

Education Budget Monitoring Summary July 2013

2012/13 Actuals £	Division Service Areas	2013/14 Original Budget £	2013/14 Latest Approved £	2013/14 Projection £	Variation £	Notes	Variation Last Reported £	Full Year Effect £
1,879	Education Division Access	1,469	1,401	1,318	-83	1	-53	0
-511	Adult Education Centres	-618	-630	-630	0		0	0
148	School Standards	115	114	114	0		0	0
4,099	SEN and Inclusion	4,718	4,752	4,752	0	2	-42	0
0	Workforce Development & Governor Services	0	1	1	0		0	0
0	Education Services Grant	-3,282	-3,282	-2,996	286	3	0	566
74	Schools Budgets	-1,431	-1,431	-1,431	0	4	0	0
158	Other Strategic Functions	148	170	170	0		6	0
0	Early Years	0	0	0	0		0	0
-51	Primary Schools	0	0	0	0		0	0
-1,368	Secondary Schools	0	0	0	0		0	0
-17	Special Schools	0	0	0	0		0	0
400	Education Commissioning and Business Services	0	0	0	0		0	0
131	School Improvement	0	0	0	0		0	0
4,942		1,119	1,095	1,298	203		-89	566
2,002	Children's Social Care Bromley Youth Support Programme - (Youth Services)	1,773	1,799	1,799	0		0	0
1,453	Referral and Assessment Childrens Centres	2,086	2,104	1,904	-200	5	0	0
3,455		3,859	3,903	3,703	-200		0	0
-11,798	Early Intervention Grant Early Intervention Grant	0	0	0	0		0	0
-11,798		0	0	0	0		0	0
-3,401	TOTAL CONTROLLABLE FOR EDUCATION	4,978	4,998	5,001	3		-89	566
11,787	TOTAL NON CONTROLLABLE	5,553	5,553	5,553	0		0	0
4,731	TOTAL EXCLUDED RECHARGES	3,618	3,618	3,618	0		0	0
13,117	PORTFOLIO TOTAL	14,149	14,169	14,172	3		-89	566
Memorandum Item								
Sold Services								
0	Education Psychology Service (RSG Funded)	0	0	0	0	} 6		
0	Education Welfare Service (RSG Funded)	0	0	-46	-46			
0	Behaviour Support (Secondary) (RSG Funded)	0	0	0	31			
0	Workforce Development (DSG/RSG Funded)	0	0	15	15			
0	Governor Services (DSG/RSG Funded)	0	0	25	25			
0	Catering & Cleaning (RSG Funded)	0	0	0	0			
0	Business Partnerships (RSG Funded)	0	0	0	0			
0	Sub-total Sold Services	0	0	-6	25			

Education Portfolio - July Budget Monitoring

1. Access - Cr £83k

A projected underspend of £45k within the Education Welfare Service is the result of an overachievement of trading account income and a reduced level of resource required to generate this income.

The budget for behaviour services was delegated to schools for 2013/14, so the secondary outreach budget is no longer funded through the Dedicated Schools Grant. There is a projected shortfall of income of £31k on the trading account due to lower than anticipated uptake.

There is a projected overspend of £23k expected for capital and facilities management, as the catering and cleaning sold service ended on 31st July, with just a strategic element remaining until 31st October.

Also within Access, there are underspends of £20k in Admissions due to a reduction in hours as part of the restructure, £20k on expected statutory transport grant payments, and £54k on Early Years staffing.

	Projected Variations £
Education Welfare Service	1,000
- Trading Account	-46,000
Business Support	2,000
Capital & Facilities Management	23,000
Access & Admission	-20,000
Early Years Support	-54,000
Transport Grants	-20,000
Secondary Outreach Trading Account	31,000
	<u>-83,000</u>

2. SEN and Inclusion - £Nil

Based on information currently available, no variation is expected for transport for children with special education need. Depending on the changes to routes required for the 2013/14 academic year, there could be a significant change to this figure. At time of writing, the routes are still being finalised, but a large variation is not expected.

	Projected Variations £
SEN Transport	0
	<u>0</u>

3. Education Services Grant - Dr £286k

The Education Services Grant (ESG) is currently expected to be £286k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant will reduce in-year as schools convert to academies. The current projection is based on 8 conversions between August and October, and a further 5 in December.

	Projected Variations £
ESG Grant Allocation	286,000
	<u>286,000</u>

4. Schools Budgets

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for 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. A total net underspend of £1,135k is currently projected on DSG funded services as outlined below.

As a result of the funding changes for 2013/14, the SEN placement budget was built from a zero base. Current figures suggest that there will be an underspend of £306k, mainly due to a lower than expected number of placements being made.

The deaf centres are projected to underspend by £55k, mainly on staffing budgets, as a result of staff working less hours than budgeted for, as well as several staff who have opted out of the pension scheme.

In addition, there is an expected underspend of £41k for assessment and support of children with complex medical needs in mainstream schools, and an underspend of £308k within the pre-school SEN service, primarily due to staff vacancies, and staff working reduced hours.

Within the behaviour service, underspends are expected of £15k for the new Early Intervention Service due to a staff vacancy, £78k for Progression Courses due to overachievement of income, and £56k relating to the currently vacant head of service post. There is a projected overspend of £20k on supply staff in the Home and Hospital service.

Free Early Education (FEE) for 2 years olds, which for 2013/14 onwards is now funded through DSG, is expected to underspend by £700k of the £2.8m budget. This is partly offset by a projected overspend of £476k on FEE for 3 & 4 year olds.

Finally, as previously reported, there is an anticipated cost of £54k relating to the old School Improvement team as a result of the restructure not taking effect until 31st April. There have also been a few post-closure transactions for the EDC trading account, totalling £15k.

	Projected Variations	
	£	£
SEN		
- Placements	-306,000	
- Transport	-121,000	
- Deaf centres & sensory support	-55,000	
- Support in mainstream	-17,000	
- Specialist Support & Disability Services	-41,000	
- Pre-school service	<u>-308,000</u>	-848,000
Behaviour service		-129,000
Free Early Education - 2 year olds		-700,000
Free Early Education - 3 & 4 year olds		476,000
Access & Admissions		-3,000
EDC trading account		15,000
School Improvement		54,000
		<u>-1,135,000</u>

5. Referral and Assessment Childrens Centres - Cr £200k

An under spend of £200k is projected due to staff vacancies within the service and delays in recruitment. This is made up of £136k salary under spend in children's project (experiencing a high staff turnover), plus £64k management time salary contribution from the Tackling Troubled Families grant

	Projected Variations	
	£	£
Bromley Children's Project		-200,000
		<u>-200,000</u>

6. Sold Services

Current projections show an adverse variation in the Workforce Development and Governor Services trading accounts, however this is offset by an underspend on the service due to staff vacancies.

The trading account for Education Welfare service has a projected overachievement of income of £46k, and Secondary Outreach has a shortfall of £31k, as shown in note 1 above.

Early Warning - Adult Education

It is anticipated that an overspend will arise within the Adult Education Service. This is partly due to a drop in tuition fees as a result of the free courses which the college provides for the Job Centre, as well the 24+ funding scheme which has resulted in a fixed cut of £53k of grant allocation for Student Loans, irrespective of take-up.

In addition, there has been a large reduction in the Skills Funding Agency grant for Adult Education between 2010/11 and 2013/14 academic years. Officers are still waiting for notification of the final 2013/14 grant allocation.

Contract Waivers

Two waivers have been approved since the May 2013 budget monitoring report.

- An extension to the contract for a consultant for academy conversion was approved by the Director of Education, Care and Health Services, Director of Finance and Director of Resources. Contract value is £66k.
- An exemption for the provision of temporary modular accommodation at Clare House Primary School was approved by the Director of Education, Care and Health Services, Director of Finance and Director of Resources, with the agreement of the Portfolio Holder for Education. Contract value is £277k.

Virements

Three virements have been approved by the Director of Education, Care and Health Services.

- Transfer of £44k for Education commissioning
- Transfer of additional £8k to IT for a post budget
- Transfer of £10k to ECHS Strategic & Business Support for data cleansing work

Director's Comments

The education budget continues to show an outturn broadly in-line with the planned budget. The Revenue Support Grant (RSG) element of the Education budget is a relatively small component of our overall spend, with Dedicated Schools Grant (DSG) making-up the majority when one considers school funding. The DSG element reported in appendix 1 will show a significant projected underspend. For example, we are beginning to see significant savings in SEN expenditure but set against DSG, not RSG funding. However, the regulations as to how we might use DSG have also been tightened making it increasingly difficult to charge further central costs to this grant. The particular challenge for this budget is that as more schools convert to academies, significant losses in grant funding will be experienced by the Council.

Wherever possible, we have made in-year savings to cover-off these losses so, for instance in-year restructuring of Access and Admissions Teams with some related savings, but Members will see that losses to the Education budget mainly arising from the academies programme are not insignificant with £82k grant lost in the first quarter which was not budgeted for.

The Education Services Grant (ESG) is currently expected to be £286k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant will reduce in-year as schools convert to academies. The current projection is based on 8 conversions between August and October, and a further 5 in December.

The challenge as we move through the year will be to continue to examine spend and look for opportunities to reduce it in-line with the loss of grant. However, as we see an increasing clarity from central government about the de minimis in terms of functions we must offer our community, we also see an expectation that we use RSG funding for our statutory functions. There is, unfortunately, little evidence that these statutory functions decline in proportion to the number of schools maintained by the local authority

An overspend is expected for the Adult Education Service due to (1) an increase in students claiming a full fee remission, a similar decrease in student fees, however no increase in the SFA Grant; (2) a fixed cut of £53k of grant allocation for student loans irrespective of take-up; and (3) the two linked nurseries unlikely to achieve their fee income budgets.

Full Year Effects

Service Area	Latest Approved budget	Variation	FYE	Comment
	£'000	£'000	£'000	
Education Services Grant	-3,282	286	566	Based on current projections of 13 academy conversions in 2013/14

Education Budget Monitoring Summary July 2013

Division Service Areas	RSG						DSG						
	Original Budget	Revised Budget	Projection	Variation	Last Reported Variation	FYE	Original Budget	Revised Budget	Projection	Variation	Last Reported Variation	FYE	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Education Division													
Access	1	1,469	1,401	1,318	-83	-53	0	14,491	14,491	14,135	-356	0	0
Adult Education Centres		-618	-630	-630	0	0	0	0	0	0	0	0	0
School Standards		115	114	114	0	0	0	415	327	327	0	0	0
SEN and Inclusion	2	4,718	4,752	4,752	0	-42	0	23,855	23,549	22,701	-848	0	0
Workforce Development & Governor Services		0	1	1	0	0	0	189	192	192	0	0	0
Education Services Grant	3	-3,282	-3,282	-2,996	286	0	566	0	0	0	0	0	0
Schools Budgets	4	0	0	0	0	0	0	-131,773	-131,461	-131,461	0	0	0
Other Strategic Functions		148	170	170	0	6	0	0	0	0	0	0	0
Early Years		0	0	0	0	0	0	1,231	1,231	1,231	0	0	0
Primary Schools		0	0	0	0	0	0	68,808	68,808	68,808	0	0	0
Secondary Schools		0	0	0	0	0	0	2,793	2,793	2,793	0	0	0
Special Schools		0	0	0	0	0	0	17,972	17,972	17,972	0	0	0
Education Commissioning & Business Services		0	0	0	0	0	0	0	0	15	15	0	0
School Improvement		0	0	0	0	0	0	0	0	54	54	0	0
		2,550	2,526	2,729	203	-89	566	-2,019	-2,099	-3,234	-1,135	0	0
Children's Social Care													
Bromley Youth Support Programme - (Youth Referral and Assessment Childrens Centres)	5	1,773	1,799	1,799	0	0	0	0	0	0	0	0	0
		2,086	2,104	1,904	-200	0	0	0	0	0	0	0	0
		3,859	3,903	3,703	-200	0	0	0	0	0	0	0	0
TOTAL CONTROLLABLE		6,409	6,429	6,432	3	-89	566	-2,019	-2,099	-3,234	-1,135	0	0
TOTAL NON CONTROLLABLE		5,455	5,455	5,455	0	0	0	98	98	98	0	0	0
TOTAL EXCLUDED RECHARGES		2,285	2,285	2,285	0	0	0	1,333	1,333	1,333	0	0	0
PORTFOLIO TOTAL		14,149	14,169	14,172	3	0	0	-588	-667	-1,802	-1,135	0	0

BUDGET VARIATIONS - ALLOCATIONS FOR 2013/14**Education Portfolio - July**

2013/14 Original Budget	£'000
Education Division	9,672
Children's Social Care	4,477
	14,149
General	
Localisation of pay and conditions	69
Transfer of short breaks post	21
Training budgets	-8
Transfer of IT post	-8
Transfer of commissioning post	-44
Transfer for data cleansing	-10
Latest Approved Budget	14,169