 63
Final Outturn	Cr 226

CARRY FORWARDS

- 3.7 On the 20th June 2017 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 2017/18. Appendix 3 provides a detailed breakdown of all of the carry forward requests. These amount to £217k and all of the expenditure is covered by grant funding, so there will be a net zero effect on the budget. As you will see from Appendix 3 the carry forwards included relate to grants which will not have to be repaid if not agreed but will impact on service delivery in 2017/18. Future reports to the Portfolio Holder and/or Executive will be required to approve their release.

FULL YEAR EFFECTS MOVING INTO 2017/18

- 3.8 Appendix 4 provides a breakdown of any full year implications arising from the final 2016/17 outturn. Overall there are £755k of full year effect pressures in 2016/17. This is in the SEN Transport area. As part of the budget setting process these full year effects have been dealt with and additional funding has been added to the budgets for 2017/18.

COMMENTS FROM THE DEPUTY CHIEF EXECUTIVE & EXECUTIVE DIRECTOR OF EDUCATION, CARE AND HEALTH SERVICES

- 3.9 The Adult Education Service overspent in year by £147k. The service has been restructured with a significant reduction in expenditure. Most of the overspend related to associated one-off costs of downsizing the service and vacating the Widmore premises. This area continued to pay business rates for the Widmore Centre since vacating the site at end of August 2016 whilst alternative uses for the site were found. This should cease once the new lease is signed with the EFA.
- 3.10 The two in house nurseries overspent by £95k due to lack of use/income by social care clients. There is a proposal to mitigate this.
- 3.11 Transport continues to see pressures emerge, although steps are being taken to address this as far as possible. Increased numbers of children with complex needs requiring EHC plans (27 per cent increase in new plans this year as compared with the previous year). There is a root and branch review of SEND currently being commissioned which will include a review of all high needs block. Members have acknowledged the pressure in SEN Transport and additional

funding has been made available in 2017/18.

- 3.12 In Workforce development there has been a reduction in income following a restructure which resulted in a deficit position. Savings for 2017/18 will result in this area no longer contributing to overheads of the Widmore Centre.
- 3.13 Public Health has contributed to the Early Intervention agenda which has resulted in the Education Portfolio being in an underspend position overall.

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 2017/18 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 financial implications are contained within the body of the report. A detailed breakdown of the projected outturn by service area is shown in appendix 1 with explanatory notes in appendix 2.

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2016/17 Budget Monitoring files in ECHS Finance Section