



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Philippa Gibbs
philippa.gibbs@bromley.gov.uk

DIRECT LINE: 020 8461 7638

FAX: 020 8290 0608

DATE: 11 January 2022

To: Members of the
CHILDREN, EDUCATION AND FAMILIES BUDGET SUB-COMMITTEE

Councillor Judi Ellis (Chairman)

Councillors Nicky Dykes, Hannah Gray, Christine Harris and Simon Jeal

A meeting of the Children, Education and Families Budget Sub-Committee will be held at Bromley Civic Centre on **TUESDAY 18 JANUARY 2022 AT 7.00 PM**

PLEASE NOTE: This meeting will be held in the Council Chamber at the Civic Centre, Stockwell Close, Bromley, BR1 3UH. Members of the public can attend the meeting: you can ask questions submitted in advance (see item 3 on the agenda) or just observe the meeting. There will be limited space for members of the public to attend the meeting – if you wish to attend please contact us, before the day of the meeting if possible, using our web-form:

<https://www.bromley.gov.uk/CouncilMeetingNoticeOfAttendanceForm>

Please be prepared to follow the identified social distancing guidance at the meeting, including wearing a face covering.

TASNIM SHAWKAT
Director of Corporate Services & Governance

Copies of the documents referred to below can be obtained from
<http://cds.bromley.gov.uk/>

AGENDA

PART 1 AGENDA

Note for Members: Members are reminded that Officer contact details are shown on each report and Members are welcome to raise questions in advance of the meeting.

STANDARD ITEMS

- 1 APOLOGIES FOR ABSENCE**
- 2 DECLARATIONS OF INTEREST**
- 3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the date of the meeting.

Questions specifically on reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on 12th January 2021.**

4 MINUTES OF THE MEETING HELD ON 19 JANUARY 2021 AND MATTERS OUTSTANDING (Pages 3 - 8)

5 CAPITAL PROGRAMME MONITORING

To follow

6 CHILDREN, EDUCATION AND FAMILIES PORTFOLIO DRAFT BUDGET 2022/23 (Pages 9 - 32)

7 2022/23 DEDICATED SCHOOLS GRANT (Pages 33 - 42)

CHILDREN, EDUCATION AND FAMILIES BUDGET SUB-COMMITTEE

Minutes of the meeting held at 6.30 pm on 19 January 2021

Present:

Councillor Judi Ellis (Chairman)
Councillors Nicky Dykes, Christine Harris and Neil Reddin FCCA

Also Present:

Councillor Kieran Terry, Executive Assistant for Children,
Education and Families

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Marina Ahmad and Councillor Will Rowlands, Councillor Christine Harris attended as substitute for Councillor Rowland.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

There were no questions

4 MINUTES OF THE MEETING HELD ON 10 APRIL 2019

The minutes of the meeting held on 10 April 2019, excluding exempt information, were agreed and signed as a correct record.

5 CHILDREN, EDUCATION AND FAMILIES PORTFOLIO PRE-DECISION SCRUTINY

The Committee considered the following reports where the Children, Education and Families Portfolio Holder was recommended to take a decision:

a CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2020/21 Report FSD20095

On 18th November 2020, the Leader received a report summarising the current position on capital expenditure and receipts following the 2nd quarter of

2020/21 and agreed a revised Capital Programme for the four-year period 2020/21 to 2023/24. This report highlighted changes agreed by the Leader in respect of the Capital Programme for the Children, Education & Families (CEF) Portfolio. The revised programme for this portfolio was set out in Appendix A and detailed comments on individual schemes were shown in Appendix B.

The Sub-Committee noted that an update on all of the capital projects (including the post completion reports) was scheduled to be presented to a future meeting of the Children, Education and Families PDS Committee.

In response to a question concerning early education for two-year olds, the Director of Education explained that it had been a one-off pot of funding with very distinct criteria attached around enhancing the free entitlement offer for early education for two year olds. The Sub-Committee noted that the funding had been committed in line with the report that had been presented to the Executive in 2014.

RESOLVED: That the Portfolio Holder be recommended to note and acknowledge the changes agreed by the Leader on 18th November 2020.

**b 2021/22 DEDICATED SCHOOLS GRANT
Report CEF20044**

The report provided an outline of the final DSG allocation for 2021/22 and an overview of how this would be spent.

The Sub-Committee noted that there had previously been concerns in terms of the sufficiency of the funding received for the High Needs Block which had been part of past lobbying activity. It was pleasing that over the past two years there had been considerable uplift in the funding received which was very much needed however there remained ongoing pressures on the High Needs Block and lobbying would continue until this was recognised and appropriate funding allocated to meet the ongoing pressures.

The Head of Children's Services Finance provided an overview of the report explaining that adjusting for the recoupment for High Needs, overall DSG funding amounted to just over £312m. The Central Block mostly covered the Local Authority central services and continued to receive a contribution from the Council as year-on-year funding continued to be cut. This year, although funding for the Central Block had increased, £240,000 of this had been the result of an additional grant put into the Block as a result of this, in real terms funding had decreased. Funding for the Early Years Block had remained static with some additional funding due to increases in the hourly rates payable via the grant. Funding from the Schools Block was nearly all distributed to schools with a small amount retained for growth funding. The Sub-Committee noted that the Teacher's Pay and Pension Grants had been amalgamated into the DSG and this accounted for the majority of the increase in funding. The National Funding Formula was used to allocate funding to

schools. The Committee noted that at this point there were no particular issues with the funding to schools with some schools still having a minimum funding guarantee. In relation to the High Needs Block, there were a number of pressures on this block with significant increases in the number of Education Care and Health Plans (ECHP) and these significant pressures would continue. Challenges in the High Needs Block would continue in the coming years with one key issue being the lack of clarity in terms of funding beyond 2021/22 and whether there would be sufficient funding to meet demand coming through.

In response to a question, the Head of Children's Services Finance confirmed that in previous years the Local Authority had contributed £1m to the School Central Block as a contribution to the High Needs Block in addition to the £1m that was transferred from the Schools Block to the High Needs Block. The current contribution of £450,000 was in recognition of the decreases in the Central Schools Block that would be implemented over time.

The Head of Children's Services Finance confirmed that £500,000 would be transferred from the Early Years Block to the High Needs Block as some of the costs covered by the High Needs Block were related to early years high needs services that were being delivered.

In response to a question from the Chairman, the Director of Education confirmed that the Local Authority would always seek to implement appropriate early intervention and provision for all children and young people requiring such support. The exponential increase in the rate of ECHPs was leading to pressures on the High Needs Block but it was also recognised that not every child required an ECHP and the provision available needed to be appropriate to the specific needs of the child. The Director of Children's Services confirmed that future reports would be predicated on the fact that the Local Authority was managing its offer of early help very well and consequently predicting the slowing of the rate of the increase in ECHPs.

The Sub-Committee noted that the issue of the engagement of medical professionals in the statutory ECHP assessment process had been specific to the first national lockdown in response to Covid-19 when the impact of the pandemic had been unknown and as a result a number of medical professionals across the Country had, quite rightly, been diverted to support the response to the pandemic. This led to an element of delay with the completion of the statutory assessment process. However, the situation had been well managed and the Local Authority had worked with families to mitigate and minimise the impact. Health colleagues had now returned to working in their substantive roles and the Local Authority had been provided with assurances that there would be no further redeployment of staff.

In respect of the impact of the closure of Hollybank, the Chairman noted the impact of the current lockdown with many special schools currently operating at almost 100% capacity as the guidance indicated that education provision should continue for children with special needs. The Director of Education confirmed that special schools and specialist provisions had done a wonderful

job in supporting some of the most vulnerable children throughout the pandemic, as had other settings. The Local Authority had been working closely with all settings and schools to support them in responding to the Government guidance and advice. The Local Authority had issued a Collaborative Risk Assessment Framework that supported any setting to consider the individual needs of a child and whether they could safely attend schools or other settings. As such, attendance of the most vulnerable children and young people was managed on a risk based approach appropriate to the needs of children and young people.

RESOLVED: That the Portfolio Holder be recommended to approve the Dedicated Schools Grant allocation and the methodology of its distribution.

**6 CHILDREN, EDUCATION AND FAMILIES PORTFOLIO DRAFT
BUDGET 2021/22
Report CEF20043**

The report considered the Portfolio Holder's Draft 2021/22 Budget which incorporated future cost pressures and initial draft budget saving options which had previously been reported to Executive on 13th January 2021. Members were requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.

The views of each PDS Committee would be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2021/22 Council Tax levels. There were still outstanding issues and areas of uncertainty remaining. Any further updates would be included in the 2021/22 Council Tax report to the next meeting of the Executive.

The Head of Children's Services Finance provided an overview of the report explaining that the overall Council budget was balanced for 2021/22 but that there was a deficit increasing into future years. The report set out the growth and mitigation that would be put in place. Transformation savings that were being undertaken by the Children, Education and Families Portfolio were also outlined in the report. The Sub-Committee noted that there was a challenging financial backdrop and as a Local Authority Bromley was as economical and efficient as possible.

The Sub-Committee noted that prior to the meeting benchmarking data for Children's Social Care Services across London had been circulated to Members of the Sub-Committee. It was also noted that the Budget Task and Finish Group had carefully reviewed the benchmarking data.

A Member highlighted that the benchmarking data had been discussed at length at the Task and Finish Group. Having considered the additional benchmarking data that had been provided, and the transformational savings identified by the Department, and the historic overspends on the Portfolio budget, the Task and

Finish Group had felt that it would be appropriate to make a recommendation that there was a case to be made for a specific contingency for the Children, Education and Families Portfolio budget. The purpose of the contingency would be to recognise that there could be unforeseen cases that could cost a lot of money and significantly impact on the budget.

The Chairman highlighted that the report needed to be considered in the context of the services being provided to children and families. A budget report did not and could not reflect many of the additional services provided by Bromley that may not be provided by other boroughs, such as Staying Put and the support put in place for Care Leavers. Not all Boroughs provided the services being provided by Bromley which enabled children and young people to have better lives and come out of the care system self-motivated. In Bromley it was not simply a matter of looking at the bottom line, there was always a balance of quality against cost and this was something Bromley did very well. Members discussed the benefits of the Caseload Promise which had delivered stability within the Children's Social Care workforce and reduce the Local Authority's dependence on costly agency staff.

The Head of Children's Services Finance explained that there was sufficient money in the 2021/22 budget to fund the predicted demands that would be placed on the Service in 2021/22. The key issue was that it was a volatile budget and there could be unplanned costly demands that would result of overspends. Central contingencies were available that could be drawn down, but this would require an Executive decision. Evidence as to why a draw down from the central contingency was required would have to be provided and the Department would have to demonstrate that the drawn down was the result of unforeseen circumstances rather than not achieving savings.

The Director of Children's Services highlighted that there had been a number of invest to save initiatives around early intervention and prevention. The Sub-Committee noted that there had been a great deal of work around demand management and there was a good understanding of the future demands that could be placed on the Service. However, there would always be costly cases that would significantly impact the budget and it was likely that the Covid pandemic would worsen the situation in the future.

The Sub-Committee stressed the importance of all Members of the Council understanding the demand-led nature of the Service and the volatility of the budget. The Chairman suggested that it would be helpful to highlight the considerable savings that had been made from the move away from agency staff. The result of this was that more money was spent on children and young people rather than recruitment and had delivered significant savings for the Local Authority.

Members noted that as a result of its improvement journey, Bromley had a flat staffing structure which provided line of sight for managers but might offer limited opportunities for promotion. However, in terms of staff recruitment and retention Bromley offered excellent training and an attractive recruitment package. Issues could arise when Local Authorities in improvement offered increased fees and agencies contacted workers direct. As an example one local authority outside

London offered a significant financial “golden hello” to staff and this made it almost impossible to compete. There was a Memorandum of Understanding across London of which Bromley was part and there was currently work underway across London to ensure a level playing field in terms of recruitment. A question was asked that a neighbouring authority was losing staff and could we pick up staff. The Director of Children’s Services stressed the importance of having the right people in place to maintain the high standards that had now been achieved. Members of the Sub-Committee also recognised the importance of open dialogue with staff, ensuring that staff felt valued and had a positive working environment.

The Sub-Committee agreed that it would be helpful for the benchmarking data to be shared with Members across the Council. This data demonstrated that Bromley’s costs in relation to Children’s Social Care were in line with the London average. Members recognised however that the benchmarking data did not provide the Bromley context whereby a number of excellent value additional services were provided for the benefit of children and young people, services which ultimately reduced the costs to the Council. It was therefore suggested that a covering report should be provided. This report would need to highlight the volatility of the Children, Education and Families Portfolio budget and that fact that there were a number of costs that were not controllable. This could then be the start of developing the evidence base that would be needed in the event that a drawdown from the central contingency was required.

RESOLVED: That the Chairman of the PDS Committee may submit a report outlining the volatility of the Children, Education and Families Portfolio Budget and the transformation savings to PDS and the option of a further Children Families and Education Sub-Committee for 2021/22.

The Meeting ended at 7.42 pm

Chairman

Agenda Item 6

Report No.
CEF22008

London Borough of Bromley

PART ONE - PUBLIC

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

Date: 18th January 2022

Decision Type: Non-Urgent Non-Executive Non-Key

Title: CHILDREN, EDUCATION AND FAMILIES PORTFOLIO DRAFT BUDGET 2022/23

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1. The prime purpose of this report is to consider the Portfolio Holder's Draft 2022/23 Budget which incorporates future cost pressures and initial draft budget saving options which have been reported to Executive on 12th January 2022. Members are requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.
 - 1.2. Executive are requesting that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio and the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2022/23 Council Tax levels.
 - 1.3. There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2022/23 Council Tax report to the next meeting of the Executive.
-

2. RECOMMENDATIONS

2.1 The Children, Education and Families Budget Sub-Committee is requested to:

- i) Consider the update on the financial forecast for 2022/23 to 2025/26;
- ii) Consider the initial draft 2022/23 budget as a basis for setting the 2022/23 budget; and

iii) Provide comments on the initial draft 2022/23 budget for the February meeting of the Council's Executive.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Children, Education and Families Portfolio budget setting supports the provision of services to vulnerable young people
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Children, Education and Families portfolio budgets
 4. Total current budget for this head: £62,007k (draft 2022/23 budget)
 5. Source of funding: Draft revenue budget for 2022/23
-

Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2022/23 Financial Control Budget to be published in March 2022
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2022/23 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: Not Applicable

3. COMMENTARY

3.1. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

- 3.1.1. The Draft 2022/23 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting 'Making Bromley Even Better' priorities.
- 3.1.2. The Council continues to deliver key services and 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next 4 years and includes the outcome of the Provisional Local Government Finance Settlement 2022/23. It is important to note that some caution is required in considering any projections for 2023/24 to 2025/26 as this depends on the outcome of the Government's next Spending Review as well as the awaited impact of the Fair Funding Review and future plans relating to arrangements for business rates.
- 3.1.3. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The impact of Covid situation has had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The economic shock has had no comparisons for over 300 years. At the time of writing this report, the Government's budget deficit in 2021/22 (year to October 2021) is £127bn, with overall debt representing 95% of GDP, maintaining a level not seen since the early 1960s. The next few years remain uncertain economically and fiscally and what will this mean for council's revenues. The Spending Review provided a one-year settlement which leaves considerable uncertainties over future years.
- 3.1.4. Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21. The 2021/22 and 2022/23 settlement provide additional funding, but this needs to be considered in the context of the 'new normal' and the considerable cost pressures facing local government. Austerity measures for future years will be a consideration but this is particularly problematic for the Government at the current time given the recessionary impact of the Covid situation and the need for a sustainable economic recovery. It is currently predicted that it could take 10 to 15 years to return UK public finances to full health. Therefore 'flat' real terms funding for councils may be the best-case scenario. Austerity measures remain a real possibility from say 2024/25 or 2025/26 as the Government will need to address the impact of the public finances from the Covid situation. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results could lead to future real term funding reductions remaining for local government. Even if funding levels are maintained the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.
- 3.1.5. The financial forecast detailed in this report assumes that Government funding for local government will be broadly flat from 2023/24 and future years, despite local government cost pressures. Additional funding will be provided for Adult Social Reforms for 2023/24 to 2025/26 but such funding will be offset by additional costs relating to new burdens/cost pressures from these changes. The Provisional Local Government Finance Settlement 2022/23 provides funding proposals for one year only and the financial forecast assumes that various elements

of the additional funding will continue in future years.

- 3.1.6. The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding with potential Government funding reductions in the medium and longer term. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.
- 3.1.7. Bromley has the second lowest settlement funding per head of population in 2022/23 for the whole of London, giving us £115 per head of population compared with the average in London of £303 – the highest is £522. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). Further details are provided in Appendix 3. If the council tax was the average of the four other low grant funded boroughs, our income would increase by £32.6m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council continues to express concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. Despite being a low-cost authority, Bromley has achieved general savings of over £110m since 2011/12 but it becomes more challenging to achieve further savings with a low-cost base.

3.2. SUMMARY OF FINANCIAL FORECAST

- 3.2.1. Details of the financial forecast are provided in the Draft 2022/23 Budget and Update on the Council's Financial Strategy 2022/23 to 2025/26 report to the Executive on 12th January 2022.
- 3.2.2. Even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £19.5m per annum by 2025/26. Without any action to address the budget gap in future years additional reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable.
- 3.2.3. In the financial forecast, after allowing for inflation, council tax income and other changes there is an unfunded budget gap from 2025/26 partly due to net service growth/cost pressures. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the council can afford and the need for significant mitigation or alternative transformation options.

3.3. CHANGES SINCE THE 2021/22 BUDGET THAT IMPACT ON THE DRAFT 2022/23 BUDGET AND FINANCIAL FORECAST

- 3.3.1. The 2021/22 Council Tax report reported to Executive in February 2021 identified a significant "budget gap" over the four-year financial planning period. Some key changes are summarised below.
- 3.3.2. The Local Government Finance Settlement 2022/23, which covered 2022/23 continues to provide a significant improvement in funding for local government and combined with 2021/22 represented the most positive funding proposal for local government since austerity began 11 years ago. The latest 2022/23 settlement provides a continuation of real increases in funding although this is retaining reliance on the utilisation of the ASC precept (1% increase) to support cost pressures in social care. It has also provided additional funding towards social care costs (£2.96m), inflation cover for the Council's business rate share (£1.18m) and a 'Services Grant' of £2.652m.
- 3.3.3. The additional funding is welcomed but this has to be considered against the highest inflation levels for 10 years, ongoing impact of pandemic, increase in employer national insurance costs

(1.25% to fund social care reforms) and ongoing cost/service pressures. Uncertainty remains on the level of funding for future years. Apart from the one-off services grant, the forecast assumes that the level of core grant funding will remain unchanged in future years.

- 3.3.4. Historically, the main measure of inflation for annual price increases for the Council's contracted out services was Retail Price Index (excluding mortgage interest rates) i.e., RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2022/23 Budget assumes contract price increases of 5.0%, in 2022/23 reducing to 2.5% in 2023/24 and 2% per annum from 2023/24, which compares with the existing CPI of 5.1% (7.2% for RPIX) - inflation is at its highest level for 10 years. The Bank of England have recently indicated that inflation is expected to increase to 6% by the summer and will revert back to target levels of 2% by mid-2024. Then financial forecast assumes inflation of 2.5% in 2023/24 reducing to 2% per annum from 2024/25. Action will need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.
- 3.3.5. The Draft 2022/23 Budget and financial forecast includes significant growth/cost pressures, with the net impact reduced to reflect mitigation assumed of £14.9m in 2022/23 rising to £27.3m per annum from 2025/26. Any reduction in the delivery of the mitigation savings could have a significant detrimental impact on the Council's budget gap and the contingency sum provides some funding support towards delivering a balanced budget in the medium term. Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the uncertainty on future year cost pressures, significant changes that may follow relating to future new burdens, effect of ongoing population changes and the potential impact of other public agencies identifying savings or new cost burdens which impact on the Council's costs, a prudent approach has been adopted in considering the Central Contingency Sum required to mitigate against these risks. It will also assist in dealing with the ongoing uncertainty relating to the ongoing Covid situation. If the monies remaining are not required during the year the policy of using these resources, in general, for investment, generate income/savings and provide a more sustainable financial position should continue.
- 3.3.6. With a remaining uncertainty on Government funding available in the future and the ongoing requirement for local authorities to be more self-sufficient, there is a need to consider what significant changes are required to manage within this new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends' groups) and exploring opportunities around community-based place shaping led by the Council as a community leader. Even with the additional income identified in this report the Council will need to plan for significant changes including the impact of a recession and the 'new normal'. As pressures in statutory services such as adult social care, children's social care and high needs as well as homelessness are growing, the scope to invest in local priorities and services that benefit the widest range of people is reducing. The Council has delivered savings of over £110m per annum since 2009/10 and the ability to make savings in lower priority areas becomes more problematic. The need for savings in areas that support the Council's key priorities becomes more critical to meet the legal requirements for a balanced budget. The Council will continue to look for ways to operate more efficiently and generate more income, but this alone will not be enough to meet the future years' budget gap. The key consideration is how the Council can balance the budget over the next four years. Considering the core statutory minimum service requirements, Chief Officers continue to undertake the transformational review across all services, focusing on higher spend services first with options being presented to future meetings. The ongoing transformation review will be a key consideration in addressing the budget gap over the next four years.
- 3.3.7. The current Children, Education and Families Portfolio Draft 2022/23 Budget includes the full year effect of the Phase 1 and Phase 2 Transformation Savings, totalling £255k in 2022/23

increasing to £447k per annum from 2025/26. A summary of the savings is provided below with more details within Appendix 1.

Transformation Savings

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Emergency Foster Placement	(79)	(158)	(237)	(237)
Contact Centres income generation	(40)	(40)	(40)	(40)
SEND Transport	(137)	(187)	(187)	(187)
Adult Education income generation	1	14	17	17
Total	(255)	(371)	(447)	(447)

3.3.8. This key work continues and further proposals will be reported to Members as part of addressing the four year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

3.3.9. There remain significant cost/growth pressures impacting on education, high needs transport, housing, adults and children's social care as well as opportunities for the mitigation of costs. For this Portfolio, there are additional costs relating to SEN Transport, placements and children social care staffing. The financial forecast elements for CEF are summarised below.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Growth/cost pressures	16,397	18,957	21,534	25,611
Mitigation	(4,816)	(2,998)	(3,176)	(3,529)
Offset by DSG grant	(8,030)	(9,640)	(11,878)	(15,259)
Net additional costs	3,551	6,319	6,480	6,823

3.3.10. It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2023/24 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

3.4. DETAILED DRAFT 2022/23 BUDGET

3.4.1. Detailed Draft 2022/23 Budgets are attached in Appendix 1 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets are forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February.

3.4.2. Appendix 1 sets out:

- A summary of the Draft 2022/23 Revenue Budget for the Portfolio showing actual 2020/21 expenditure, 2021/22 budget, 2022/23 budget and overall variations in planned spending between 2021/22 and 2022/23;
- A summary of the main reasons for variations per Portfolio in planned spending between 2021/22 and 2022/23 together with supporting notes;
- A high level subjective summary for the Portfolio showing expenditure on employees, premises etc.

3.5. REVIEW OF FEES AND CHARGES

3.5.1. There will need to be an ongoing review identifying opportunities as the medium term 'budget gap' remains significant. Chief Officers will continue to review fees and charges during 2022/23 to identify opportunities to reduce the future years 'budget gap'

3.6. IDENTIFYING FURTHER SAVINGS/MITIGATION

3.6.1. The scale of savings required in future years cannot be met by efficiency alone – there may need to be a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2022/23 Budget represents the third year of savings from the Transformation Programme (see section 3.3.7). This key work continues, and further proposals will be reported to Members as part of addressing the four-year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

3.7. ESTIMATED FINANCIAL IMPACT OF COVID-19

3.7.1. It is clear that there are potential additional cost pressures facing the Council due to the impact of the pandemic which includes for example:

- Ongoing impact of increase in referrals for children social care.
- Long Covid' effect on adult social care activity and costs.
- Potential increase in homelessness costs following end of furlough and national eviction ban.
- Reduced income remaining from car parking and other income sources.
- Ongoing challenges relating to debt recovery (partly due to required delay enforcement action for income recovery).

3.7.2. Some of these changes had been incorporated in the 2022/23 Budget but there remains uncertainty about the ongoing impact arising from the 'new normal'. The Provisional Local Government Finance Settlement 2022/23 announced on 16th December provides no specific long COVID (or 'new normal') additional funding for local government in 2022/23.

3.8. SCHOOLS BUDGET

3.8.1. Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring fenced grant, more recently through the Dedicated Schools Grant (DSG).

3.8.2. The implementation of the National Funding Formula (NFF) began in 2018/19. Funding has been split into four blocks, Schools, High Needs, Early Years and Central Spend DSG. The funding splits are detailed in the table below:-

PROVISIONAL DSG FUNDING					
	Schools	High Needs	Early Years	Central	Total
	£'000	£'000	£'000	£'000	£'000
2021/22	237,832	59,923	23,343	2,134	323,232
2022/23 (provisional)	245,142	67,379	21,748	2,091	336,360
Variation	7,310	7,456	-1,595	-43	13,128

- 3.8.3. The figures in the table above are provisional and subject to change once DfE issue any updates in due course.
- 3.8.4. The Schools Block has risen by £7.3m. This is due to an increase in the per pupil unit of funding and increases in the population figures. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools. Moreover, DfE has introduced a central payment mechanism for Schools Business Rates in 2022/23 and therefore a further deduction will be made for this.
- 3.8.5. There has also been an announcement of additional supplementary grant of £7.1m for 2022/23 for schools. This is to provide support for the costs of the Health and Social Care Levy and wider costs. This will be distributed as a separate grant in 2022/23 only as the intention is to integrate this into the DSG from 2023/24 onwards.
- 3.8.6. The High Needs Block is seeing pressures coming through the system. Nationally the Government were seeing some authorities building up high levels of deficit reserves. This particular funding issue has been acknowledged, and further funding committed for 2022/23.
- 3.8.7. The DSG allocation has resulted in an increase in high needs block funding of £7.5m for Bromley. £2.4m of this amount was announced in the spending review to cover additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated, including the Health and Social Care Levy. The remaining £5.1m is due to the increases in per pupil funding and the increase in pupils themselves.
- 3.8.8. Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. Moreover, future funding levels have not yet been announced and so there is uncertainty as to what funding levels will be from 2023/24.
- 3.8.9. Early Years funding has decreased by £1.6m. DfE have increased the part time equivalent (PTE) rates by 21 pence per hour for 2-year-old funding and 17p per hour for 3 and four year old funding for 2022/23. This has increased the grant by £783k. However there has been a considerable drop in numbers through the census data, resulting in a grant loss of £2.4m. There is uncertainty about the figures to the COVID pandemic and the pupil counts so this should be taken with some caution. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the financial year progresses. It is hoped take up will increase and if this is the case, the funding will be adjusted by DfE.
- 3.8.10. The Central Block has decreased by £43k. The per pupil rate fell by 2.5% (the equivalent of a loss of £53k). £10k of additional grant was received due to the increase in pupil numbers. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the

Council used £410k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2022/23 bringing the total Council core funding to £460k.

3.9. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

COVID Warning

3.9.1. Across Children Education and Families we continue to experience a range of challenges in terms of safeguarding for our most vulnerable children these are as follows;

- an increase children coming into care as families who were fragile have been unable to cope.
- younger children coming into public care through the courts where issues of parental mental health and substance misuse together with domestic violence has featured.
- Schools have needed to quickly respond to the physical lay-out of class rooms and communal areas, as well as implementing arrangements to accommodate regular testing regimes.
- Higher incidences of emotional well-being concerns for young people linked to the periods lock-down and death/illness of family members.
- We have been required to find some specialist placements for complex needs children where their home situation is unable to be sustained due to their needs and these placements costs are at the high end.

3.9.2. Staffing has continued to remain highly resilient throughout the pandemic, with the vast majority adapting to work from home. Staff wellbeing has continued to be a priority, but this remains a risk area until the majority of staff can return to their usual place of work.

3.9.3. It is therefore very difficult to predict the ripple effect in the CEF division as we continue through this pandemic and the final outcome and impact on children and families and how far reaching this will be both in terms of wellbeing but also financial cost to the Local Authority.

Children's Social Care

Volume in referrals and workload:

3.9.4. The Bromley Children Project has continued to be flexible and extend further its reach to support families who are on the cusp of universal and targeted support. The service has continued to be innovative in supporting families through a myriad of online opportunities and face to face through C19 observing Public Health guidelines.

3.9.5. Despite C19 we continue with the challenge to reach out to the older age group in being able to support them before they enter statutory social care including work on disproportionality and how we can support our BAME community.

3.9.6. Since March 2021, the number and complexity of referrals have increased. This is linked to return of young people back to a full-time, class-based curriculum. This increase in demand was anticipated and is closely linked to impact of the first and second lockdown periods.

3.9.7. We are now experiencing very high levels of contacts reaching nearly a 1,000 per month to the MASH and we held 47 Strategy meetings during just one duty week. Due to the volume we have dip sampled cases and given assurance that the right children are being assessed the increase in younger children coming into care due to significant harm is a national picture and

for Bromley many of these are families we have had no contact with before which is a changing picture and outcome of the impact of C19.

- 3.9.8. We currently have 83 children in proceedings in various stages and the courts are backlogged and working remotely which has slowed final decisions for children. This is a slight reduction from previously reported as the Court are beginning to make in-roads into the back-log of cases caused by the initial periods of lock-down. However, this means that some children are remaining in the system longer when in 'normal' circumstances may have been closed.

Recruitment of permanent staff:

- 3.9.9. This continues to be a significant challenge. Currently 83% of staff are permanent. Some of the reasons that this is currently difficult is due to other LA's offering higher salaries in their quest to attract skilled social workers, or also the impact of remote working leading to some SW's re-locating out of London or being able to work in other parts of the Country for much of the week. Recruitment into our Referral teams and Safeguarding teams is the most challenging because of the nature of the work.
- 3.9.10. We have a full contingent of permanent staff in our Looked After Children and Care Leaving service, fostering, SGO and CWD. It is the safeguarding front line services are the most challenging and this is line with other London Local Authorities.
- 3.9.11. We continue to seek to promote from within and encourage career progression as a major element of our staff retention approach.

Keeping our caseload promise:

- 3.9.12. Setting clear caseload levels – which are monitored (Caseload Promise and Challenge). Our caseload promise is between 12–15 children and this continues to be challenging with the high number of cases coming through the front door. This continues to subsequently challenge our safeguarding teams who are holding cases longer due to the court issues mentioned above. We have been able to maintain caseloads within the Ras Teams and are now looking at ways to address capacity in the Safeguarding service.
- 3.9.13. Caseloads are monitored carefully through performance data each week and monthly performance surgeries. The HOS KIT meetings supports this and colleagues in Children Looked After have taken some court cases and children who have become looked after to try and ease the burden.

Placements of children in care:

- 3.9.14. The Assistant Director of Children Social Care monitors all requests for children to be accommodated and they are then scrutinised further through the Placement Panel which continues to take place every Friday. We continue to seek and obtain financial contribution from our CCG partners and ensure that the financial split is proportionate. We review our CCG contribution twice yearly to ensure that CCG financially plan and contribute going forward. We have just completed this exercise and await the confirmation of the uplift for the coming year.
- 3.9.15. The complexity of young people coming into care is testing the suitability of placements and again we have recently been in a position where two young people reached the secure threshold and no placements were available, leaving the LA with not only the risk to bear but finding a high dependency of support workers causing the cost to be above that of a secure placement. – this current cost of such placements is around £10 – £12K per week
- 3.9.16. Bromley continues to be part of the Commissioning Alliance, along with 11 other boroughs. We are currently looking at how membership of this organisation might provide further efficiencies

in our commissioning. Currently the stability of our placements is very good despite the challenging circumstances.

- 3.9.17. Our 4 step down foster carers have now been caring for 3 young people who were high profile, complex and in residential . This resource has ensured good outcomes for young people as well as significant financial savings.
- 3.9.18. We also have a cohort of foster carers who take children in an emergency during the night or at weekends (sometimes from custody), which is when children are often placed with external providers, sometimes miles away and high cost. We have now recruited a 5 foster carers to this cohort.
- 3.9.19. Our Staying Together team has continued to work across the service areas preventing children 11-18 entering care and to date this has been very successful. They have worked with 180 children and only 6 of those came into care. They are currently supporting some young people within the YOS preventing those young people not only becoming looked after but preventing them entering the judicial system. This approach has been so successful that we are currently looking to strengthen this team so that we can prevent a wider cohort of children from needing to enter care.

Unaccompanied Asylum Seeking Children:

- 3.9.20. We are currently supporting 79 young people – 7 under the age of 18 and the rest as care leavers. These young people continue to be vulnerable with trauma's that require specific and skilled work and with C19 has had a more profound impact and effect on their mental health.

Education

- 3.9.21. Covid-19 had a significant impact on the income from paying learners within Adult Education, however these numbers have slowly begun to return to previous levels.
- 3.9.22. Our overall population continues to increase with a particularly increase in the school age population (this was 61,343 in 2018, was 62,108 in March 2021.) Over the period since 2010 this equates to a 9.62% increase. These increases are creating pressure for universal services such as school admissions and school attendance where services are dealing with more children within the same resources. The pressure on funding for alternative provision has been mitigated by the move to a five year commissioning approach, following the Review of Alternative Provision. Nevertheless, the numbers of pupils with complex behaviours that challenge continues to increase, placing a pressure on services. We aim to mitigate this with increased focus on earlier intervention and outreach. Secondary permanent exclusions have reduced significantly, however this will need to be monitored closely.
- 3.9.23. The Education Service is projected to have a significant overspend on both DSG and RSG budgets in 21/22, primarily as a direct result of increased levels of SEND and the demands to the service that this is bringing. The majority of the proposed growth items within the Education MTFS aim to address this but there continues to be immense pressures on services and budgets.

SEN/D (Special Educational Needs and Disability) pressure:

- 3.9.24. The greatest pressure is in the area of SEN/D with an overspend in the DSG (Dedicated Schools Grant) High Needs Block arising from exponential increase in the need for specialist placements. This is also having a significant impact on the RSG resulting from significant increases in the volume and cost of SEN Transport. These pressures are in line with other Boroughs across London and England. Between 2016 and 2021, the number of children with special educational needs requiring an EHCP (Education, Health and Care Plan) has increased

by 33%, significantly higher than the overall increase in the school age population. In October there were 3,323 Bromley resident children with an EHCP. In 2017, there were 422 requests for statutory assessment, which increased to 823 by the end of 2019/20.

3.9.25. An external review of arrangements for SEND highlighted the need to:

3.9.26. Match local provision to local need;

3.9.27. Use existing resources more effectively to support placements in mainstream schools, as far as possible. Action taken includes:

- Free school bid approved for a new special school for children with ASD (Autistic Spectrum Disorder) to enable Bromley to place more children locally in Bromley schools so reducing spend in more costly places in the non-maintained and independent sector. This new school is likely to open in 2024
- Service Level Agreements developed for all Additionally Resourced Provision in mainstream schools to ensure that places are used efficiently.
- SEND Training Collaborative has developed comprehensive training offer for schools and providers, supported by the SEN Advisory teams to strengthen support for children in mainstream schools.

3.9.28. The Education MTFS (Medium Term Financial Strategy) mitigations are predicated on placing more children and young people within mainstream and local specialist provision and over time reducing the number of out of Borough and independent placements. This carries significant risks because provision for children is determined by their presenting needs according to the legal tests set out within the SEND Code of Practice and there is a shortfall of local specialist provision, which the free school will help to address, but not until at least September 2023. With sustained exponential increases in demand for EHCPs and increasing numbers of cases being overturned by SEND Tribunals, this will remain a challenge across the MTFS period.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The draft 2022/23 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

5. POLICY IMPLICATIONS

5.1 The Draft 2022/23 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium term financial plan. The Council continues to deliver key services and lives within its means.

6. FINANCIAL IMPLICATIONS

6.1 Financial implications are contained within the overall body of the report.

7. PERSONNEL IMPLICATIONS

7.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2022/23 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

8. LEGAL IMPLICATIONS

- 8.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. The Local Government Finance Act 1992 (as amended) requires the Council to set an amount of Council Tax for each financial year and provides that it must be set before 11th March in the financial year preceding that for which it is set. Sections 73-79 of the Localism Act 2011 amended the calculations billing and precepting authorities need to make in determining the basic amount of Council Tax. The changes included new sections 31 A and 31 B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax.
- 8.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 8.3 The Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 8.4 Executive is being requested to delegate the setting of the schools' budget funded through the Dedicated Schools Grant to the Education, Children and Families Portfolio Holder.
- 8.5 The making of these budget decisions at full Council is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases and the recent introduction of the Adult Social Care precept. The Council has a number of statutory duties which it must fulfil by law – although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties – although it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the council must have due regard to elimination of discrimination, harassment and victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 8.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2022/23 Council Tax report to be reported to the February meeting of the Executive.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	Draft 2022/23 Budget and Update on the Council's Financial Strategy 2023/24 to 2025/26, Executive 12th January 2022. Finance monitoring, Estimate Documents, etc all held in Finance Section

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO**DRAFT REVENUE BUDGET 2022/23 - SUMMARY**

2020/21 Actual	Service Area	2021/22 Budget	Increased costs	Other Changes	2022/23 Draft Budget
£		£	£	£	£
	Childrens Social Care				
1,313,365	Bromley Youth Support Programme	1,656,750	34,030	24,420	1,715,200
6,316,744	CLA and Care Leavers	6,838,900	207,520	1,201,380	8,247,800
855,862	Early Intervention and Family Support	1,236,150	79,730	(6,440)	1,309,440
16,643,722	Fostering, Adoption and Resources	17,778,140	696,110	4,000	18,478,250
3,684,004	Referral and Assessment Service	3,597,970	76,050	490,000	4,164,020
2,460,591	Safeguarding and Care Planning East	2,868,980	70,990	50,000	2,989,970
6,033,773	Safeguarding and Care Planning West	5,502,600	172,400	199,440	5,874,440
(1,019,195)	Safeguarding and Quality Improvement	(983,540)	227,440	150,000	(606,100)
36,288,868		38,495,950	1,564,270	2,112,800	42,173,020
	Education Division				
201,632	Access and Inclusion	183,900	101,320	(41,770)	243,450
(422,993)	Adult Education Centres	(448,220)	(3,060)	1,000	(450,280)
0	Early Years	0	0	0	0
37,334	Other Strategic Functions	776,670	76,050	(414,380)	438,340
(27,506)	Primary Schools	(6,530)	467,560	(461,030)	0
644,386	Schools & Early Years Commissioning and QA	735,360	899,820	(901,620)	733,560
(1,301,088)	Schools Budgets	(1,444,140)	(3,214,320)	3,147,620	(1,510,840)
0	Secondary Schools	0	146,070	(146,070)	0
6,826,758	SEN and Inclusion	7,706,850	1,250,350	878,600	9,835,800
20,750	Special Schools & Alternative Provision	(30,790)	631,430	(600,640)	0
127,266	Strategic Place Planning	103,400	7,370	(67,510)	43,260
(30,449)	Workforce Development & Governor Services	(27,190)	1,960	(2,080)	(27,310)
6,076,091		7,549,310	364,550	1,392,120	9,305,980
42,364,958	TOTAL CONTROLLABLE	46,045,260	1,928,820	3,504,920	51,479,000
8,892,445	TOTAL NON CONTROLLABLE	1,582,460	11,660	(250)	1,593,870
8,531,142	TOTAL EXCLUDED RECHARGES	9,000,290	0	(66,310)	8,933,980
59,788,544	PORTFOLIO TOTAL	56,628,010	1,940,480	3,438,360	62,006,850

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO**SUMMARY OF BUDGET VARIATIONS 2022/23**

Ref		VARIATION IN 2022/23		ORIGINAL
		£'000	£'000	BUDGET 2021/22 £'000
1	2021/22 BUDGET			56,628
2	Increased Costs			1,940
	Movements Between Portfolios/Departments			
3	Ex-CFA Recharge		61	1,514
4	Domestic Abuse Service Commissioning		38	179
5	Centralisation of Training Budgets	Cr	34	34
6	Transfer of Transport Function to Education		144	5,528
	Real Changes			
	<i>Growth</i>			
7	FYE effect of Placements from 2021/22		3,327	19,635
8	SEN Transport additional demand and costs		3,256	5,528
9	Referral and Assessment social workers		490	2,042
10	Additional children social care resources to reflect additional caseload		200	3,424
11	Leaving care number increases		186	2,211
12	Recruitment and retention of social workers		150	349
13	Growth in SGO's payments		125	1,567
14	EHCP Coordinator/Statutory Assessment		123	1,228
15	Additional staff in Staying Together Team		100	162
16	Education Psychologists		90	815
17	THRIVE Workers		80	628
18	SGO Staffing		75	628
19	Fostering Staff		75	1,104
20	Decrease in Central DSG allocation		50	410
21	Parenting Worker		40	961
	<i>Mitigation</i>			
22	Travel Training 15 in first year and then 30 a year	Cr	46	110
23	Reduction in ISW assessments	Cr	50	162
24	Additional foster carers	Cr	50	4,526
25	Staffing costs charged to Basic Need grant	Cr	65	Cr 140
26	Reduction in new SEN Transport take up from 36% to 30%	Cr	73	5,528
27	In house foster placements and increase in adoption grant	Cr	75	4,421
28	Additional in house foster carers	Cr	78	4,526
29	Additional CCG Contribution	Cr	100	Cr 2,350
30	Step Down	Cr	166	4,526
31	Commissioning efficiencies	Cr	250	4,526
32	Placements due to predicted numbers	Cr	363	19,635
33	Release of Education Risk Reserve	Cr	500	500
34	Allocation of unringfenced Covid funding from Reserves	Cr	3,000	Cr 4,816
	<i>Transformation Programme Savings</i>			
35	Adult Education		1	Cr 502
36	Contact Centres	Cr	40	Cr 64
37	Emergency Foster Placement	Cr	79	4,526

38	Transport Services Policy	<u>Cr</u>	<u>137</u>	Cr	255	5,528
39	Variations in Recharges			Cr	66	
40	2022/23 DRAFT BUDGET				<u>62,007</u>	

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO

Notes on Budget Variations in 2022/23

Ref Comments

Movements Between Portfolios/Departments

- 3 Ex-Education Funding Agency (EFA) Adult Clients (Dr £61k)
The inflationary increase in the costs of ex-ESFA funded clients with Learning Disabilities in Adult Social Care is funded by an increased recharge to DSG.
- 4 Domestic Abuse Service Commissioning (Dr £38k)
Additional budget required to support the commissioning of the domestic abuse service for another year. Contributions have been made by Adult Social Care, Public Health and Housing with the remaining contribution coming from CSC within existing resources
- 5 Centralisation of Training Budgets (Cr £34k)
Departmental training budgets are now being centralised into one corporate area to be managed by HR rather than by individual budget managers.
- 6 Transfer of Transport Function to Education (Dr £144k)
The transport function has been centralised within Education during 2021/22 and this adjustment reflects the transfer of the staff and running costs previously located within ASC and Environment portfolios

Real Changes

Growth

- 7 FYE effect of Placements from 2021/22 (Dr £3,327)
The full year effect of 2021/22 pressures on Children Social Care placements is £3,327k. This has been reduced by management action expected to be taken
- 8 SEN Transport additional demand costs (Dr 3,256k)
Additional funding is required to support the increase in the numbers of pupils and costs of the service. Increases in EHCP's of 17% over the last 2 years have meant increased volumes of children on transport. Costs have also increased as due to the impact of COVID, there is a shortage of workers to drive the clients
- 9 Referral and Assessment social workers (Dr £490k)
This is to permanently create a 7th team in RAS due to a 24% increase in referrals. Caseload have continued to hover around the 900-1,000 contacts per month and this will keep caseloads within the caseload promise
- 10 Additional children social care resources to reflect additional caseload (Dr £200k)
Additional staffing for a period of two years (2022/23 and 2023/24) in the safeguarding teams to deal with increasing caseload issues
- 11 Leaving care number increases (Dr £186k)
Children Social Care has been seeing an increase in the number of people they support in Leaving Care that has increase the costs they are incurring. The demographic make up of the children are seeing more 16/17 year olds coming through the system and into Leaving Care.
- 12 Recruitment and retention of social workers (Dr £150k)

Due to the difficulties in recruiting and retaining social workers additional budget is required to reduce the need for costly temporary/agency staff and to keep more permanent social worker staff

13 Growth in SGO's payments (Dr £125k)

Growth identified in Children Social Care in regards to the increase costs and use of Special Guardianship Orders. There has been a 66% increase in referrals in SGO's and a 32% increase for Reg 24 assessments

14 EHCP Coordinator/Statutory Assessment (Dr £123k)

The request for EHC Needs Assessments continue to increase significantly, together with the increase for EHC Plans that require resources to manage the statutory process. To meet our statutory duty, the local authority must seek to complete an assessment for the need within 14 weeks and if agreed the EHC Plan within 20 weeks. The additional posts realise this and keep caseload benchmarked to slightly above average

15 Additional staff in Staying Together Team (Dr £100k)

This will expand the team by increasing the number of staff the Council has who work with families with children at risk of entering care

16 Education Psychologists (Dr £90k)

The requests for EHC Needs Assessments continue to increase significantly, together with the increase of EHC Plans that require resources to manage the statutory process. There is a greater demand for Educational Psychologists and additional post is required to meet this demand. The growth is also the continuation of the recruitment and retention policy in order to retain staff and avoid costly temporary / agency staff the pay structure will be more in line with the market and will therefore attract slightly higher costs

17 THRIVE Workers (Dr £80k)

The service is increasing and developing the support the Council has for working with children with mental health and wellbeing problems

18 SGO Staffing (Dr £75k)

Due to the current pressures within the SGO team and the explanation detailed in No. 8 above, additional staffing is required to meet the ongoing demand.

19 Fostering Staff (Dr £75k)

To assist in the increased workload from the rise in the number children going into foster care placements. Enquiries have increased by 167% and it is crucial that when an enquiry takes place, it is responded to immediately so as to not miss any potential carers. This funding will also be used to further increase marketing capabilities.

20 Decrease in Central DSG allocation (Dr £50k)

There is an expected reduction in the Central Services Block of the Dedicated Schools Grant (DSG) funding. The growth covers the loss of grant and maintains the current service levels

21 Parenting Worker (Dr £40k)

Additional specialist Youth Offending Service (YOS) worker

Mitigation

22 Travel Training 15 in first year and then 30 a year (Cr £46k)

By training some of the SEN pupils at Special schools to use pupil transport, it will give them greater freedom and independence as well as reducing the pressure on the SEN transport budget

23 Reduction in ISW assessments (Cr £50k)

- Relates to number 9 above. Due to the increase in staffing it is anticipated that there will be a lower demand for Independent Social Worker Assessments (ISW's)
- 24 Additional foster carers (Cr £50k)
Relates to number 11 above. The service expect the recruitment of additional in house foster carers above and beyond current budget levels
- 25 Staffing costs charged to Basic Need grant (Cr £65k)
Following a review, additional costs have been identified that can be charged to the Capital Basic Needs Grant, thus reducing the burden on revenue funding.
- 26 Reduction in new SEN Transport take up from 36% to 30% (Cr £73k)
The service is working on ways to reducing the number of new children, in percentage terms, coming into the SEN Transport service, with these plans coming on stream during the year financial year
- 27 In house foster placements and increase in adoption grant (Cr £75k)
relates to number 10 above. The service would expect the growth above to result in additional in house foster carers (as opposed to IFA's) and generate additional Adoption Support Grant funds
- 28 Additional in house foster carers (Cr £78k)
Recruitment of additional in-house foster carers above and beyond current budget levels
- 29 Additional CCG Contribution (Cr £100k)
It is assumed that due to changes in the number and health needs of the children the local authority look after, there will be additional income coming in from Bromley CCG
- 30 Step Down (Cr £166k)
Continuation of the savings by further utilising the Step Down programme team
- 31 Commissioning efficiencies (Cr £250k)
Due to the contracts that the service has entered into, it is expected that the costs of placing Children into placements will be reduced going forward
- 32 Placements due to predicted numbers (Cr £363k)
It is expected that the total number of children that Bromley currently look after will reduce during the year and lessen the pressure on the overall placements budget
- 33 Release of Education Risk Reserve (Cr £500k)
The Risk reserve was originally set up to alleviate any DSG pressures, particularly in High Needs. However legislation no longer allows for Council contributions and so this can now be removed
- 34 Allocation of unringfenced Covid funding from Reserves (Cr £3,000k)
Funding of £3m from unringfenced Covid funding carried forward through reserves has been added to the 2022/23 budget for the additional costs relating to the impact of Covid-19 on the CEF portfolio
- Transformation Programme Savings*
- 35 Adult Education (Dr £1k)
Slight reduction in the transformation savings due to one off savings in 2021/22
- 36 Contact Centres (Cr £40k)
Income generated from the reorganisation of the service and the selling of contact space to other authorities
- 37 Emergency Foster Placement (Cr £79k)

Assuming a steady stream of placements across the financial year being able to be diverted from IFA's and offsetting the costs of retaining 3 emergency carers

38 Transport Services Policy (Cr £137k)

Changes to Personal Budgets and Independent Travel training initiatives

39 Variations in Recharges (Cr £66k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO
DRAFT REVENUE BUDGET 2022/23 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/Financing	Total Controllable
	£	£	£	£	£	£	£			£
Childrens Social Care										
Bromley Youth Support Programme	1,991,750	146,340	32,100	168,960	105,550	0	Cr 630,900	Cr 98,600	0	1,715,200
CLA and Care Leavers	3,363,580	0	33,380	1,522,140	1,103,200	4,922,810	Cr 2,705,740	8,430	0	8,247,800
Early Intervention and Family Support	2,689,250	311,870	25,750	357,640	184,230	0	Cr 192,260	Cr 2,067,040	0	1,309,440
Fostering, Adoption and Resources	2,305,200	0	8,940	264,520	20,840,090	28,050	Cr 4,343,550	Cr 625,000	0	18,478,250
Referral and Assessment Service	3,968,640	0	6,380	133,920	8,320	46,760	0	0	0	4,164,020
Safeguarding and Care Planning East	2,338,730	0	8,090	143,970	463,030	36,150	0	0	0	2,989,970
Safeguarding and Care Planning West	3,587,900	0	18,760	19,180	1,611,400	1,265,550	Cr 171,950	Cr 456,400	0	5,874,440
Safeguarding and Quality Improvement	3,056,450	0	10,420	1,088,760	22,590	0	Cr 4,256,610	Cr 527,710	0	Cr 606,100
	23,301,500	458,210	143,820	3,699,090	24,338,410	6,299,320	Cr 12,301,010	Cr 3,766,320	0	42,173,020
Education Division										
Access and Inclusion	2,276,750	0	81,090	337,650	916,900	0	Cr 217,820	Cr 3,151,120	0	243,450
Adult Education Centres	1,357,170	168,580	1,420	273,570	0	1,160	Cr 2,263,200	11,020	0	Cr 450,280
Early Years	0	0	0	0	0	0	0	0	0	0
Other Strategic Functions	200,660	0	840	444,610	3,621,610	0	Cr 122,480	Cr 3,706,900	0	438,340
Primary Schools	0	0	0	10,661,320	0	0	Cr 372,010	Cr 10,289,310	0	0
Schools & Early Years Commissioning and QA	1,748,820	83,730	6,200	1,061,220	19,750,910	0	Cr 904,770	Cr 21,012,550	0	733,560
Schools Budgets	0	0	0	263,070	0	0	Cr 92,971,420	91,197,510	0	Cr 1,510,840
Secondary Schools	0	0	0	5,911,450	0	0	Cr 2,389,550	Cr 3,521,900	0	0
SEN and Inclusion	7,108,500	289,820	9,127,710	4,511,770	22,222,950	55,170	Cr 2,163,380	Cr 31,316,740	0	9,835,800
Special Schools & Alternative Provision	0	0	0	15,957,960	0	0	Cr 63,830	Cr 15,894,130	0	0
Strategic Place Planning	296,450	0	0	40,960	0	0	0	Cr 294,150	0	43,260
Workforce Development & Governor Services	33,080	0	160	16,700	19,210	0	Cr 40,910	Cr 55,550	0	Cr 27,310
	13,021,430	542,130	9,217,420	39,480,280	46,531,580	56,330	Cr 101,509,370	1,966,180	0	9,305,980
	36,322,930	1,000,340	9,361,240	43,179,370	70,869,990	6,355,650	Cr 113,810,380	Cr 1,800,140	0	51,479,000

Service area	Capital Charges/Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£				£	£	£	£
Childrens Social Care								
Bromley Youth Support Programme	102,000	56,420	Cr 68,850	89,570	435,670	2,240,440	Cr 65,760	2,174,680
CLA and Care Leavers	0	8,970	0	8,970	534,820	8,791,590	0	8,791,590
Early Intervention and Family Support	123,000	16,820	0	139,820	541,570	1,990,830	Cr 15,440	1,975,390
Fostering, Adoption and Resources	0	3,960	0	3,960	1,972,550	20,454,760	0	20,454,760
Referral and Assessment Service	0	9,610	0	9,610	504,490	4,678,120	Cr 110,230	4,567,890
Safeguarding and Care Planning East	0	4,440	0	4,440	306,540	3,300,950	0	3,300,950
Safeguarding and Care Planning West	0	38,280	Cr 7,490	30,790	628,930	6,534,160	0	6,534,160
Safeguarding and Quality Improvement	0	3,750	0	3,750	1,145,890	543,540	0	543,540
	225,000	142,250	Cr 76,340	290,910	6,070,460	48,534,390	Cr 191,430	48,342,960
Education Division								
Access and Inclusion	0	4,100	0	4,100	577,450	825,000	Cr 538,320	286,680
Adult Education Centres	150,000	80,210	0	230,210	361,470	141,400	Cr 2,970	138,430
Early Years	0	0	0	0	39,320	39,320	Cr 39,320	0
Other Strategic Functions	0	10,430	0	10,430	423,070	871,840	Cr 449,850	421,990
Primary Schools	504,000	97,820	0	601,820	2,870	604,690	Cr 60,040	544,650
Schools & Early Years Commissioning and QA	0	31,000	0	31,000	517,520	1,282,080	Cr 78,190	1,203,890
Schools Budgets	0	0	0	0	1,474,840	Cr 36,000	Cr 0	36,000
Secondary Schools	0	3,420	0	3,420	830	4,250	Cr 4,250	0
SEN and Inclusion	11,000	14,770	0	25,770	1,775,210	11,636,780	Cr 1,000,770	10,636,010
Special Schools & Alternative Provision	389,000	6,750	0	395,750	1,034,880	1,430,630	Cr 1,041,590	389,040
Strategic Place Planning	0	370	0	370	58,300	101,930	Cr 7,300	94,630
Workforce Development & Governor Services	0	90	0	90	16,380	Cr 10,840	Cr 4,590	Cr 15,430
	1,054,000	248,960	0	1,302,960	6,282,140	16,891,080	Cr 3,227,190	13,663,890
	1,279,000	391,210	Cr 76,340	1,593,870	12,352,600	65,425,470	Cr 3,418,620	62,006,850

This page is left intentionally blank

Report No.
CEF22009

London Borough of Bromley

PART ONE - PUBLIC

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

Date: 18th January 2022

SCHOOLS FORUM

Date: 20th January 2022

Decision Type: Non-Urgent Non-Executive Non-Key

Title: 2022/23 DEDICATED SCHOOLS GRANT

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1. This report provides an outline of the final DSG allocation for 2022/23 and an overview of how this will be spent.
-

2. **RECOMMENDATIONS**

2.1 **The Children, Education and Families PDS Committee is requested to:**

- i) **Note the DSG Allocation for 2022/23;**
- ii) **Provide any comments for consideration to the Portfolio Holder.**

2.2 **Subject to the views of the Children, Education and Families Budget Sub Committee and those of the Schools Forum the Portfolio Holder is asked to approve the Dedicated Schools Grant allocation and the methodology of its distribution.**

2.3 **The Schools Forum are requested to:**

- i) **Review the DSG income and forecast expenditure for 2022/23**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Children, Education and Families Portfolio budget setting supports the provision of services to vulnerable young people
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Children, Education and Families portfolio budgets
 4. Total current budget for this head: £336,360k (DSG 2022/23)
 5. Source of funding: Dedicated Schools Grant (DSG)
-

Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2022/23 Financial Control Budget to be published in March 2022
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

3.1. The final Dedicated Schools Grant (DSG) funding for 2022/23 has now been provided to all LAs to reflect the October 2021 census data.

3.2. The final DSG for 2022/23 is divided into four blocks – High Needs, Early Years, Schools and Schools Central. The expected income is detailed below

2022/23 Dedicated Schools Grant					
	High Needs Block	Early Years Block	Schools Block	Schools Central Block	Total
Gross Grant Funding	£67,378,913	£21,748,109	£245,142,018	£2,090,559	£336,359,599
Recoupment adjustment	-£10,272,000		-£1,742,295		-£12,014,295
Net Grant Allocation	£57,106,913	£21,748,109	£243,399,723	£2,090,559	£324,345,304

3.3. The LA has looked at each of these blocks and has forecast the related expenditure for 2022/23 based on information that is currently available at this time. Full details of the projected grant income and expenditure can be seen at Appendix 1 with detailed information regarding each block provided below.

3.4. Appendix 2 shows the allocation from DfE

Schools Central Block

Grant 2022/23	£2,090,559
Expenditure 2022/23	£2,550,559
Contribution from Council	-£460,000
Expected (Over)/ Underspend	(£0)

3.5. The Central Block has decreased by £43k. The per pupil rate fell by 2.5% (the equivalent of a loss of £53k). £10k of additional grant was received due to the increase in pupil numbers. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the Council used £410k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2022/23 bringing the total Council core funding to £460k.

Early Years Block

Grant 2022/23	£21,748,109
Expenditure 2022/23	£21,748,109
Expected (Over)/ Underspend	(£0)

- 3.6.** Early Years funding has decreased by £1.6m year on year. There has been a considerable drop in numbers through the census data, resulting in a grant loss of £2.4m. However, DfE has increased the part time equivalent (PTE) rates by 21 pence per hour for 2-year-old funding and 17p per hour for three and four year old funding for 2022/23. This has increased the grant by £783k, resulting in a net decrease of £1.6m. . There is considerable risk and uncertainty about the figures to the COVID pandemic and volatility in the Early Years sector and take up of places and therefore the underlying pupil counts should be considered with some caution.
- 3.7.** As referred to above this block is volatile due to the drop in numbers being experienced. Amendments to the 2022/23 Early Years DSG block will be made in July 2022 based on the January 2022 census and in July 2023 based on the January 2023 census. It is possible that the Council will not be funded for all the hours if there is a significant increase in take up post January 2022 due to the lag in funding.
- 3.8.** To try to mitigate against this, the proposal is to increase the 2 year old funding rate by 6 pence and the 3 and 4 year old funding rate by 12 pence. This prudent approach will help to prevent a deficit being incurred from future volatility in the Early Years sector. The 2 year old funding in Bromley is already significantly over the rate the Council is paid and will continue to exceed the funded rate after this proposed increase. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the year progresses. However, the projected expenditure has been adjusted to reflect the increase and the block remains balanced.
- 3.9.** The funding calculation also allows for £500k to be transferred from the Early Years block to the High Needs Block to support Early Years children with SEND.

Schools Block

Grant 2022/23 – Pupil Led	£241,694,485
Premises related funding (rates)	£1,742,295
Growth Funding	£1,705,238
Recoupment	-£1,742,295
Expenditure 2022/23	£243,399,723
Expected (Over)/ Underspend	(£0)

- 3.10.** The Schools Block funding has been calculated using the October 2021 Census pupil numbers and the per pupil units of funding which have been calculated for 2022/23.

- 3.11.** The Schools Block has risen by £7.3m. This is due to an increase in the per pupil unit of funding and increases in the population figures. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools. Moreover, DfE has introduced a central payment mechanism for Schools Business Rates in 2022/23 and therefore a further deduction will be made for this.
- 3.12.** Based on the published figures the Primary unit of funding has increased from £4,595 to £4,678 which is an increase of around 1.8% and the Secondary unit of funding has increased from £5,863 to £6,048 which is an increase of around 3.7%. Overall this is a 2.5% increase per pupil.
- 3.13.** The funding that the LA is allocated for the Schools Block is calculated by running the National Funding Formula (NFF) for every school to give a total figure, which is then divided by the number of pupils in each sector to give a per pupil figure. Additional funding is added for premises (i.e. rates) and growth funding. The final growth funding has been calculated at £1.7m to include retrospective funding for the free school pupils.
- 3.14.** The main changes to the NFF for 2022/23 are as follows-
- a) Unit values have typically been increased by around 3%, with the exception of free school meal funding which has been increased by 2%.
 - c) Minimum per pupil funding levels have been set at £4,265 for primary schools and £5,525 for secondary schools.
 - d) The Minimum Funding Guarantee (MFG) level is required to be between 0.5% and 2%
- 3.15.** The MFG protection across all schools is £1.79m. There are 29 schools that are in receipt of MFG protection, all of which are Primary.
- 3.16.** The MFG level that has been used by Bromley is 1% which sits at the middle of the government's parameters. Bromley is not able to calculate the funding at or around the highest level of 2% due to the impact of the number of free schools and the issues around lagged funding, which continues to direct funding away from all other schools.
- 3.17.** There are a number of schools that become eligible for minimum per pupil funding protection as follows:
- a) 19 Primary schools to receive around £1.2m collectively.
 - b) 0 Secondary schools.
- 3.18.** In the primary sector the schools that now fall into this category are the larger primary, infant and junior schools where their costs per pupil are likely to be lower due to their size and therefore economies of scale.
- 3.19.** There has also been an announcement of additional supplementary grant of £7.1m for 2022/23 for schools. This is to provide support for the costs of the Health and Social Care Levy and wider costs. This will be distributed as a separate grant in 2022/23 only, as the intention is to integrate this into the DSG from 2023/24 onwards.
- 3.20.** The Schools block funding allocations go through a validation check with the ESFA so they are subject to review and possible amendment.

High Needs Block

Grant 2022/23	£67,378,913
Recoupment	-£10,272,000
LA Expenditure 2022/23	£57,106,913
Expected (Over)/ Underspend	(£0)

- 3.21.** The High Needs Block is seeing pressures coming through the system. Nationally the Government were seeing some authorities building up high levels of deficit reserves. This particular funding issue has been acknowledged, and further funding committed for 2022/23.
- 3.22.** The DSG allocation has resulted in an increase in High Needs Block funding of £7.5m for Bromley. £2.4m of this amount was announced in the spending review to cover additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original High Needs Block allocations were calculated, including the Health and Social Care Levy. The remaining £5.1m is due to the increases in per pupil funding and the increase in pupils themselves.
- 3.23.** Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. Moreover, future funding levels have not yet been announced and so there is uncertainty as to what funding levels will be from 2023/24.
- 3.24.** To mitigate against the predicted growth, mitigations have also been assumed as part of the Medium Term Financial Strategy. These are predicated on slowing the rate of increase in EHCPs and to incrementally placing more children in local schools. This carries significant risks because provision for children is determined by their presenting needs according to the legal tests set out within the SEND Code of Practice. With sustained exponential increases in demand for EHCPs and increasing numbers of cases being overturned by SEND Tribunals, this will remain a challenge across the MTFS period.
- 3.25.** There continues to be significant pressures on the High Needs Block. The expenditure is based on the pattern of new EHCPs (Education, Health and Care Plans) seen over recent years and on the average cost of a placement. The demand for placements of children and young people with SEN continues to increase. Increased numbers of children and young people have been placed at mainstream schools, special schools and resourced provisions. Nevertheless, the sustained increase in demand results in the continued reliance on independent settings, which are generally more expensive than in borough placements.
- 3.26.** There is currently a deficit on the DSG of just over £1m. This is expected to rise during the 2021/22 financial year. DfE will ask in due course for a recovery plan which will have to mitigate this deficit over a period of 3 to 5 years. The current budget does not address this deficit although officers are in the process of formulating a deficit recovery plan ahead of the request from DfE.

4. SCHOOL FORUM COMMENTS

- 4.1 The Schools Forum meet on the 20th January 2022. Any comments from the Forum will be fed back to the Portfolio Holder after the meeting so that a decision on the funding can be made.

5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

5.1 The draft 2022/23 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

6. POLICY IMPLICATIONS

6.1 The DSG 2022/23 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium term financial plan. The Council continues to deliver key services and lives within its means.

7. FINANCIAL IMPLICATIONS

7.1 Financial implications are contained within the overall body of the report.

Non-Applicable Sections:	Procurement, Personnel Implications, Legal
Background Documents: (Access via Contact Officer)	Held within the Finance Section

This page is left intentionally blank

2022/2023 DSG Provisional											
High Needs Block	2021/22	2022/23	Early Year Block	2021/22	2022/23	Schools Block	2021/22	2022/23	Central Schools Services Block	2021/22	2022/23
Income											
Baseline	52,568,913	57,213,597	EY Pupil numbers	5,701	5,086	Primary Pupil Numbers	27,500	27,268	Pupil Numbers	45,914	46,139
HN Pupil numbers			Baseline £ Per Pupil	5.05	5.22	Baseline £ Per Pupil	4,595	4,678	Baseline £ Per Pupil	46.47	45.31
Baseline £ Per Pupil	5,040,594	5,426,256	hours (15 x 38)	570	570	Total Primary Funding	126,362,402	127,561,728	Central Schools Services Funding	2,133,601	2,090,559
import/export	180,000	1,374,000	3 & 4 Years Old Funding	16,410,646	15,132,944						
Hospital & TPG/TPECG	939,273	1,005,244	EY Pupil numbers	1,787	1,658	Secondary pupil numbers	18,414	18,872			
Supplementary allocation	0	2,359,818	Baseline £ Per Pupil	5.05	5.22	Baseline £ Per Pupil	5,863	6,048			
High Needs Block Restated	58,728,780	67,378,913	hours (15 x 38)	570	570	Premises	1,662,934	1,742,295			
Academy Units@£6k	-2,116,000	-2,010,000	3 & 4 Years Old Additional 15 Hrs	5,143,477	4,932,113	Growth	1,840,023	1,705,238			
Academy Units@£10k		-70,000									
Academy Post-16 Units		-336,000	EY Pupil numbers	484	423						
PRU Places Recoupment	-1,350,000	-1,150,000	Baseline £ Per Pupil	5.82	6.03						
BBA & Glebe	-2,900,000	-3,540,000	hours (15 x 38)	570	570						
Special post 16	-600,000	-500,000	2 Year Old Funding	1,604,395	1,452,518						
Hospital	-462,000	-140,000									
Post 16 Transfer	-2,526,000	-2,526,000	EY Pupil Premium	116,025	144,133	NNDR recoupment	0	-1,742,295			
Total recoupment	-9,954,000	-10,272,000	EY Disability Access Fund	68,880	86,400						
DSG Grant Amount	48,774,780	57,106,913		23,343,422	21,748,109		237,832,719	243,399,723		2,133,601	2,090,559
										324,345,304	
Expenditure											
Delegated budgets											
Special Schools - Pre 16 places top up	3,900,000	3,360,000	Universal	15,487,132	13,972,308	Academy Recoupment	225,968,630	231,983,901	Access and Admissions	491,490	501,960
Glebe top up	5,729,442	6,369,450	Additional 3 & 4 Year Old Hours	4,354,580	4,439,580	Primary SBS	6,020,656	6,080,277	Licences	251,960	257,010
BTA Top Up	1,617,474	1,824,510				Secondary SBS	3,521,119	3,569,185	Capital	61,990	64,290
BBA top up	1,622,790	1,341,840	2 Year Old Cost	2,109,580	1,825,438				Schools Forum	1,000	1,040
Units - Maintained Places	1,949,518	1,949,530							Pupil Support Advisory Team	214,730	212,690
- LA Funded Academy Places	120,000	108,000	EY Pupil Premium	116,030	144,133				Support to Schools	46,640	48,500
- LA Funded Academy Places	40,000	90,000							Business Support	162,460	139,310
- Maintained Top Up	100,000	70,000							Workforce Development	26,360	24,430
- Academy Top Up	84,855	77,994							Schools standard	193,110	134,350
Hospital	1,642,041	1,682,342							Access to Education Management	85,530	87,680
TPG/TPECG	180,000	140,000									
LA Centrally Managed			Central Costs						Formerly ESG Funding		
Darrick Wood HIU	939,273	799,270	EY Admin Team	195,440	210,390	Growth/bulge, etc	2,151,524	1,502,150	Education Welfare Service	440,341	514,769
Darrick wood Deaf centre	1,145,680	1,177,870	SEN Support in Pre Schools	511,780	569,860	Falling rolls	170,790	264,210	Asset Management	96,920	86,630
AP Recoupment	1,063,090	1,065,890	Additional HN exp	500,000	500,000				Statutory/Regulatory Duties	271,070	277,900
Progression Courses	-95,950	-99,780							To High Needs re centrally employed teachers	200,000	200,000
Home and Alternative Provision	899,450	1,411,720	EY Disability Access Fund	68,880	86,400				Council Statutory duties	-410,000	-460,000
SEN Support in Mainstream	1,386,890	1,035,530									
SEN funding in Schools	282,690	381,110									
Outreach and Inclusion	4,052,050	5,514,110									
Specialist Support and Disability	902,090	889,230									
Complex Needs Team	232,250	241,530									
Phoenix Pre School Service	641,890	712,720									
SEN Transport	736,460	734,390									
Special Central	230,000	230,000									
Other Statememented	964,000	1,033,170									
SEN Out of Borough Fees	538,730	753,830									
SEN in Further Education Colleges	14,002,168	16,752,387									
Special Capital	4,557,950	5,790,250									
Supplementary allocation	9,950	10,200									
Funded by EY Block	0	2,359,820									
Funded by CSS Block	-500,000	-500,000									
Total	48,774,781	57,106,913		23,343,422	21,748,109		237,832,719	243,399,723		2,133,601	2,090,559
Variance	-0	0		0	-0		0	0		-0	0

Dedicated schools grant (DSG): 2022 to 2023 allocations local authority summary	2022 to 2023 DSG allocations, before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA)					2022 to 2023 DSG allocations, after deductions for national non-domestic rates, and direct funding of high needs places by ESFA				
	Schools block (£s)	Central school services block (£s)	High needs block (£s)	Early years block (£s)	Total DSG allocation (£s)	Schools block (£s)	Central school services block allocation (£s)	High needs block allocation (£s)	Early years block (£s)	Total DSG allocation (£s)
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
	= [A] + [B] + [C] + [D]					= [F] + [G] + [H] + [I]				
305 Bromley	245,142,018	2,090,559	65,019,096	21,748,109	333,999,782	243,399,723	2,090,559	54,747,095	21,748,109	321,985,486
Supplementary High Needs Funding			2,359,818		2,359,818			2,359,818		2,359,818
	245,142,018	2,090,559	67,378,914	21,748,109	336,359,600	243,399,723	2,090,559	57,106,913	21,748,109	324,345,304