

PART 1 - PUBLIC

Decision Maker: **Children and Young People
Policy Development and Scrutiny Committee**

Date: **20 July 2010**

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

TITLE: **CHILDREN AND YOUNG PEOPLE BUDGET MONITORING
REPORT 2010/11**

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Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides Members with the first budget monitoring report for 2010/11 based on spending up until the end of May 2010. As in previous years, the financial information is separated between the schools' budget – funded from the Dedicated Schools' Grant and specific grants, and the non-schools – budget funded from Council Tax, Revenue Support Grant and specific grants.
- 1.2 The schools' budget funded from the DSG is forecast to underspend by £72,000 in 2010/11. However, there was a deficit carried forward from the previous financial year of £185,000, making the net forecast by the end of this year a deficit of £113,000. There is provision within the central schools' budget contingency to offset this forecast overspend.
- 1.3 The controllable part of the non-schools' budget is forecast to overspend by £890,000. However, this is after allowing for management action to use resources efficiently in the Children's Social Care Services (staffing and placements) and use of grants to offset existing expenditure. Details are provided in paragraph 3.6.

2. **RECOMMENDATIONS**

The Children and Young People Portfolio Holder is invited to:

- (i) consider the projected variations, note the service pressures, especially in Children's Social Care Services;
- (ii) endorse the latest budget position and note the action being taken to minimise the forecast overspend;
- (iii) recommend to the Executive that it approves the inclusion of the following Specific Grants to departmental budgets:
- (a) Surestart Aiming High For Disabled Children - £25,000
- (b) 14-19 Prospectus - £11,000
- (c) Fair Play Playbuilder - £18,000
- (iii) recommend to the Executive that it approves the inclusion of the following Area Based Grants to departmental budgets:
- (d) Think Family - £22,000
- (e) January Guarantee - £27,000
- These Area Based Grants would be applied to reduce the overspending in Children's Social Care. Details of all these new and additional grants are given in paragraph 3.11.
- (iv) Note and agree to the brought forward balances highlighted in Appendix 8 being made available to the respective services in 2010/11 as follows:
- (f) To Youth Services and Office Services £27,642
- (g) To Standards & Achievement £109,765.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: CYP Portfolio budgets
 4. Total current budget for this head: £41m
 5. Source of funding: RSG, Council Tax, DSG, other grants
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Staff

1. Number of staff (current and extra) – 5,328 Full-Time Equivalent, of which 4,556 are based in schools, and 772 are based in CYP Department.
 2. If from existing staff resources, number of staff hours – N/A
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Legal

1. Legal Requirement: Statutory requirement:
 2. Call in: Call-in is applicable
-

Customer Impact

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

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Appendix 1(A) shows the current 2010/11 budget compared to the forecast, measured against revised budgets for each service.
- 3.1.1 Table 1 shows the elements in each service chargeable to the schools' budget and funded by the ring-fenced Dedicated Schools' Grant (DSG).
- 3.1.2 Table 2 shows the elements that are outside of the schools' budget and which result in a charge on the Council's budget funded by Council Tax and Revenue Support Grant.
- 3.1.3 Table 3 is the total of tables 1 and 2, so Members can see the total net cost of the services.
- 3.2 We show costs as "controllable" or "non-controllable" in Appendix 1 (A). Budget holders are responsible for "controllable" costs, and Members should refer to these variations when considering performance. The "non-controllable" lines are managed outside the service.
- 3.3 Appendix 1 (B) shows changes from the original budget to the latest budget column of Tables 1, 2 and 3 in Appendix 1 (A).

The Schools' Budget, Table 1

- 3.4 There is a net overspending of £113,000 on the schools' budget. Legislation requires that surplus or deficit on the schools' budget is carried forward to the following financial year. The components are:

	£'000
Underspend brought forward from previous years due mainly to a delayed contribution to capital programme of £2.1m towards improving 6 th form provision.	-3,165
This is the delayed contribution referred to above being transferred to the capital programme to fund the work.	3,350
Sub Total 2009/10 deficit to be funded in 2010/11	185
Forecast overspend on SEN placements costs	770
Underspending on payments to nursery providers due to reduced pupil numbers	-150
Underspendings from vacancies in Learning & Achievement Division	-100
Overspending on Jury, Maternity and other cover reimbursed to schools	300
Final DSG was higher than anticipated in the budget	-802
Other variations (net underspending)	-90
Sub Total - Total projected net Underspending 2010/11	-72
Total projected overspending including 2009/10 deficit	113

The central schools' budget contingency contains provision offset this forecast overspending.

The Non-Schools' Budget, Table 2

3.5 The projected position for the non-schools' budget is a £890,000 overspending in the controllable portion of the budget.

	£'000
Children's Social Care Salaries – As previously reported to Members, there is difficulty in recruiting permanent social workers resulting in recruiting high cost locum staff.	350
Filling posts and other setting up of support for the educational achievement of Looked After Children is taking longer than expected.	-100
Shortfall in income target for charges to parents of children in care.	77
Increasing numbers of LAC requiring residential or fostering support	761
SEN staffing and tribunal costs	160
SEN Transport overspending due to volume and complexity of needs	400
Use of grants to offset existing expenditure:	
Think Family/Surestart	-400
Standards Fund or Sure Start	-300
Other variances, net underspending	-58
Total projected net controllable overspending	890

3.6 The figures in the table above assume the following:

- (i) That the social work recruitment and retention package will be successful in reducing the cost of locum social workers by £100,000 in the 2010/11 financial year.
- (ii) There are currently 296 looked after children in care compared to 247 at 31 March 2009. The forecast above assumes that it will be possible to return some children to their families or better support children in foster placements rather than residential care. If family or foster placements break down, the forecast for children's placements will significantly increase. In addition, referrals and initial assessment numbers continue to increase. If this trend continues, it will increase the above forecast. Further details are provided in Appendices 9 and 10.
- (iii) There is a significant change in the use of grants including one of the grants no longer ringfenced following the recent Government announcement. The Director of Children and Young People Services has taken this action to minimise the overspend on Children and Young People Services.

3.7 The Government recently announced grant reductions as part of Local Government's contribution to the national £6.2 billion efficiencies in 2010/11. Overall, there will be a £311m reduction in the amount available through Area Based Grant (ABG) from the Department for Education. Bromley's share of this £311m is £1.67m in the current financial year, with £1.42m being attributable to CYP. There is a report elsewhere on this agenda that makes recommendations on the savings needed to meet this £1.42m reduction in grant.

3.8 In previous years, government grants were used flexibly to address service pressures. For further details please see the grants report on this agenda. The in-year reduction in government funding (see 3.7) reduces that flexibility and limits the scope to address future costs pressures.

The main cost pressures remaining relate to social care and the significant increase in referrals with resultant additional supported looked after children. This has increased costs for social work and direct provision of services. More details of the changes in the number of referrals, number of children on “at risk” register and number of looked after children are shown in Appendices 9 and 10. This position will continue to be closely monitored and there remains uncertainty on the increase in referrals in the longer term. The projections assume stability of the number of referrals and looked after children. Also, officers are checking that the grant terms of reference really do allow scope for the re-directing of grant funding, as assumed in the projections.

A further pressure relates to the potential uptake of Academy Status by schools which will result in loss of budget, both in CYP Department, and in corporate departments. The financial impact is not clear at this stage and further details are reported elsewhere on this agenda.

- 3.9 Nine primary schools and three Secondary schools had deficit balances at 31 March 2010. The Schools’ Finance Team are working with these schools and senior officers to agree a Deficit Recovery Plan for each one.
- 3.10 Appendix 2 explains the variations for each service, and includes the Director’s comments. Appendix 3 details the SEN pupil volume driven variance. Appendix 4 compares unit costs for SEN from 2005/06 to 2010/11. Appendix 5 shows social care placements projections. Appendix 6 compares numbers and costs for Placements from 2006/07 to 2010/11.
- 3.11 Appendix 7 details the possible impact on 2011/12 Council Tax funded budgets of current year variances. The implications of the Southwark judgement and the high level of social care placements generally are currently being evaluated.
- 3.12 The Portfolio Holder will be aware that there have been previous reports detailing Children and Young People grants in contingency and new Children and Young People grants.

As new grant funding is announced it will continue to be necessary to request the Executive to include this funding in the Children and Young People budget. As the grants detailed below are less than £50,000 the request to the Executive can be included in this budget monitoring report.

The Portfolio Holder is recommended to request the Executive to authorise release of the following additional grants into service budgets:

- (a) Surestart Aiming High For Disabled Children - £25,000 specific grant
This is an addition to the existing grant of £1.2m. It is given to support transition support programmes for young disabled people moving on from CYP to Adult Services.
- (b) 14-19 Prospectus - £11,000 specific grant
This grant is intended to fund a common application programme so that young learners can apply for courses on-line using a standard application form.
- (c) Fair Play Playbuilder - £18,000 specific grant
This is intended to support the revenue account costs associated with the capital grant of the same name. The government has removed the ring fence from the capital grant, but not from the associated revenue grant.

- (d) Think Family - £22,000 Area Based Grant
This is an addition to the existing grant of £414,000. The £22k addition was given to implement the Housing Challenge Fund Family Intervention Project Proposal. The government has now removed the ring fence from what was previously a specific grant.
- (e) January Guarantee - £27,000 Area Based Grant
This grant was intended to support the offer of all NEET youngsters a place in Entry to Employment.

If approved, the Area Based Grant in (d) and (e) will be applied to partially offset the Children's Social Care overspending.

4. POLICY IMPLICATIONS

- 4.1 "Building a Better Bromley" refers to the Council's intention to remain among the lowest Council Tax levels in Outer London through greater focus on priorities.
- 4.2 The Resources Portfolio Plan has the target that each department will spend within its budget.
- 4.3 "Updates on Financial Strategy 2010/11 to 2013/14" are reported to the Executive highlighting the pressures facing the Council. Strict budgetary control minimises the risk of compounding pressures in future years.
- 4.4 Chief Officers and Heads of Finance continue to stress the need for strict budget monitoring and control. This is key to performance management.

5. FINANCIAL IMPLICATIONS

- 5.1 These are contained in the body of this report and Appendix 2 explains the significant variations, including the Director of Children and Young People Services' comments.

Non-Applicable Sections:	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	2010/11 Budget Monitoring files in CYP Finance Section

2010/11 CHILDREN AND YOUNG PEOPLE REVENUE BUDGET MONITORING BUDGET AND SUMMARISED VARIATIONS

Projections, based on actual expenditure and income to 31 May 2010.

2009/10 Actuals £'000	TABLE 1: SCHOOLS' BUDGET COMPONENT OF EACH SERVICE	2010/11 Original Budget £'000	2010/11 Latest Approved £'000	2010/11 Projected Expenditure £'000	Variation Projected This month £'000	Variation Last Reported £'000	Full Year Effect £'000
	Access and Inclusion Division						
10,403	Access	4,055	4,055	3,905	-150	0	0
337	Bromley Children and Family Project	7,502	7,502	7,502	0	0	0
12,294	SEN and Inclusion	12,866	12,866	13,636	770	0	0
23,034		24,423	24,423	25,043	620	0	0
	CYP Senior Management Team						
159,282	Delegated Budgets	164,010	164,010	164,010	0	0	0
-191,277	Schools Budget Grants	-196,464	-196,464	-200,431	-3,967	0	0
3,894	Schools Related Budgets Not Delegated	5,451	5,451	9,011	3,560	0	0
3,165	Variation to c/forward (balancing figure)			-113	-113	0	0
-24,936		-27,003	-27,003	-27,523	-520	0	0
	Learning and Achievement						
818	14-19 Strategy	972	1,255	1,255	0	0	0
143	Integrated Youth Service	138	138	138	0	0	0
1,556	Standards and Achievement	1,575	1,575	1,475	-100	0	0
2,517		2,685	2,968	2,868	-100	0	0
51	Children in Care Education	0	0	0	0	0	0
51		0	0	0	0	0	0
	Strategy and Performance						
26	Information Systems - CYP	43	43	43	0	0	0
61	Workforce Development	68	68	68	0	0	0
87		111	111	111	0	0	0
753	TOTAL SCHOOLS BUDGET	216	499	499	0	0	0
2009/10 Actuals £'000	TABLE 2: NON-SCHOOLS AND SOCIAL CARE COMPONENTS OF EACH SERVICE	2010/11 Original Budget £'000	2010/11 Latest Approved £'000	2010/11 Projected Expenditure £'000	Variation Projected This month £'000	Variation Last Reported £'000	Full Year Effect £'000
	Access and Inclusion Division						
1,996	Access	1,060	1,230	1,270	40	0	0
499	Bromley Children and Family Project	958	957	557	-400	0	0
5,031	SEN and Inclusion	7,364	7,194	7,754	560	0	0
7,526		9,382	9,381	9,581	200	0	0
	CYP Senior Management Team						
-768	Schools Related Budgets Not Delegated	-59	-59	-59	0	0	0
-768		-59	-59	-59	0	0	0
	Learning and Achievement						
3,376	Integrated Youth Service	3,188	3,285	3,285	0	0	0
1,351	Standards and Achievement	1,502	1,402	952	-450	0	0
4,727		4,690	4,687	4,237	-450	0	0
	Safeguarding and Social Care						
13,196	Care and Resources	10,865	10,865	11,753	888	0	0
353	Children in Care Education	648	663	563	-100	0	0
2,852	Safeguarding and Quality Assurance	2,854	2,993	3,093	100	0	0
2,838	Safeguarding and Care Planning	2,890	2,837	2,937	100	0	0
3,237	Referral and Assessment	1,691	1,789	1,889	100	0	0
905	Youth Offending Team	938	938	938	0	0	0
23,381		19,886	20,085	21,173	1,088	0	0
	Strategy and Performance						
138	Information Systems - CYP	203	201	241	40	0	0
192	Partnerships and Planning	248	194	194	0	0	0
346	Research and Statistics	368	365	365	0	0	0
369	Workforce & Business Support	258	255	267	12	0	0
1,045		1,077	1,015	1,067	52	0	0
35,911	TOTAL CONTROLLABLE BUDGETS	34,976	35,109	35,999	890	0	0
4,707	TOTAL NON CONTROLLABLE	-1,999	-1,999	-2,004	-5	-5	0
6,808	TOTAL EXCLUDED RECHARGES	7,066	7,066	7,066	0	0	0
47,426	TOTAL NON-SCHOOLS & CSC BUDGET	40,043	40,176	41,061	885	-5	0

APPENDIX 1 (A) continued

2009/10 Actuals £'000	TABLE 3: TOTAL FOR EACH SERVICE	2010/11 Original Budget £'000	2010/11 Latest Approved £'000	2010/11 Projected Expenditure £'000	Variation Projected This month £'000	Variation Last Reported £'000	Full Year Effect £'000
	Access and Inclusion Division						
12,399	Access	5,115	5,285	5,175	-110	0	0
836	Bromley Children and Family Project	8,460	8,459	8,059	-400	0	0
17,325	SEN and Inclusion	20,230	20,060	21,390	1,330	0	0
30,560		33,805	33,804	34,624	820	0	0
	CYP Senior Management Team						
159,151	Delegated Budgets	164,010	164,010	164,010	0	0	0
-191,277	Schools Budget Grants	-196,464	-196,464	-200,431	-3,967	0	0
3,257	Schools Related Budgets Not Delegated	5,392	5,392	8,952	3,560	0	0
3,165	Schools Budget Variation to c/forward			-113	-113	0	0
-25,704		-27,062	-27,062	-27,582	-520	0	0
	Learning and Achievement						
818	14-19 Strategy	891	1,174	1,174	0	0	0
3,519	Integrated Youth Service	3,326	3,423	3,423	0	0	0
2,907	Standards and Achievement	3,158	3,058	2,508	-550	0	0
7,244		7,375	7,655	7,105	-550	0	0
	Safeguarding and Social Care						
13,196	Care and Resources	10,865	10,865	11,753	888	0	0
404	Children in Care Education	648	663	563	-100	0	0
2,852	Safeguarding and Quality Assurance	1,691	1,789	1,889	100	0	0
2,838	Safeguarding and Care Planning	2,890	2,837	2,937	100	0	0
3,237	Referral and Assessment	2,854	2,993	3,093	100	0	0
905	Youth Offending Team	938	938	938	0	0	0
23,432		19,886	20,085	21,173	1,088	0	0
	Strategy and Performance						
164	Information Systems - CYP	246	244	284	40	0	0
253	Partnerships and Planning	248	194	194	0	0	0
346	Research and Statistics	368	365	365	0	0	0
369	Workforce & Business Support	326	323	335	12	0	0
1,132		1,188	1,126	1,178	52	0	0
36,664	TOTAL CONTROLLABLE FOR CYP	35,192	35,608	36,498	890	0	0
4,707	TOTAL NON CONTROLLABLE	-1,999	-1,999	-2,004	-5	-5	0
6,808	TOTAL EXCLUDED RECHARGES	7,066	7,066	7,066	0	0	0
48,179	PORTFOLIO TOTAL	40,259	40,675	41,560	885	-5	0

CHILDREN AND YOUNG PEOPLE REVENUE BUDGET MONITORING
Budget Variations Allocated to Portfolios in 2010/11

BUDGET VARIATIONS - ALLOCATIONS FOR 2010/11	Table 1:	Table 2:	Table 3:
	Schools Budget	Non-Schools And Children's Social Care Budget	Total for each performance centre
	£'000	£'000	£'000
2010/11 Original Budget	216	40,043	40,259
General			
Child Protection Adviser and Consultant Practitioner posts for 2010/11		195,000	195,000
Review of Management & Overhead Costs		Cr 299,000	Cr 299,000
Total General		Cr 104,000	Cr 104,000
Grants included within Central Contingency Sum			
<u>Agreed by Executive on 3rd March 2010:-</u>			
<u>Area Based Grants:-</u>			
- Child Death Review Process		42,000	42,000
- Designated Teacher Funding		15,000	15,000
- Positive Activities for Young People		180,000	180,000
Family Intervention Programme & Parenting Project Grants	}		
- grant related expenditure	}	414,000	414,000
- additional specific grant	}	Cr 414,000	Cr 414,000
Targeted Mental Health in Schools	}		
- grant related expenditure	}	150,000	150,000
- additional specific grant	}	Cr 150,000	Cr 150,000
Integrated Working Grant	}		
- grant related expenditure	}	45,000	45,000
- additional specific grant	}	Cr 45,000	Cr 45,000
Youth Inspectors Funding	}		
- grant related expenditure	}	28,000	28,000
- grant related income	}	Cr 28,000	Cr 28,000
Surestart, Early Years & Childcare	}		
- grant related expenditure	}	3,102,000	3,102,000
- additional specific grant	}	Cr 3,102,000	Cr 3,102,000
<u>Agreed by Executive on 31st March 2010:-</u>			
Apprenticeships, Skills, Children and learning Act 2009	}		
- grant related expenditure	283,000	0	283,000
National Extension of the Disabled Children's Access to Childcare (DCATCH)	}		
- grant related expenditure	}	89,000	89,000
- additional specific grant	}	Cr 89,000	Cr 89,000
Foundation Learning at Key Stage 4	}		
- grant related expenditure	}	88,000	88,000
- additional specific grant	}	Cr 88,000	Cr 88,000
Total Grants	283,000	237,000	520,000
Total Variations per Budget Monitoring Report	283,000	133,000	416,000
2010/11 Latest Approved Budget	499	40,176	40,675

REASONS FOR VARIATIONS

Most variances in Table 1 of Appendix 1(A) are unique to either the Schools' Budget (Table 2), or Council Tax budget (Table 3). But the following are a combination of both:-

Service	Schools' Budget variation (Table 2) £'000	Council Tax funded budget variation (Table 3) £'000	Total variation (Table 1) £'000
Access	-150 under	40 over	-110 under
SEN and inclusion	770 over	560 over	1,330 over
Standards and Achievement	-100 under	-450 under	-550 under

The comments below cover only significant variances, so the total for the itemised variations will not always be the same as the headline variance.

THE SCHOOLS' BUDGET £113,000 Overspending (Appendix 1 (A), Table 2)

As well as the budget for each school, the Schools' Budget holds £35m of pupil-driven centrally managed services such as SEN and Pupil Referral. It is funded by Dedicated Schools', Young People Learning Agency, Standards Fund, and other grants.

ACCESS (£150,000 underspending)

Payments to Private, Voluntary, and Independent Nurseries: £150,000 underspending

Nursery pupil numbers are lower than was budgeted, resulting in lower payments. Please see comment below under DSG income.

SEN AND INCLUSION (£770k overspent)

1. SEN Pupil-Driven: £770k overspending, details in Appendix 3

We monitor pupil-driven budgets through the Capita One System:

- Non-delegated classroom assistants/matrix support.
- Out-borough independent and maintained school placements, and alternatives to placements.
- Other out-borough provision for children in mainstream schools.
- Delegated funding for the matrix in the Primary and Secondary Sectors.

The database holds child-by-child details which we reconcile monthly to the Ledger. The projected overspend allows for a normal number of leavers during the year, but actual leavers may be higher or lower than this.

There has been a significant movement in the forecast. Expenditure is higher than budget, driven by higher unit costs (for detail, please see the 2010/11 section of Appendix 4). This is especially true of Independent Day placements and Alternative Programmes, and reflects the increasing complexity of SEN needs being provided for.

The upward trends in both numbers and complexity have been evident for some time, and the Director reported to the Portfolio Holder's January 2009 meeting recommending opening an autism provision managed by Riverside School. From January 2010, this provides for pupils who would otherwise attend out of borough settings, and should begin to reduce the pressure on out borough recoupment budgets

Matrix funding to schools is also at a higher rate than expected, reflecting an upward trend in the severity of SEN, with a correspondingly higher placement on the funding matrix.

We have prepared an Action Plan to control spending and will submit it to the Member/Officer Executive Working Group for SEN in March.

£500k is reserved in the Schools' Budget contingency to offset part of the £770k overspending – please see note below under Schools Budgets Not Delegated.

DEDICATED SCHOOLS GRANT INCOME (£3,967,000 above budget)

1. The £3,165,000 cumulative underspending in the Schools' Budget at 31 March 2010 has been brought forward as extra grant available to spend. £3,350,000 of it arose from delayed contributions to secondary school investment which will be transferred to the capital programme during this year – please see the note under the “Schools Budget Not Delegated” heading below. This is partially offset by a brought forward £185,000 deficit in services which will have to be funded from the DSG this year.
2. The final DSG settlement has been confirmed at a total £802,000 higher than anticipated, due to higher 4 to 10 year old pupil numbers. Also, 3 year olds in PVIs have increased by 200. There is not additional DSG for them, and the DSG would have to absorb the additional cost if they materialised. However, our best information at present indicates that this will not happen. See comment under Access above.

STANDARDS AND ACHIEVEMENT £100,000 underspending

Pupil Support Services: £100,000 underspending

Staff savings achieved due to freezing new appointments to vacancies.

SCHOOLS BUDGET NOT DELEGATED (£3,560,000 overspending. However, this is mainly funded by the Schools' Budget surplus from prior years – please see the note above under DSG income.)

1. An “overspend” of £3,350,000 results from the delayed contribution referred to above being transferred to the capital programme during the current year. It is funded by the prior years' surplus on the Schools' Budget. (1) under “SEN and Inclusion” above.
2. In 2008/09 reimbursements to schools for maternity, jury, and other cover exceeded the budget by £282,000, and last year the overspending was £360,000. Expenditure is loaded towards the end of the year, making it difficult to forecast, but on the basis of an average for the last two years, an overspending of around £300,000 for 2010/11 is likely.
3. Other minor variances have a net value of £90,000 underspending.

THE NON SCHOOLS' AND CHILDREN'S SOCIAL CARE BUDGET (Appendix 1, Table 3)

Mainly funded by Council Tax, Surestart, and a number of other smaller grants.

Net controllable variance: £890,000 overspending.

Only significant causes of variance are stated, and so the total for the itemised variations will not always be the same as the headline variance.

PREVENTION AND SOCIAL CARE DIVISION (overspending of £1,088,000)

SALARIES overspending by £350,000

There is forecast overspend of £350,000 on salaries across the Prevention and Social Care Division. This includes the front line Social Worker teams and the short term additional cost of cover for senior manager vacancies. The anticipated impact of the Recruitment and Retention to Children's Social Work Staff as approved by Executive in February 2010 is also included in this forecast with the intention being to reduce the need to use Agency staff by attracting permanent Social Workers. As reported previously, referrals to social care teams have increased steeply (3,425 referrals in 2007/08; 7,430 in 2009/10), causing a backlog in case work. To meet this extra demand and to address the backlog, extra temporary Social Worker Senior Practitioners have been taken on in the front line teams which has contributed to this forecast overspend.

The full year impact of the changes resulting from the new council single status grading is reported here, however there will be a drawdown from the council's contingency of approximately £150,000 to cover these additional costs.

CARE AND RESOURCES (£838,000 overspending excluding salaries, £888,000 including salaries – please see comment above)

1. The Looked After Children population has now risen to 296 from 247 in March 2009. This has impacted on a number of budgets including the Placement budget. We forecast an overspending in the Children's Placement budget of £761,000 (Appendix 5 refers). There have been a number of high cost residential placements during the year, some following decisions at the Complex Case Panel. Also there have been placements for children not previously known to Social Care. Management action is taking place to review these recent placements, with the aim of reducing costs by £200,000 in 2010-11 and to achieve better value for money. The development of preferred provider arrangements should help with this.
2. There is a likely £77,000 shortfall in the income target for the charging policy.

CHILDREN IN CARE EDUCATION (£100,000 underspending)

Care Matters Grant £100,000 underspending

This grant aims to target a number of initiatives to support the Council's corporate parenting responsibilities. Whilst the service is still being developed there are areas where, due to a number of reasons including problems in recruiting appropriate staff, there is limited scope to spend the full allocation.

ACCESS: Education Welfare Service: £40,000 overspending

Management action needs to be taken to remove this overspending and so bring expenditure into line with the budget.

SEN AND INCLUSION (£560,000 overspending)

1. SEN Transport £400,000 Overspending

Overspending in contractor costs due to increased pupil volumes and the growing number of exceptional cases due to a number of reasons; increase in children with challenging behaviour, out of normal school hours transport needs due to medical grounds. These factors have increased the necessity to procure individual transport arrangements. For example:

- Two children at Riverside & Marjorie McClure School receive late start transport at approximately 10.00 am due to medical needs.
- The increase in volume of children placed at Trinity School in Rochester has necessitated the procurement of two vehicles, although the volume of children could be accommodated within a larger vehicle increasing the journey time by 30 minutes. The matter was the subject to a formal complaint to the Director.

2. SEN Management, and Consultancy on SEN Tribunals: £160,000 Overspending

- (1) Overspendings of £70,000 arise mainly due to savings from reorganisation of teams that have not yet been achieved
- (2) Tribunal activity continues at a high level, requiring the use of consultants and the payment of compensation to parents where there is award against the Council. There is no provision in the budget for this, and an upward trend in costs, and so it is likely that the overspending will be at least as much as for 2009/10. £90,000 overspending.

INTEGRATED YOUTH SERVICE in balance, subject to the management action below.

Connexions Services: £150,000 Overspending

In the context of CYP's need to make budget reductions of £325,000 at the start of the year followed by further in-year budget reductions, management are considering options to reduce expenditure.

Youth Service: £150,000 underspending.

The projected overspending in Connexions (see above) will be met by reductions in Youth Opportunity Fund projects (the ringfence having been removed from YOF grant), and a freeze on filling vacant posts.

STANDARDS & ACHIEVEMENT £450,000 underspending

There is a freeze in new appointments, pending a review of the service structure. Management will explore the use of standards fund to meet further staffing costs and so to achieve savings to offset overspends elsewhere in CYP.

WORKFORCE AND BUSINESS SUPPORT £12,000 overspending

This arises from staff costs exceeding the budget, and will be tackled by senior management.

INFORMATION SYSTEMS (CYP) overspending £40,000

ContactPoint grant has been withdrawn by the government but there are unavoidable costs before all work can be halted which will result in a £40,000 overspend. In addition there may be redundancy costs associated with the withdrawal of this grant. It is not yet clear whether these need to be met from the CYP redundancy provision.

BROMLEY CHILDREN AND FAMILY PROJECT - £400,000 underspending

Recently unringfenced Think Family grant will be underspent by management action by charging staffing costs to Surestart Grant instead. To make this possible, some Surestart posts will not be recruited to.

EARLY WARNINGS

VOLATILE PUPIL-DRIVEN AND LOOKED AFTER CHILDREN (LAC)-DRIVEN SERVICES

The CYP Department has several large demand-led budgets where actual spending varies when the number of children increases or decreases. Of these, SEN Placements and the Pupil Referral Service are in the DSG funded Schools' Budget, and Social Care Placements, SEN transport, and YOT are in the Council Tax funded budget. The Department monitors these budgets closely.

Social Care Placements costs are increasing, driven by both LAC volumes and complexity of need. The management action referred to under Care and Resources may not be achievable, and if LAC volumes and complexity continue to increase, the overspending reflected in this Report will be exceeded.

HOMELESS 16 AND 17 YEAR OLDS: The Southwark judgement

The House of Lords judgement in *R v LB Southwark [2009]* about the welfare of homeless sixteen and seventeen year olds clarified the Council's obligations. This is a pressure on the CYP budget.

GENERAL PROVISION FOR REDUNDANCY

To minimise the impact of potential future redundancy, Members agreed to contribute £0.5m from the 2008/09 Children and Young People budget to a provision for potential redundancies. It had been intended to make a further contribution from the 2009/10 budget, subject to Members' approval. However, in view of the overspending in Children's Social Care this was not possible. The in year reductions in Area Based Grants of £1.4m Reported separately on this agenda , together with the proposed reductions in public sector funding overall is likely to increase redundancy costs for CYP beyond the £0.5m provision.

DIVERSION OF EXPENDITURE TO BE MET BY GRANT FUNDING

Containing the CYP overspending to the £890k on the non-Schools' Budget in this Report depends on being able to attribute £700,000 of currently core funded expenditure to grant funding instead. Management are currently considering the possibilities for this, but it will only be possible where existing core funded expenditure falls within the terms of reference under which specific grants are made available by government. Furthermore, if this strategy is successful, it may need to be reconsidered as regards the 2011/12 budget, in the light of further probable reductions to grants.

TRANSFER OF SCHOOLS TO ACADEMY STATUS

Under the government's Academies programme, each school that attains academy status will take with it not only the school's own budget, but also a substantial share of the non-Schools' Budget and of the parts of the Schools' Budgets retained centrally at LA level (and also parts of budgets from corporate departments such as Property and HR). The potential impact of this is reported elsewhere on this agenda, but the in-year effect will depend on both the number of schools that are fast-tracked to leave in September, and on what share of overheads they are entitled to, the details of which are currently under review by management. There are other potential liabilities from the transfer that management are currently researching, and this will be reported upon in due course when the situation is clearer.

THE SCHOOLS' BUDGET: SPEECH & LANGUAGE THERAPY SLAs WITH THE PCT

SLAs with the PCT for speech & language therapy are in excess of the available budget. Funding sources to cover this and avoid an overspending are being investigated, but the SLAs total £168,000 against a budget of only £48,000, so there is an as yet unfunded overspending of £120,000. £80,000 of this relates to Riverside ASD provision.

**SEN 2010/11 PROJECTION
BASED ON ACTUAL FIGURES TO MAY 2010**

This statement does not include all SEN-related budgets

Pupils with statements, budgets not delegated to schools (Appendix 3, paragraph (1))	Oracle GL Account Code	Approved Budget		Projection		Variation		Comparison	
		Funded pupil nos. or places	Budget £	Funded pupil nos. or places	Projection £	Funded pupil nos. or places	Variation £	Previous reported variation £	Movement £
Additional Classroom assistants (non-delegated)	136595 0157	4	56,850	4	73,409	0	16,559		16,559
Outborough School placements: Expenditure									0
- Independent day	136598 3680	73	2,894,300	80	3,586,493	7	692,193		692,193
- Independent boarding	136598 3681	93	5,150,680	83	5,225,223	-10	74,543		74,543
- OLEA maintained day	136598 3151	64	1,200,720	58	1,344,784	-6	144,064		144,064
- OLEA maintained boarding	136598 3152	16	652,610	16	607,611	0	-44,999		-44,999
- Alternative Programmes / Therapy	136598 3692	51	353,450	51	615,637	-1	262,187		262,187
- Additional support in mainstream	136598 3154/3160/3162	95	810,952	94	797,849	-1	-13,103		-13,103
Outborough School placements: Income	136598 8150-8355	n/a	-2,251,990		-2,594,836	n/a	-342,846		-342,846
Pupils with statements, non delegated budgets		396	8,867,572	386	9,656,170	-11	788,598		788,598
Strategies to reduce forecast spending and other trends expected to influence forecast					-84,000	Net	0		0
Total non-delegated variation: pupils with statements							788,598		788,598
Matrix funding	102/104	921	6,462,985	937	6,758,380	16	295,395		295,395
Effect of previous years creditors in 2009/10			2,808,474		2,694,474		-114,000		-114,000
Effect of previous years debtors in 2009/10			-2,449,766		-2,649,766		-200,000		-200,000
Combined total, delegated and non-delegated		1,317	15,330,557	1,323	16,330,550	6	769,993		769,993

SPECIAL EDUCATIONAL NEEDS KEY BUDGETS - TREND INFORMATION 2005/06 TO 2010/11

Provision	2005/06								2006/07								2007/08							
	Budget			Outturn			Variance		Budget			Outturn			Variance		Budget			Outturn			Variance	
	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£
Extra support - Bromley schools	878	4,272,610	4,866	804	4,085,580	5,082	-74	187,030	826	4,547,600	5,506	823	4,561,150	5,542	-3	13,550	899	5,193,340	5,777	851	5,035,266	5,917	-48	-158,074
Outborough placements																								
- Independent day (incl Alt Prog)	63	1,467,540	23,294	52	1,317,110	25,329	-11	150,430	56	1,534,090	27,394	51	1,539,760	30,191	-5	5,670	53	1,865,770	35,203	70	2,323,872	33,293	17	458,102
- Independent boarding	81	3,654,510	45,117	75	3,463,380	46,178	-6	191,130	80	3,944,070	49,301	74	3,885,630	52,509	-6	-58,440	79	4,375,620	55,097	80	4,542,813	56,785	1	167,193
- Maintained day	78	926,290	11,876	74	1,037,020	14,014	-4	110,730	81	1,215,150	15,002	66	960,890	14,559	-15	254,260	73	1,229,870	16,848	67	1,173,781	17,493	-6	-56,089
- Maintained boarding	23	665,740	28,945	19	619,990	32,631	-4	-45,750	20	655,040	32,752	19	574,060	30,214	-1	-80,980	19	653,530	34,396	18	608,641	33,627	-1	-44,889
- Alternative programmes/ therapy	18	129,170	7,176	35	180,810	5,166	17	51,640	35	215,910	6,169	47	276,840	5,890	12	60,930	42	265,630	6,325	59	338,156	5,751	17	72,526
Outborough - support in mainstream	78	490,350	6,287	72	394,890	5,485	-6	-95,460	79	452,560	5,729	70	420,320	6,005	-9	-32,240	80	560,970	7,012	91	595,614	6,567	11	34,644

Provision	2008/09								2009/10								2010/11							
	Budget			Outturn			Variance		Budget			Outturn			Variance		Budget			Forecast of outturn			Variance	
	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£	No.	£	Unit cost (£)	No.	£	Unit cost (£)	No.	£
Extra support - Bromley schools	922	5,390,650	5,849	927	5,619,268	6,113	6	276,538	925	5,863,010	6,338	941	6,403,322	6,802	16	540,312	925	6,519,835	7,047	941	6,831,789	7,257	16	311,954
Outborough placements																								
- Independent day	53	1,865,770	35,203	65	2,289,694	35,226	12	423,924	73	2,651,530	36,322	80	3,018,655	37,875	7	367,125	73	2,894,300	39,648	82	3,586,493	43,845	9	692,193
- Independent boarding	79	4,375,620	55,388	80	4,631,224	57,890	1	255,604	93	4,977,033	53,402	83	5,289,895	63,580	-10	312,862	93	5,150,680	55,265	84	5,225,223	62,279	-9	74,543
- Maintained day	73	1,229,870	16,848	56	1,078,693	19,262	-17	151,177	64	1,192,830	18,580	58	1,221,020	21,162	-7	28,190	64	1,200,890	18,703	55	1,344,784	34,495	-9	144,064
- Maintained boarding	19	653,530	34,396	19	570,456	30,024	0	-83,074	16	615,376	38,341	16	661,696	40,890	0	46,320	16	652,610	40,661	16	607,611	38,825	0	-44,999
- Alternative programmes/ therapy	42	265,630	6,325	56	286,019	5,107	14	20,389	51	282,312	5,492	51	490,947	9,683	-1	208,635	51	353,450	6,876	56	601,612	10,743	5	248,162
Outborough - support in mainstream	80	560,970	7,012	82	497,290	6,065	2	-63,680	95	576,700	6,071	94	735,268	7,839	-1	158,568	95	810,952	8,536	93	797,849	8,542	-2	-13,103

CHILDREN'S PLACEMENT PROJECTIONS 2010/11

Code	Description	2009/10 Latest approved Budget				2009/10 Projection				2009/10 VARIATION			
		£	Res. Days	FYE	Unit Cost £	£	Res. Days	FYE	Unit Cost £	£	Res. Days	FYE	Unit Cost £
RESIDENTIAL													
808***3504	Community Homes with Education	952,920	1,862	5.10	186,847	1,528,791	4,016	11.00	138,946	575,871	2,155	5.90	(47,901)
808***3505	Community Homes	416,520	1,460	4.00	104,130	1,197,089	2,913	7.98	149,996	780,569	1,453	3.98	45,866
808***3507	Secure Accommodation	85,620	183	0.50	171,240	55,852	214	0.59	95,262	(29,768)	32	0.09	(75,978)
808***3606	Specialist Community Homes	71,890	110	0.30	239,633	69,624	365	1.00	69,624	(2,266)	256	0.70	(170,009)
808***3610	Boarding Schools	449,090	2,665	7.30	61,519	344,969	1,946	5.33	64,704	(104,121)	(719)	(1.97)	3,185
808***3764	Transport	146,020				68,421				(77,599)			
Various	Outreach Services	219,890				219,890				0			
808160	Public Law Outline Requirements	376,480				376,480				0			
2640	Respite Care (all)	0				0				0			
808101 5000	Funding for Care Plan /Price increases	209,690				0				(209,690)			
	Management Action	0				(200,000)				(200,000)			
Sub total Residential Placements		2,928,120	6,278	17.20	170,240	3,661,116	9,454	25.90	141,348	732,996	3,176	8.70	(28,891)
FOSTERING													
808***3630/3750	Fostering IFA	1,268,620	9,125	25.00	50,745	1,645,000	13,045	35.74	46,027	376,380	3,920	10.74	(4,718)
833***3701	Fostering In house	3,013,710	47,450	130.00	23,182	3,064,461	46,121	126.36	24,252	50,751	(1,329)	(3.64)	1,070
833***3706	Fostering In house - Respite	0		0.00		11,333				11,333			
833***3766	Kinship abd Special Guardianship Allo	472,200	12,410	34.00	13,888	212,200	18,294	50.12	4,234	(260,000)	5,884	16.12	(9,654)
833***3767	Residence Order Allowances	175,850	9,125	25.00	7,034	120,850	10,204	27.96	4,323	(55,000)	1,079	2.96	(2,711)
833***3764	Transport	22,210				22,210				0			
833***3764	Specialist Fostering Service	94,980				0				(94,980)			
Sub total Foster Placements		5,047,570	78,110	214.00	23,587	5,076,054	87,664	240.18	21,135	28,484	9,554	26.18	(2,452)
SUB TOTAL RESIDENTIAL/FOSTERING PLACEMENTS		7,975,690	84,388	231.20	193,826	8,737,170	97,118	266.08	162,483	761,480	12,730	34.88	(31,343)
ADOPTION PLACEMENTS													
833***1769	Interagency Adoption Fees	59,930				59,930				0			
833***3702	Adoption Allowances and other costs	195,340	13,323	36.50	5,352	195,340	15,330	42.00	4,651	0	2,008	5.50	(701)
833***9180	Income from Assessments	(10,920)				(10,920)				0			
Sub total for Adoptive Placements		244,350	13,323	36.50	5,352	244,350	15,330	42.00	4,651	0	2,008	5.50	(701)
TOTAL OF CHILDREN'S PLACEMENTS		8,220,040	97,711	267.70	199,178	8,981,520	112,448	308.08	167,134	761,480	14,738	40.38	(32,044)

**CHILDREN'S PLACEMENT PROJECTIONS
2006/07 to 2010/11**

2006/07	Budget		Final Outturn	
	Nos	£'000	Nos	£'000
In House Fostering	191.00	3,396	165.6	2,947
Independent Fostering	30.30	1,293	28.7	1,292
Other Residential/Placement Costs	75.90	4,058	80.0	4,686
	297.20	8,747	274.3	8,925

2007/08	Budget		Final Outturn	
	Nos	£'000	Nos	£'000
In House Fostering	130.00	2,849	124.2	3,089
Independent Fostering	30.30	1,325	35.1	1,351
Other Residential/Placement Costs	123.70	4,421	134.5	4,332
	284.00	8,595	293.8	8,772

2008/09	Budget		Final Outturn	
	Nos	£'000	Nos	£'000
In House Fostering	130.00	2,934	110.4	3,128
Independent Fostering	30.00	1,325	33.8	1,296
Other Residential/Placement Costs	124.40	4,689	130.5	4,565
	284.40	8,948	274.5	8,989

2009/10	Budget		Final Outturn	
	Nos	£'000	Nos	£'000
In House Fostering	130.00	3,002	126.36	3,273
Independent Fostering	27.00	1,323	35.74	1,445
Other Residential/Placement Costs	125.50	5,120	153.42	5,303
	282.50	9,445	315.52	10,021

2010/11	Budget		Forecast	
	Nos	£'000	Nos	£'000s
In House Fostering	130.00	3,013	126.36	3,064
Independent Fostering	25.00	1,268	35.74	1,645
Other Residential/Placement Costs	112.70	3,939	145.98	4,022
	267.70	8,220	308.08	8,731

**IMPACT ON FUTURE YEARS' BUDGETS OF CURRENT VARIANCES IN THE
COUNCIL TAX FUNDED BUDGETS**

Description	2010/11 Latest Approved Budget £'000	Variation To 2010/11 Budget £'000	Impact on 2010/11
SEN and Inclusion	7,287	590k overspent	<p>1. SEN Transport is currently projected to be £400k overspent.</p> <p>(a) This is due to the growing number of exceptionally high cost pupils, a trend that is likely to increase</p> <p>(b) The contracts will be re-tendered during 2010/11 which may result in higher costs.</p> <p>2. SEN management, tribunal, budget overspent by £190,000, despite the offsetting savings from the Head of SEN part-year vacancy. The overspending will be resolved in a wider review of staffing levels in CYP department.</p>
Children's Placement Projections (Appendix 5)	8,220k	761k overspent	<p>1. The current overspend is likely to have implications beyond the current year.</p> <p>2. The recent Southwark judgement (please see Early Warning in Appendix 2) could add very significantly to placement costs. This is being continuously assessed and monitored.</p> <p>Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.</p>
Safeguarding & Social Care Division	20.085k	350k overspent (salaries element)	<p>The factors behind this overspending are detailed in Appendix 2 and are likely to continue for the foreseeable future into future years.</p> <p>Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.</p>

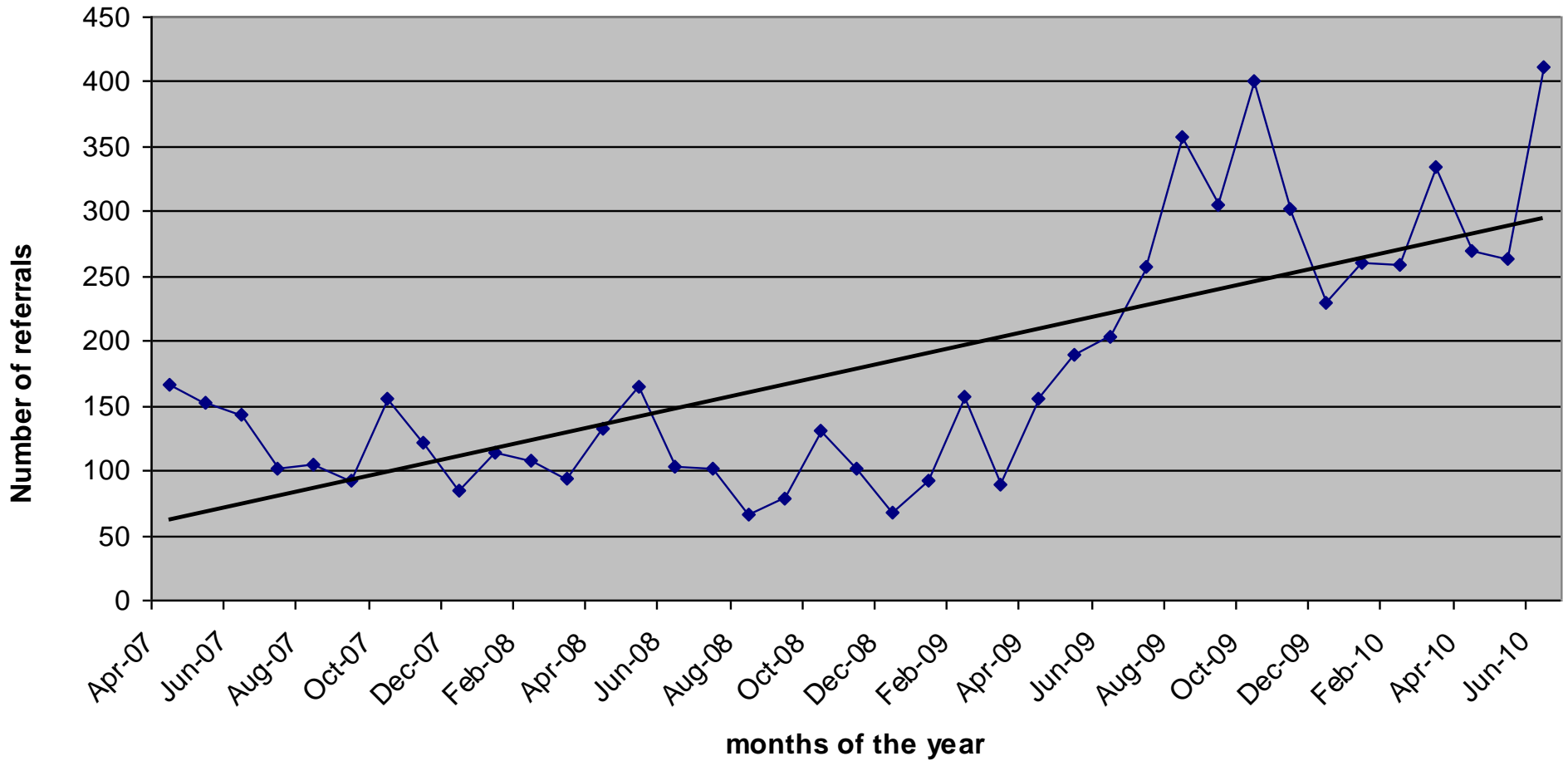
REQUEST TO BRING FORWARD GRANTS OR INCOME RECEIVED IN ADVANCE

Supplier Name and Postcode	Amount £	Description
LDA Youth Offer	3,007	Challenger Troop Expenses April to July. We are carrying forward this amount with the agreement of the LDA to cover costs that will be incurred for this project during April to July. These costs are for minibus hire, coach for awards ceremony and fuel card.
CWDC	2,000	Provision of an Induction training module
CWDC	9,097	CWDC. We are carrying forward this amount to complete the delivery of a programme of workforce development for staff within Youth Support Services following a conference that took place in 2009. This work includes the production of induction training resources for all staff within the Youth Support Service and the development of a Youth Support Service sub-site of the CYP Trust Partnership Website. The work is informed by an audit of skills conducted by the CYP workforce development team.
Summer Uni	13,538	Summer Uni. We are carrying forward this ringfenced grant for the promotion of the Borough's free positive activities taking place during the summer holiday 2010. This will include the production of a brochure and other promotional activity to raise awareness of Bromley's summer activity offer.
TOTAL	27,642	

Standards & Achievement service. These grants relate mainly to school staff professional development.

Youth Sports Trust	15,240	Physical Education Continuous Professional Development
SSTQ (Support Staff Training & Qualifications) (formerly HLTA)	64,346	Professional development and training of support staff in schools
Teacher Development Agency SW1W 9SZ)	19,163	Head Teachers Succession Planning
CILT (National Centre for Languages) SE1 7HR	1,000	Primary Modern Foreign Languages- Summer 2010
Serco/ContinYou Partnership	10,016	Early Years Professional Status Network
TOTAL	109,765	

Graph showing the monthly number of referrals to CYP over the past three years



Number of referrals over the past three years

Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
167	153	144	101	105	92	156	122	85	114	108	94
Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
133	165	104	102	66	79	131	102	68	92	157	90
Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
156	189	204	257	358	305	400	302	229	260	259	335
Apr-10	May-10	Jun-10									
270	263	411									

Number of LAC over the past three years

Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
265	263	263	264	265	264	258	258	254	258	262	257
Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
276	267	268	263	258	256	245	244	242	247	247	247
Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
276	281	282	282	275	282	275	270	280	286	286	285
Apr-10	May-10	Jun-10									
282	287	295									

Number of children subject to a CP plan over the past three years

Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
145	146	129	107	121	131	148	140	136	140	144	140
Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
144	141	146	164	159	163	158	173	178	185	171	164
Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
165	172	171	178	187	179	185	197	221	239	238	254