**Narrative for estimated outturn and**

**budget position report for**

**End of May 2017**

**The current estimated carry forward figure is £124,750**

The previous reported estimated carry forward figure was £119,220

**Variances from last report**

**Staffing**

There are very little staffing variations from the last report, the most significant being one person opted out of the pension scheme saving approximately £4,000 for 16-17.

**Other cost centres**

“Exam fees” currently has £33,000 remaining and it is anticipated that this will drop no lower than £25,000 which is included in the carry forward.

The possible staff settlement of £14,500 has been added back into the carry forward as it has been outstanding since December and is highly unlikely to be claimed now.

“School improvement – DFC” is showing less carry forward as it is likely further spending will be required for moving school gates and other possible projects.

“Lettings income” is showing less income than predicted as the cash flow and costs centre analysis are showing we are unlikely to hit the £75,000

There are some budgets and departments now showing carry forward as this has been identified with the budget holder (i.e. IT Maintenance £4k)

The biggest variance and issue identified on this report is the “EFA Capital Windows 2015 income” cost centre showing a shortfall of £39,000. We have reconciled this back to an error at year end (Sept 16), last year by the Essex Finance team. They showed the income as a receipt in advance (as we only received the money in Dec 16), but when MWS did the year end audit, they identified it as a year-end journal which they submitted in Jan. Essex Finance came in and ran all the year-end journals and didn’t pick up that the income had already been shown, effectively giving it to us twice.

The confusion arose as the year end in Sept was done in three visits by two different members of Essex Finance. When the year-end journals came out in Jan it should have been picked up but they missed it unfortunately. This year-end will be done by myself and Dawn, supported by the Essex Finance team, so I’m confident this will not happen in future years.

**General comments**

Several virements have already been run since the costs centre report was run for this outturn to correct the cost centres identified.

Although the carry forward gain is £5k, the savings identified since the last report are actually £44K. This is masked by the correction of the (£39k) income year end issue.