



THE LONDON BOROUGH
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FAX: DATE: 2 July 2024

To: Members of the
SCHOOLS' FORUM

- | | |
|---------------------------------|--|
| David Dilling (Chairman) | Secondary Academy Governor (Charles Darwin School) |
| Andrew Ferguson (Vice-Chairman) | Non-School Representative (Church of England)(Aquinas Trust) |
| Tracey Davis | Non-Schools Representative(14-19 Partnership)(Bromley Academy Trust) |
| Patrick Foley | Primary Maintained Head Teacher (Southborough Primary School) |
| Chris Hollands | Primary Academy Head Teacher (Aquinas Trust) |
| Neil Miller | PRU Head Teacher/Governor Academy (Bromley Trust Academy) |
| Andrew Rees | Secondary Maintained School Head Teacher (St Olaves Grammar School) |
| Brid Stenson | Non-School Representative (Early Years) |
| Ian Travis | Special Head Teacher/Governor Academy (Glebe School) |
| Steve Whittle | Secondary Academy Head Teacher (Impact Multi Academy Trust) |
| David Wilcox | Secondary Academy Governor (Darrick Wood School) |
| 1 x vacancy | Primary Academy Head Teacher |
| 1 x vacancy | Non-School Representative (Catholic Church) |
| 3 x vacancy | Primary Academy Governor |
| 1 x vacancy | Special Head/Governor Maintained |
| 1 x vacancy | Secondary Academy Head Teacher |

A virtual meeting of the Schools' Forum will be held via MS Teams on **THURSDAY 11 JULY 2024 AT 4.30 PM** *

If you wish to view this meeting, please contact the Clerk to the Schools' Forum who will provide you with a link to the virtual meeting.

*** PLEASE NOTE STARTING TIME***

TASNIM SHAWKAT
Director of Corporate Services & Governance

A G E N D A

- 1 APOLOGIES FOR ABSENCE**
- 2 MINUTES OF THE MEETING HELD ON 18TH JANUARY 2024 (Pages 3 - 8)**
- 3 DSG DEFICIT RECOVERY MANAGEMENT PLAN (TO FOLLOW)**
- 4 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2023-24 (Pages 9 - 16)**
- 5 CEF PROVISIONAL OUTTURN REPORT 2023/24 (Pages 17 - 28)**
- 6 ANY OTHER BUSINESS**
- 7 DATE OF NEXT MEETING**

THURSDAY 17TH OCTOBER 2024

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SCHOOLS' FORUM

Minutes of the meeting held at 4.30 pm on 18 January 2024

Present:

David Dilling (Chairman)	Primary Academy Governor (Charles Darwin Academy Trust)
Patrick Foley	Primary Maintained Head Teacher (Southborough Primary School)
Neil Miller	PRU Head Teacher/Governor Academy (Bromley Trust Academy)
Andrew Rees	Secondary Maintained School Head Teacher (St Olaves Grammar School)
Brid Stenson	Non-School Representative (Early Years)
Ian Travis	Special Head Teacher/Governor Academy (Glebe School)
Steve Whittle	Secondary Academy Head Teacher (Impact Multi Academy Trust)
David Wilcox	Secondary Academy Governor (Darrick Wood School)

Also Present:

David Bradshaw	Head of Finance (Children, Education and Families)
Jared Nehra	Director of Education
Julie Crew	Head of Schools' Finance Support
Kevin Walter	Democratic Services Officer

41 APOLOGIES FOR ABSENCE

Apologies for absence were received from Andrew Ferguson and Chris Hollands.

42 MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2023

The minutes of the meeting held on 30th November 2023 were approved and signed as a correct record.

43 2024/25 DEDICATED SCHOOLS GRANT (DSG)

The Head of CEF Finance introduced the Report and explained that it had come before the Schools' Forum for comments before being presented to the CEF PDS Committee on 1st February 2024.

Section 3.2 of the Report showed the funding made available for 2024/25 across the four funding blocks – High Needs, Early Years, Schools and Schools Central, with further details contained in Appendix 2 on page 25 of the Report.

Starting with the Central Schools Block, the Forum were informed that funding had decreased as expected, and a further £50k of LA funding had been added to underpin this, making an annual contribution of £560k in this block. The expectation was that the grant would continue to decrease over the next few years until a level was reached where DfE felt it was appropriate. LA contributions were also likely to continue until this point was reached.

Funding within the Early Years Block had risen substantially by £14.7m for 2024/25 due to new funding streams being introduced for under twos, new funding streams for two-year-olds with working parents and increased hourly rates. With reference to Section 3.10 of the Report, the Forum noted that some modelling had been carried out, with two scenarios detailed on page 13, one with a central contingency and one without. The LA suggested that scenario 2 (without contingency) was the preferred model as it directed maximum funding to settings. As allowed by DfE, some funding was kept back centrally, with the LA required to have a 'pass through' rate of at least 95% (i.e. at least 95% of the grant given by DfE had to go directly to providers). As seen in the tables on page 13, Bromley was currently within the parameters set, at 96%+. It was noted that the Government might increase the rate to 97% in future years but this was still under debate.

The Head of CEF Finance reported that funding within the Schools Block had increased by £11.7m, with the LA following the National Funding Formula (NFF). LAs are being asked to follow the NFF even more closely than in previous years, with the requirement that LAs must be 10% closer than before. This is not an issue for Bromley as the LA had followed the NFF guidelines and rates for a number of years.

Referring to Appendix 3 on page 26 of the Report, the Head of CEF Finance explained to the Forum that there were four different scenarios for distributing the funding. The LA recommended Option 4 as it most closely followed NFF guidelines and gave maximum MFG protection.

As previously agreed by the Schools' Forum, the Falling Rolls funding had been removed for 2024/25, and this enabled more funding to go directly to schools. The LA's overall contingency had also been reduced to maximise the amount going to schools.

Finally, within the High Needs Block, the Forum heard that this remained the block impacted by the most pressures. As detailed in Section 3.32, funding had risen but not significantly. The LA followed DfE guidance and it was estimated that the in-year deficit for 2024/25 will be £5.6m, i.e. the LA spending this amount on Higher Needs above the amount received in grant. The pressures within the High Needs Block (regularly discussed by the Schools' Forum) had occurred over a number of years and there was expected to be a cumulative deficit of £16m by the end of the 2023/24 financial year.

The LA has lobbied for additional funding and has continued to look at ways to reduce the deficit position.

The Director of Education informed the Forum that the Interim Head of Service for Early Years, Caren Boiling, had met with a group of providers (including Forum Member Brid Stenson) to share information regarding Early Years funding, the two scenarios set out on page 13 of the Report, the proposed funding held centrally and issues surrounding the Special Needs Inclusion Fund (SENIF). It was agreed that the option without contingency would be considered.

Forum Member Brid Stenson informed Members that the general feeling was that people were pleased with the funding levels for 2-year-olds and under 2s, although there was slight disappointment with the levels for 3 and 4-year-olds and pre-schools, although there was the understanding that there was not enough money to go around.

Following guidance from the Chairman and the Head of CEF Finance, it was agreed by the Schools' Forum to support Scenario 2 and this, together with any additional comments, would be reported to the CEF PDS Committee.

Turning to the funding within the Schools Block and the four scenarios for distributing funding, following general agreement, the Schools' Forum agreed to support the LA's suggestion/recommendation that Option 4 was most favourable.

The Director of Education reiterated that Forum Members were aware of the pressures on the DSG, primarily within the High Needs Block, and there was concern about the growing level of deficit within this Block and the implications. However it was noted that the LA was not currently near the Government's 'safety valve' or in a position where additional funding/support was required from National funds. Work was ongoing on the Deficit Recovery Management Plan (DRMP). One of the actions set out in the plan was the review of high needs funding and estates which was near to its conclusion. A further update would be provided to Schools' Forum in due course.

The Forum were also informed of the pressures on alternative and specialist provision services in the Borough. Another action within the DRMP was that the LA would try to secure additional provision where possible, particularly specialist provision, instead of using costly independent out-of-borough provision.

As detailed in Section 3.45 of the Report, work has continued on slowing the rate of increase in EHCPs. This was successfully achieved and for 2023 the increase rate was reduced by 16%, the first time this was achieved in Bromley. This was due to the work of the partnership between schools, the local authority, health and care.

In response to a question regarding the figures stated for AP Top-Up in Appendix 1 of the Report on pages 19 and 20, the Head of CEF Finance confirmed that there were different funding arrangements for AP and that funding wouldn't be lost, there were just changes in the way the funding was delivered.

A further question followed regarding delegated budgets and whether for 2024/25 there would be a percentage increase in the top-up for Special Schools. The Head of CEF Finance responded by confirming that in terms of the MFG, the rate was set at 0% by DfE and this was followed by the LA (as in 2023/24 where it was set at 3% and this was followed).

Discussions then focused on the precarious position that some schools were left in when considering staffing, salaries etc and the question of where the money can be found. There were many rising costs but special school budgets were not going up. It was acknowledged that both schools and the LA were in the difficult position of trying to find funding for additional costs where no central funding was available to help. The disparity between funding for mainstream schools and special schools was highlighted, meaning that the most vulnerable children did not receive funding. The Head of CEF Finance understood the position and explained that the LA received its funding from Central Government. The LA had lobbied Central Government regarding High Needs and the increases in costs, complexity etc but unfortunately there was no additional funding to move around the blocks. Concerns around the possibility of Special Schools being required to make cuts, reduce staffing etc were raised.

The Director of Education acknowledged and understood all the concerns raised, with it being important to note the fact that the funding decision for Special Schools had come from Central Government and not the LA. The 3% increase for 2023/24 was set but for 2024/25 no increase/funding would be provided. The subsequent impact on vulnerable pupils was noted. Feedback on this issue was welcomed with LA concerns regularly raised with the DfE Regional Directors Office and the Director of Education happy to support any lobbying made to DfE around High Needs funding pressures.

In response to a question regarding the increase in SEN fees in the provisional budget, the Director of Education explained that it was due a combination of factors including it being an area of greater growth, an increase in FE College fees and an increase in requests for fourth year funding.

As recommended by the Chairman and agreed by Schools' Forum members, it was felt important to reiterate the general feeling and points raised regarding the funding within the High Needs Block. The inequity in the system needed to be highlighted with the 0% increase for Special Schools unsatisfactory. If Mainstream Schools were being provided with an increase in their budget then why not for Special Schools, especially when they were working with and serving the most vulnerable children and young people? The Schools' Forum requested that their comments and concerns be mentioned at the PDS meeting.

RESOLVED: That the Portfolio Holder be recommended to approve the Dedicated Schools Grant allocation for 2024/25 and the methodology of its distribution, taking into account the views of the Schools' Forum.

44 ANY OTHER BUSINESS

There was no other business to discuss.

45 DATES OF NEXT MEETING

David Bradshaw confirmed that following discussion with Graham Walton, Democratic Services Manager, it had been agreed that the date of the next meeting could be changed to Thursday 11th July 2024 if required. Following a discussion it was agreed by the Forum to change to and confirm this date. Therefore, it was noted that the next meetings would take place on Thursday 11th July and Thursday 17th October 2024 via MS Teams (subject to change).

The Meeting ended at 5.12 pm

Chairman

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Report No.
CEF23096

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Schools' Forum**

Date: **11th July 2024**

Decision Maker: **Children, Education and Families Policy Development and Scrutiny Committee**

Date: **17th September 2024**

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

TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2023-24

Contact Officer: Julie Crew, Schools Funding Manager
Tel: 07918 334 930 E-mail: Julie.Crew@liberata.com

Chief Officer: Jared Nehra, Director of Education

Ward: Boroughwide

1. Reason for report

1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2024, and also provides a comparison to the balances held at the same time in the previous year.

2. **RECOMMENDATION(S)**

2.1 **The Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2023-24 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**

2.2 **The Schools' Forum is asked to note the balances for information.**

Corporate Policy

1. Policy Status: N/A
 2. BBB Priority: Children and Young People
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Dedicated Schools Grant 2023/24
 4. Total current budget for this head:
 5. Source of funding: Dedicated Schools Grant
-

Staff

1. Number of staff (current and additional) – N/A
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Legal Requirement: Non-statutory - Government guidance:
 2. Call in: n/a
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2024 the end of the 2023/24 financial year.
- 3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is the framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2024.
- 3.3 The CFR framework consists of five balances, which provide an overall picture of a school's resources available from one year to the next and gives information on balances carried forward. The balances are categorised as follows:
- BO1 Committed Revenue Balances
 - BO2 Uncommitted Revenue Balances
 - BO3 Devolved Formula Capital Balances
 - BO5 Other Capital Balances
 - BO6 Community Focused Extended Schools Balances

To be noted, **BO4 Other Standard Fund Capital Balances** has been deleted as it related to Standards Funds which no longer exist.

The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 17% of School Budget Shares which represents an increase from the previous year. Secondary School balances have decreased to 2%. Special School balances have reported a decrease from the previous year to 4%.

- 3.4 There are six Maintained schools remaining. These can be further split into 3 separate groups:
- (i) There is one Community school. This is maintained by the Local Authority, but they have their own budgets and manage their own affairs. Religious education and worship is non-denominational and in accordance with an agreed syllabus.
 - (ii) There is one Voluntary Aided (VA) school. These were originally provided within the borough by voluntary bodies such as the Church of England and the Roman Catholic Church. These are now maintained by the Local Authority but manage their own budgets and affairs. Religious education will conform to the agreed syllabus and to the school's trust deed. Voluntary Aided Schools set up by voluntary bodies continue to accept most of the costs of maintaining the school and manage their own affairs. The Governors of the school exercise control over religious education and it will follow the teachings of the denomination set up within the school.
- 3.5 There are four Foundation schools. These have opted out of Local Authority control and the Governors have accepted full responsibility for running the school. Their funding comes via the Local Authority
- 3.6 A comparison of the levels of school balances as at 31 March 2024 compared to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
Revenue balances only as at: 31.03.24			
Committed Revenue Balances (BO1)	292(5%)	0(0%)	208(1%)
Uncommitted Revenue Balances (BO2)	812(12%)	148(2%)	316(3%)
	1,104(17%)	148(2%)	524(4%)
Revenue balances only as at: 31.03.23			
Committed Revenue Balances (BO1)	122(2%)	50(0%)	797(7%)
Uncommitted Revenue Balances (BO2)	905(14%)	165(3%)	642(6%)
	1,027(16%)	215(3%)	1,439(13%)

- 3.7 Full details of school's balances can be seen at **Appendix 1**
- 3.8 All schools with un-committed balances in excess of 8% have been asked to complete pro-forma detailing the reason for holding a high balance and their plans for reducing the balance in year.
- 3.9 The DfE also require further analysis to be undertaken in relation to this data. LAs are required to provide information on how they are proposing to address the issue if an:

A: LA has overspent its Dedicated Schools Grant by 2% or more (i.e. it is 2% or more in deficit)

B: LA has underspent its Dedicated Schools Grant by 5% or more (i.e. it is 5% or more in surplus)

C: LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria

D: LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. LAs will only be asked for more information where at least three schools in the LA meet the criteria.

Schools that would fall into these categories have been highlighted on the table at **Appendix 2** – for 2023-24 none of the schools fall into this category.

- 3.10 This report should also provide information on those schools with a deficit revenue balance. As at 31 March 2024, there are no schools with a deficit balance.
- 3.11 In accordance with DfE requirements the SFT will work with schools with high balances to ensure that they are being used effectively. Schools are advised that revenue funding is allocated on an annual basis to support the cost of education for their current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.

3.12 Those schools with high balances have been requested to provide evidence of future expenditure to justify high balances.

4. FINANCIAL IMPLICATIONS

4.1 Whilst this report provides details of school balances, there are no financial implications to be considered.

Non-Applicable Sections:	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	

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	2023-2024									2022-2023			
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2024	B02 Rev Bal as % of 2023-24 SBS	BO1 & B02 Rev Bal as % of 2023-24 SBS	School Budget Share 2023-24	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Total Balance C/fwd as at 31-Mar-24	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2023	B02 Rev Bal as % of 2022-23 SBS	BO1 & B02 Rev Bal as % of 2022/23 SBS
	£	£			£	£	£	£	£	£	£		
Primary Schools													
Edgebury Primary	0	332,898	16%	16%	2,028,981	26,040	0	0	358,938	0	402,463	21%	21%
Poverest Primary	291,677	162,649	7%	18%	2,458,632	0	37,035	0	491,362	88,200	260,760	10%	14%
Southborough Primary	0	316,880	15%	15%	2,087,869	0	10,884	0	327,764	34,000	242,089	12%	14%
Sub-total	291,677	812,427	12%	17%	6,575,482	26,040.25	47,919	0.00	1,178,064	122,200	905,312	14%	16%
Secondary Schools													
St. Olaves	0	148,416	2%	2%	6,919,898	0	0	0	148,416	50,506	164,651	3%	3%
Sub-total	0	148,416	2%	2%	6,919,898	0.00	0	0.00	148,416	50,506	164,651	3%	3%
Special Schools													
Marjorie Mcclure	0	37,100	1%	1%	3,382,538	23,905	1,364	0	62,368	497,410	0	0%	16%
Riverside	208,000	279,046	3%	6%	8,400,925	0	40,633	194,431	722,109	300,000	641,982	8%	12%
Sub-total	208,000	316,146	3%	4%	11,783,463	23,905	41,996	194,431	784,478	797,410	641,982	6%	13%
TOTAL	499,677	1,276,989	5%	7%	25,278,843	49,945	89,916	194,431	2,110,958	970,117	1,711,945	7%	11%

	2023-2024		2022-2023		2021-2022		2020-21		2019-20	
	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2023/24 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2022/23 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2021/22 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2020/21 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2020/21 SBS
Primary Schools										
Edgebury Primary	£332,898	16%	£402,463	21%	£312,715	18%	£268,012	16%	£80,515	16%
Poverest Primary	£454,327	18%	£348,960	14%	£339,437	13%	£333,496	13%	£205,265	14%
Southborough Primary	£316,880	15%	£276,089	14%	£272,688	13%	£258,845	12%	£266,015	11%
Secondary Schools										
St. Olaves	£148,416	2%	£215,157	3%	£229,449	4%	£233,215	4%	£247,820	5%
Special Schools										
Marjorie McClure	£37,100	1%	£497,410	16%	£459,268	17%	£431,974	15%	£268,629	10%
Riverside	£487,046	6%	£941,982	12%	£907,255	12%	£865,695	12%	£422,988	6%

Report No.
CEF23097

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS FORUM**

Date: **11th July 2024**

Decision Type: Non-Urgent Executive Non-Key

Title: **CEF PROVISIONAL OUTTURN REPORT 2023/24**

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, Children, Education and Families

Ward: (All Wards);

1. Reason for report

1.1 This report provides the CEF provisional outturn position for 2023/24.

2. RECOMMENDATION(S)

2.1 The Schools Forum are invited to:

(i) Note that the projected position of the CEF Portfolio.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Health and Integration
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: CEF Portfolio
 4. Total current budget for this head: £69.7m
 5. Source of funding: CEF approved budget
-

Staff

1. Number of staff (current and additional): 1,250 Full time equivalent
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2023/24 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
-

Ward Councillor Views

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

3. COMMENTARY

3.1 This report provides an extract of the CEF Portfolio 2023/24 outturn position as reported to the Executive of the Council on the 22nd May 2024.

3.2 Details are contained in Appendix 1

3.3 The Schools Forum are asked to note this report for information.

Non-Applicable Sections:	Legal Implications Financial implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2023/24 Budget Monitoring files in CEF Finance Section

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Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has a projected overspend of £6,907k for the year.

The Education Division (core funding) has a projected overspend of £669k.

SEN Transport continues to be a risk area. There are a number of causal factors affecting the position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities over the past five years. The national increase in EHCPs is widely acknowledged as unsustainable and the rate of increase is accelerating across the country. In Bromley, the rate of increase had reached 17% in 2021/22. We have taken significant steps to reduce the rate of increase in EHCPs, including the introduction of new guidance on Ordinarily Available Provision and the expectations of support before statutory assessment is considered. This multi-agency approach has helped to reduce the rate of increase to 10% (January 2022-January 2023). Furthermore, we have put in place additional measures over the past 12 months to support families and provide alternative services at an earlier stage. Nevertheless, we continue to see the impact of increasing numbers of EHCPs, leading to c120 additional children or young people requiring transport in the financial year 2023/24. This pressure is exacerbated by the shortage of local specialist provision leading to high numbers of placements to out of Borough and independent non-maintained providers, which increases transport costs.

The complexity of children and young people's needs continues to be at a higher level than prior to the Covid pandemic. These high levels of demand have continued for the past 3 years. A number of these cases have acute social, emotional and mental health needs, which require specialist provision which is typically costly independent provision outside of Bromley. Transport is often required and although officers seek to minimise costs, transport is often statutorily required to meet children's needs.

There are continued transport provider pressures linked to the cost of fuel and wages. The reduced availability of drivers has resulted in more expensive providers having to be used from the call off framework.

Significant management action has been taken to reduce the costs of SEN Transport. Following agreement by Members within 2022/23, the implementation of these measures has led to cost reductions as per the savings targets in the MTFS.

There is a current projected in year overspend in Education (DSG funding) of £3,516k in year. This will be added to the £12,706k carried forward in the reserves from 2022/23. This gives us an estimated DSG reserve of £16,222k at the end of the financial year.

The in-year deficit position for 2023/24 was lower than forecast, reflecting effective management action taken, with the support of Finance officers. In June we will meet again with representatives from the DfE to review our management of the DSG over-spend. At all previous meetings, DfE officials confirmed that they were satisfied with the steps that we continue to take and are content to meet with Bromley on an annual basis. DfE officials were asked whether their experience directly monitoring 20-30 other LAs through Safety Valve and Delivering Better Value highlighted any additional mitigations for Bromley to consider, but none were put forward.

The impact of additional legal duties from the SEND Reforms, has led to unsustainable financial pressures on High Needs costs within the DSG. The increase in Government funding is not sufficient to meet the increased costs. We are aware that Bromley was one of the last London Boroughs to incur a deficit in the DSG, with some local authorities having incurred deficits well in excess of £30m. The SEND legal framework is heavily weighted in favour of parental preference, which is often for costly independent day and residential provision. We continue to assess all cases carefully and with a view to carefully balancing the education needs of young people and ensuring the best value for money from specialist education placements. Where it is appropriate to do so we continue to defend our decisions at Tribunal.

The demand management mitigations referenced earlier in this report are anticipated to have a sustained impact on the further growth in costs of provision for children and young people with an EHCP. We have sought to commission additional local specialist provision, including a new special free school, with successive delays encountered for this DfE-led capital scheme. The needs and tribunal challenges are such that we have no choice but to continue placing children in more costly provision to ensure we are not in default of our legal statutory duties.

A review of High Needs Funding Bands is nearing conclusion, with oversight from the SEND Governance Board and CEF PDS. Recommendations will be made how the funding bands can be simplified and to identify where any savings can be made. We continue to work on increases to local specialist provision, including the special free school and increases in Additionally Resourced Provisions, which are specialist classes within mainstream schools.

In Children's Social Care the projected overspend is £6,238k.

The ongoing pressures that relate to emotional and mental health concerns for young people, combined with the impact of inflation and cost of living pressures continues, especially in respect of contacts into our MASH. These continue to remain consistently around 1,100 -1,200 contacts per month with little sign of a reduction. This compares to around 600 in April 2020 and it is the increasing complexity of need from the families and children that have an added dimension.

Although much reduced from the previous year, the financial pressures across CSC continue to be primarily driven by placement costs for young people and by the cost of agency staff.

Nationally, the cost of residential placements increased by 18.78% in 2022/23 (ADCS 2023) as demand continues to be greater than the number of placements available, particularly for children with complex or specialist requirements. The two key factors driving increasing costs of placements to keep children safe, are the mental health of children and the criminal exploitation of children.

Although our recruitment of permanent staff has increased and we now have fewer agency staff than in the past two years, our spend on agency staff still contributes to the pressures on the CSC staffing budget. As previously outlined to PDS, we are currently exploring options for the Council to set-up its own Children's home and/or agree the block booking of beds at a competitive rate in order to more actively influence costs and sufficiency.

There also continues to be a high level of demand for support particularly in Children with Disabilities (CWD) which has meant a rise in demand for our short break provision. In response we have sought to increase the number of nights available for the number of families requiring this. Whilst these continued pressures have meant an increase in our looked after population in CWD despite the innovative and expensive care packages put in to support with health provision short breaks. The resilience for some families is now being significantly tested following two years of Covid challenges. This is primarily seen in families for children with profound and complex health and challenging sometimes aggressive behaviour.

The risks in the Children, Education & Families Portfolio are:-

Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time.

Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. The cost of placements that a Deprivation of Liberty Order (DOLS) is required are increasingly high . The judiciary still have delays with families being retained in residential placements beyond the assessment.

Continued complexity of children (SEND)

Shortage of local school places (particularly for Specialist schools).

Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant.

Children, Education and Families Portfolio Budget Monitoring Summary

2022/23 Actuals £'000	Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
CHILDREN, EDUCATION AND FAMILIES PORTFOLIO								
Education Division - Core funding								
Cr 347	Adult Education Centres	Cr 430	Cr 344	Cr 304	40	1	20	0
576	Schools and Early Years Commissioning & QA	739	977	708	Cr 269	2	Cr 69	0
2,771	SEN and Inclusion	2,525	3,604	3,207	Cr 397	3	Cr 240	0
100	Strategic Place Planning	56	139	44	Cr 95	4	0	0
17	Workforce Development & Governor Services	Cr 22	Cr 2	28	30	5	0	0
7,516	Access & Inclusion	8,134	8,975	10,303	1,328	6	1,684	2,015
196	Other Strategic Functions	459	242	179	Cr 63	7	Cr 215	0
Cr 40	Central School Costs	Cr 60	Cr 60	35	95	8	0	0
10,789		11,401	13,531	14,200	669		1,180	2,015
Children's Social Care								
1,911	Bromley Youth Support Programme	1,798	1,841	1,688	Cr 153	9	62	0
1,260	Early Intervention and Family Support	1,545	1,520	1,593	73	10	Cr 46	0
10,034	CLA and Care Leavers	11,485	12,352	12,603	251	11	831	2,526
22,122	Fostering, Adoption and Resources	23,880	24,380	25,767	1,387	12	1,794	4,545
5,184	0-25 Children Service (Disability Services)	3,714	4,313	6,017	1,704	13	1,427	1,528
5,073	Referral and Assessment Service	4,765	5,280	6,166	886	14	463	Cr 105
4,582	Safeguarding and Care Planning East	4,181	4,181	5,233	1,052	15	901	0
2,998	Safeguarding and Care Planning West	2,493	2,134	3,096	962	16	774	0
Cr 2,489	Safeguarding and Quality Improvement	Cr 6,255	Cr 6,427	Cr 6,351	76	17	335	0
50,675		47,606	49,574	55,812	6,238		6,541	8,494
61,464	TOTAL CONTROLLABLE FOR CEF CORE FUNDING	59,007	63,105	70,012	6,907		7,721	10,509
129	Total Non-Controllable	1,424	464	464	0		0	0
11,182	Total Excluded Recharges	7,208	6,165	6,165	0		0	0
72,775	TOTAL CEF PORTFOLIO CORE FUNDING	67,639	69,734	76,641	6,907		7,721	10,509
Education Division - DSG Funding								
21,691	Schools and Early Years Commissioning & QA	21,512	22,404	20,963	Cr 1,441	18	Cr 535	0
39,401	SEN and Inclusion	40,787	40,003	43,542	3,539	19	4,501	0
3,272	Access & Inclusion	3,635	3,376	2,970	Cr 406	20	Cr 143	0
22	Strategic Place Planning	94	11	5	Cr 16	21	0	0
6	Workforce Development & Governor Services	20	0	0	0		0	0
130	Other Strategic Functions	481	348	219	Cr 129	22	Cr 1	0
Cr 97,312	Schools Budgets	Cr 103,139	Cr 104,474	Cr 100,682	3,792	23	0	0
17,840	Special Schools and Alternative Provision	18,983	19,723	18,760	Cr 963	24	0	0
7,847	Primary Schools	10,075	10,023	8,634	Cr 1,389	25	35	0
4,005	Secondary Schools	3,798	3,798	4,327	529	26	0	0
0	Charge to Reserves	0	0	Cr 3,516	Cr 3,516	27	Cr 3,857	0
Cr 3,098		Cr 3,754	Cr 4,788	Cr 4,788	0		0	0
Cr 3,098	TOTAL CONTROLLABLE FOR CEF - DSG FUNDING	Cr 3,754	Cr 4,788	Cr 4,788	0		0	0
11	Total Non-Controllable	81	14	14	0		0	0
3,087	Total Excluded Recharges	3,673	4,774	4,774	0		0	0
0	TOTAL CEF PORTFOLIO - DSG FUNDING	0	0	0	0		0	0
TOTAL CEF PORTFOLIO		67,639	69,734	76,641	6,907		7,721	10,509

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

67,639

Contingency:

Carry forwards:

Deed Settlement for Hawes Down Site		
expenditure		5
income	Cr	5
Virtual School - CIN Grant Carry Forward		
expenditure		82
income	Cr	82
Homes for Ukraine DfE Grant		
expenditure		1,187
income	Cr	1,187
BAEC upgrading hardware and supporting software - GLA Grant		
expenditure		26
income	Cr	26
YOT NHS Money		
expenditure		29
income	Cr	29
COVID Recovery Grant		
expenditure		130
income	Cr	130
National Tutoring Programme		
expenditure		22
income	Cr	22
GLA Adult Ed Grant Repayment		
expenditure		16

income	Cr	16
Supporting Families; Investing in Practice Grant expenditure		475
income	Cr	475
Homes for Ukraine Main Grant expenditure		300
income	Cr	300
Other:		
Transfer of Staff from LD Care Management to Children's 0-25 years' service		144
Transfer of Care Placements Team Staff to Children's Services		320
S31 Leaving Care Uplift Grant expenditure		68
income	Cr	68
GLA free school meal payment expenditure		6,036
income	Cr	6,036
UKSPF funding expenditure		275
income	Cr	275
Above Inflation Pressures on Children Placements		1,370
Drawdown of SEN Transport		1,000
Early Years Supplementary Grant expenditure		1,669
income	Cr	1,669
Extended Personal Advisor Grant expenditure		11
income	Cr	11
Homes for Ukraine Main Grant - Adult Education expenditure		80
income	Cr	80
Reducing Parental Conflict Grant expenditure		30
income	Cr	30
Adult Education GLA Grant Funding expenditure		82
income	Cr	82
Uplift to Youth Justice Board Grant expenditure		12
income	Cr	12
Change in DSG Early Years and High Needs Block expenditure - Early Years		1,077
expenditure - High Needs		258
income	Cr	1,335
Draw Down from Reserve to meet demand in EHCP's / High Needs Expenditure		525
Income	Cr	525
Increase in Fuel Costs		187
Increase in Fuel Costs		44
Autism Funding transferred from ACH expenditure		42
income	Cr	42
Youth Justice Grant Increase expenditure		3
income	Cr	3
DFE Delivery Support Fund expenditure		66
income	Cr	66
Strengthening Multi-Agency Leadership Grant expenditure		47
income	Cr	47
Supporting Families; Investing in Practice Grant expenditure		473
income	Cr	473
Memorandum Items:		
Capital Charges		-1,070
Insurance		-14
Repairs & Maintenance		69
Rent income		-12
Excluded Recharges		57
Latest Approved Budget for 2023/24		69,734

REASONS FOR VARIATIONS**1. Adult Education Centres - Dr £40k**

This area has overspent by £40k and this is due to an shortfall of fees income of £191k. This is being offset by an underspend on staffing of £22k and £129k on running costs.

2. Schools and Early Years Commissioning & QA - Cr £269k

The in-house nursery is currently expected to overspend by £7k, and this is down to an under collection of income of £98k being offset by an underspend on staffing of £77k and running costs of £14k.

Across the rest of the service there is a £276k underspend relating to staffing (£155k) running costs (£55k) and additional income of (£66k).

3. SEN and Inclusion - Cr £397k

The staffing in this area is currently forecasting an underspend by £142k - this is due to a number of posts that are currently or have been vacant during the year. There is also an underspend of £344k on running costs that is then offset by a shortfall in income of £150k.

The Education Psychologists currently have a number of vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £300k and the Trading Service they offer to the Schools to be overspent by £239k. This is a net underspend of £61k.

4. Strategic Place Planning Cr £95k

This area has underspent by £95k and this is due to underspends on staffing of £64k and £31k on running costs.

5. Workforce Development and Governors Services - Dr £30k

This area has overspent by £30k and this is due to a shortfall of fees income of £22k, along with overspends on both staffing (£2k) and running costs (£6k).

6. Access & Inclusions - Dr £1,328k

The overspend in this area is due to the costs of SEN Transport that has overspent by £1,394k due to the increasing number of children qualifying for this service, and the under collection of income of £125k. This is then offset by underspends on staffing of £56k and other running costs of £135k.

7. Other Strategic Functions - Cr £63k

This area has underspent by £63k. This is due to underspends on staffing (£39k) and running costs of (£110k). This is then being offset by an under collection of income of £86k.

8. Central School Costs Dr £95k

This area has overspent by £95k due to an under collection of income (£51k) and overspends on running costs (£44k).

Children's Social Care - Dr £6,238k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £6,238k, this is an decrease of £303k from the quarter three position. Additional funding has been identified of £1,370k during the year due to above inflationary increases in prices across the board in CSC. This has been applied but pressures/demands still remain.

9. Bromley Youth Support Programme - Cr £153k

The BYSP has underspent by £153k this year. The service is currently looking at transformational savings that have not yet been realised and this is the main cause behind the overspend on running costs of £125k. This is being offset by an underspend on staffing costs of £131k and an over collection on income of £147k.

10. Early Intervention and Family Support - Dr £73k

The service has overspent on staffing by £441k, that is then being offset but underspends on running costs of £42k and additional income of £326k.

11. CLA and Care Leavers - Dr £251k

The budget for placements in this area have overspent by £357k this year. This amount is analysed by placement type below.

- Staying Put - Dr £52k (Dr 435k)

- Direct Accommodation - Dr £821k (£Dr 1,118k)

- Placement Support Leaving Care - Cr £516k (Cr £661k)

This leave an underspend of £106k across the rest of the area, and this is made up of a £226k overspend on staffing and £523k on running costs that is then being offset by additional income of £855k.

12. Fostering, Adoption and Resources - Dr £1,387k

The budget for children's placements is currently projected to overspend by £808k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,672k (Dr £3,169k)
- Boarding Schools - Cr £208k (Cr £184k)
- Secure Placement - Cr £209k (Cr £250k)
- Remand Placement - Cr £506 (Cr £0k)
- Fostering services (IFA's) - Dr £213k (Dr £105k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £548k (Cr £833k)
- Adoption placements - Cr £197k (Cr £200k)
- Outreach Services - Cr £89k (Dr £109k)
- Transport Costs - Dr £23k (Cr £154k)
- Dom Care - Cr £343k (Cr £63k)

Additionally there is an extra £155k worth of grant income - most of which relates to the cost of the placements. This is then being offset by overspends in staffing of £689k and running cost of £45k.

13. 0-25 Children Service - Dr £1,704k

The main area of overspend was the use of Direct Payments (£296k) and Dom Care (£709k) to support our clients. There is also a overspend in staffing of £136k and running costs of £94k and an under collection of income of £469k.

14. Referral and Assessment Service Dr £886k

The main variances in this area relate to an overspend on staffing of £809k, with additional pressure on running costs of £135k. This was then offset by a £58k underspend related to No Recourse to Public Funds (NRPF) clients.

15. Safeguarding and Care Planning East Dr £1,052k

The budget is overspent by £1,052k, and is due to staffing overspends of £544k and £57k on running costs. Additionally there is an overspend of £451k related to various costs related to supporting our clients.

16. Safeguarding and Care Planning West Dr £962k

The variances in this area relates to an overspend on staffing of £942k and £20k on running costs.

17. Safeguarding and Quality Improvement Dr £76k

The overspend of £76k in this area mainly relates to a shortfall in fees income of £187k that were then offset by underspends on staffing of £44k, (and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care), and £67k relating to general running costs.

Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

The DSG overspent by £3,516k in 2023/24. This will be added to the £12,706k carried forward in the reserves from 2022/23. This gives a DSG deficit reserve at the end of 2023/24 of £16,222k at the end of the financial year.

18. Schools and Early Years Commissioning & QA Cr £1,441k

There was an underspend on the costs of child care payments for 2, 3 and 4 year olds of £1,136k at the end of the year. This includes the costs related to the Early Years Supplementary Grant.

Additionally there are underspends of £46k on staffing, £255k on running costs and £4k additional income collected.

19. SEN and Inclusion Dr £3,539k

SEN placements has overspent by a total of £3,983k. The overspend is being caused by the Maintained Day (£1,194k), Independent Day (£815k), Alternative Programmes (£1,685k), Maintained Boarding School (£205k), Direct Payment (£252k), and Matrix funding (£1,140k). This is then slightly offset by an underspend on Independent Boarding Schools (£418k) and other various underspends (£890k).

In addition to the placement costs, there are underspends on staffing across a number of units of £17k, on running costs of £425k, and £2k extra income collected.

20. Access & Inclusion Cr £406k

The £406k underspend in this area is due to an overspend of £186k on running costs and an under collection of income of £21k. These are being offset by staffing underspends of £613k.

21. Strategic Place Planning Cr £16k

This area has underspent by £16k on running costs due the year.

22. Other Strategic Functions Cr £129k

The year end position for this area is an underspend of £129k. This is made up of an underspend on running costs of £221k that is then offset by an overspend of £92k on staffing.

23. Schools Budgets Dr £3,792k

This area has overspent by £3,792k mainly due to the amount charged to the DSG Reserve now being shown separating. This has caused a running cost overspend of £4,123k that is being offset by additional income of £331k during the year.

24. Special Schools and Alternative Provision Cr £963k

This area has an underspend variance due to additional grant income (£402k) and an underspend on running costs (£561k) that is mainly down to lower number of payments to academies for top up funding than budgeted.

25. Primary Schools Cr £1,389k

The cost pressure in this area relates to the deficit in one of schools when it converted to academy and joined a trust (£38k). This area has an underspend variance due to payments to schools (including academies) being less than that budgeted for (£3,035k) and this was offset by lower than expect grant income by £1,608k. The lower than expect grant income is a contributory factor to the lower than expected payments.

26. Secondary Schools Dr 529k

This area has an underspend variance due to additional grant income (£365k) that is then offset by an overspend on running costs (£894k) that will include the additional grant we have received.

27. Charge to Reserves Cr £3,516k

This is the amount that has been transferred to the DSG Reserve at year end. This offsets some of the overspend in the Schools Budget area.

Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However funding will ultimately need to be identified

In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils reserves. On that basis the budget monitoring report identifies a deficit of £3,516k which has to ultimately be funded from the Councils reserve.

Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term

The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances

In terms of presentation of the DSG deficit of £12,706k up to 31/3/2023 and the estimated in year sum of £3,516k in 2023/24, there will need to be adequate funding from the Councils reserves unless alternative savings can be found. The use of reserves have been assumed in this report, although the specific reserves to use have not been identified at this stage.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been in Children's Social Care 10 waivers agreed for placements of between £50 and £100k, 1 between £100k and £150k, 1 between £150k and £200k, and 18 for a value of over £200k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, there have been no virements processed.