

Education Portfolio Provisional Outturn Summary

2012/13 Actuals £'000	Division Service Areas	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
1,879	Access	1,469	1,147	952	Cr 195	1	Cr 316	0
Cr 511	Adult Education Centres	Cr 618	Cr 630	Cr 400	230	2	Cr 221	230
148	School Standards	115	168	145	Cr 23	3	Cr 21	0
4,099	SEN and Inclusion	4,718	4,754	4,403	Cr 351	4	Cr 177	0
0	Workforce Development & Governor Services	0	1	11	10	5	Cr 24	0
0	Education Services Grant	Cr 3,282	Cr 3,282	Cr 2,957	325	6	333	106
74	Schools Budgets	Cr 1,431	Cr 1,485	Cr 1,485	0	7	0	0
158	Other Strategic Functions	148	170	160	Cr 10	8	Cr 9	0
0	Early Years	0	0	0	0		0	0
Cr 50	Primary Schools	0	0	0	0		0	0
Cr 1,368	Secondary Schools	0	0	0	0		0	0
Cr 17	Special Schools	0	0	0	0		0	0
400	Education Commissioning and Business Services	0	0	0	0		Cr 2	0
131	School Improvement	0	0	0	0		0	0
4,943		1,119	843	829	Cr 14		5	336
Children's Social Care								
2,002	Bromley Youth Support Programme - (Youth Service)	1,773	1,803	1,790	Cr 13	9	Cr 28	0
1,453	Referral and Assessment Childrens Centres	2,086	2,401	2,186	Cr 215	10	Cr 161	0
3,455		3,859	4,204	3,976	Cr 228		Cr 189	0
Early Intervention Grant								
Cr 11,798	Early Intervention Grant	0	0	0	0		0	0
Cr 11,798		0	0	0	0		0	0
Cr 3,400	2013/14 Outturn Position	4,978	5,047	4,805	Cr 242		Cr 184	336
0	Carry forward already approved	0	0	Cr 297	Cr 297		Cr 297	0
Cr 3,400	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,978	5,047	4,508	Cr 539		Cr 481	336
11,787	Total Non-Controllable	5,553	9,221	9,221	0		0	0
4,731	Total Excluded Recharges	3,618	3,802	3,802	0		0	0
13,118	TOTAL EDUCATION PORTFOLIO - ECHS	14,149	18,070	17,531	Cr 539		Cr 481	336
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	0	0	38	38	} 11	Cr 35	0
	Education Welfare Service (RSG Funded)	0	0	Cr 44	Cr 44		Cr 46	0
	Behaviour Support (Secondary) (RSG Funded)	0	0	143	143		126	0
	Workforce Development (DSG/RSG Funded)	0	0	Cr 4	Cr 4		9	0
	Governor Services (DSG/RSG Funded)	0	0	Cr 8	Cr 8		2	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 18	Cr 18		Cr 21	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 48	Cr 48		Cr 58	0
	Catering & Cleaning (RSG Funded)	0	0	28	28		32	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	0	0	87	87		79	0

1. Access Cr £195k

An underspend of £97k within the Education Welfare Service is the result of an overachievement of trading account income, which also required fewer resources to generate, and a vacancy within the statutory element of the team.

The budget for behaviour services was delegated to schools for 2013/14, so the secondary outreach budget could no longer be funded through the Dedicated Schools Grant, and was set up as a trading account. There was a shortfall of income of £143k due to lower than anticipated uptake of respite placements, a fall in income generated from packages due to long term sickness, and higher than budgeted resources required to generate this income.

There is a net underspend of £1k relating to capital and facilities management. This is made up of an overspend of £29k on the catering and cleaning sold service which was terminated on 31st July 2013, with just a strategic element remaining until 31st October 2013, offset by an underspend on capital management due to a vacant post following the restructure of Access and Admissions.

Also within Access, there are underspends of £33k in Admissions due to a reduction in hours (early implementation of 2014/15 savings), £32k on statutory transport grant payments, and £97k on Early Years staffing (also early achievement of 2014/15 savings).

The council's two in-house nurseries, which were moved onto trading accounts this year, have generated surplus income of £64k. These trading accounts weren't set up as full-cost recovery, so this surplus is only covering part of the £155k corporate recharges currently allocated to the nurseries.

	Variations	
		£'000
Education Welfare Service	Cr	53
Trading Account	Cr	44
Capital & Facilities Management	Cr	29
Trading Account		28
Access & Admission	Cr	33
Early Years Support	Cr	97
Transport Grants	Cr	32
Business Support	Cr	14
Secondary Outreach Trading Account		143
Blenheim Nursery Trading Account	Cr	46
Community Vision Trading Account	Cr	18
	Cr	195

2. Adult Education - Dr £230k

There is an overspend of £230k for Adult Education Centres. This is mainly a result of both lower levels of disposable income amongst some of the target audience and an increase in the number of students claiming full fee remission as they are unemployed. Many of these are enrolling on the courses BAEC provides in response to the Job Centre requests.

The SFA grant allocation for 2013/14 was less than anticipated, with a shortfall of £89k. This is partly due to the 24+ funding scheme, which has been converted into a ring-fenced student loan allocation, irrespective of take-up, and has resulted in a fixed cut of £53K from the main grant allocation.

The reduction in the two main income streams above should be mitigated by a reduction in staffing costs and running expenses. Unfortunately this hasn't been achieved to the extent that the income has fallen, with a total net underspend of £17k.

The attached nurseries have underspends of £33k for Poverest and £10k for Widmore, and an overspend of £44k for Kentwood due to a shortfall in fee income. There is also a £33k overachievement of income for room bookings.

	Variations	
		£'000
Reduction in grant income		89
Reduction in fee income		190
Officers & support staff pay	Cr	39
Teachers & assistants pay		32
Supplies and services	Cr	33
Premises costs		23
Kentwood nursery		44
Widmore nursery	Cr	10
Poverest nursery	Cr	33
Room lettings	Cr	33
		230

3. School Standards - Cr £23k

Due to delays in recruiting to the new School Standards team following the restructure of the EDC, there is a total net non-recurrent underspend of £23k on staffing/consultancy budgets.

	Variations	
		£'000
School Standards	Cr	11
Primary Support Advisory Team	Cr	12
	Cr	23

4. SEN and Inclusion Cr £351k

An underspend of £310k has arisen in SEN Transport as a result of increased route efficiency and sharing of routes with bordering LA's, as well as planned costs relating to the IT system work required for merging with Adults Transport not being incurred in year.

There is also an increased one-off underspend in the SEN assessment and monitoring team due to an increase in the level of staff/management time recharged to the SEND Pathfinder Grant.

A shortfall of income on the Education Psychology trading account, as well higher than budgeted resources required, has resulted in an overspend of £38k. There is also a minor overspend on the statutory element of the service.

Variations	
£'000	
SEN Transport	Cr 310
SEN assessment and monitoring	Cr 69
Education Psychology Service	3
Trading Account	38
Transferred post charged to DSG	Cr 13
	Cr 351

5. Workforce Development & Governor Services - Dr £10k

There is an underspend on salary budgets due to two part year vacancies within the team, one of which the service was unable to fill until March 2014, and the other being covered by an agency worker from December 2013. Despite this, the service has overachieved the income targets on both trading accounts by a total of £12k. This is offset by a reduction in the level of costs that could be charged to DSG.

Variations	
£'000	
Workforce Development & Governor Services	22
Workforce Development Trading Account	Cr 4
Governor Services Trading Account	Cr 8
	10

6. Education Services Grant - Dr £325k

The final Education Services Grant (ESG) allocation was £325k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The final allocation is based on the 13 completed conversions during 2013/14. The full year effect of this is £656k (less the £550k grant reduction growth in the 2014/15 budget).

Looking to 2014/15, 3 schools converted on 1st April, and a further 11 applications have been approved by DfE (including the Pupil Referral Unit), and are likely to convert between July and September 2014. When combined with the 3% reduction in per pupil rate, this results in a projected shortfall for 2014/15 of £918k (less the £550k growth).

7. Schools Budgets (no impact on General Fund)

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. There is a total net underspend of £4.3m on DSG funded services as outlined below to be carried forward to 2014/15.

With effect from September 2013, the EFA became responsible for directly providing the first £6k of SEN funding for academies, and would recoup the figure from the authorities DSG allocation. The final amount to be recouped was less than anticipated when setting the 2014/15 budget, resulting in a £1.2m underspend.

There is a total underspend on SEN placements of £1,039k, due to a number of factors including lower than budgeted number of placements/support across the board, and average costs being kept to a minimum. In addition, the projected numbers of pupils anticipated to start in 2013/14 was higher than final actual numbers, including 3 LAC children. There also remains £339k of creditor provision made at the end of 2012/13 which has not been fully realised.

As part of the 2013/14 DSG allocation, £3.1m funding for SEN support in Further Education transferred from the EFA to the council. These placements were negotiated at the start of the academic year, resulting in a total underspend of £718k: £80k at Bromley College and other FE colleges, £477k with all other Independent Specialist Providers, and £161k on the social care element.

The Sensory Support and Inclusion services have underspent by a total of £167k, mainly on staffing budgets as a result of staff working less hours than budgeted, employers pension contributions for staff not in the pension scheme, and staff time recharged to the SEND Pathfinder grant. There is also an amount of £220k relating to funding to support non-statemented children which, due to changes to the schools funding regulations, could not be delegated to schools in year.

There is also an underspend of £49k for assessment and support of children with complex medical needs in mainstream schools, and an underspend of £195k within the pre-school SEN service, primarily due to staff vacancies, and staff working reduced hours.

Within the Behaviour Service, there are underspends of £17k for the Early Intervention Service due to a staff vacancy, £201k for Progression Courses due to overachievement of income and a reduction in demand, and £80k relating to the part-year vacancy in the head of service post. There is an overspend of £74k in the Home and Hospital service on supply staff and rent payable relating to the Nightingale Centre, as well as an increased recoupment claim.

Free Early Education (FEE) for 2 years olds, which for 2013/14 onwards is now funded through DSG, has underspent by £1,074k of the £2.8m budget. This is partly offset by an overspend of £529k on FEE for 3 & 4 year olds.

There is an underspend of £353k on Carbon Reduction Commitments. Schools are to be excluded from the CRC scheme with effect from 1st April 2014, so this budget has been removed for future years.

There is an underspend of £1.4m due to high needs recoupment adjustments re special unites in academies which were anticipated when setting the budget, but have not been realised, as well as £775k and £194k due to 6th form funding in special schools, and teachers' pay grants respectively.

In addition, there is an overspend of £175k due to higher numbers of bulge classes than budgeted, and underspends of £103k on nursery classes, £130k on SEN matrix support in special schools, and £90k due to recoupment adjustments relating to business rates for academy converters.

There is a small variation in the total recharges and non controllable costs charged to DSG, with £61k less than budgeted non controllable costs such as premises maintenance, offset by £45k more on recharges, mainly due to a revision of the level of support to members charged.

There is also a cost of £54k relating to the old School Improvement team as a result of the restructure not being completed until 31st April, as teachers' contracts can only be terminated at the end of April, August or December. There have also been a few post-closure transactions for the EDC trading account, totalling £11k, and a £90k underspend relating to security and utility costs for the old EDC. Finally there is a £2.9m contribution to the Glebe expansion capital scheme which was approved by Council on 14th April 2014, £678k increase in bad debt provision relating to loans to schools and £359k costs on various one-off activities etc such as classroom rentals for bulge classes and provision of support for academy conversions, and 2012/13 costs relating to the Pupil Referral Service.

	Variations	
	£'000	£'000
SEN & Inclusion		
Placements	Cr 1,049	
Effect of prior year creditors	Cr 339	
Equipment	Cr 87	
Ex-EFA SEN FE Support	Cr 718	
Transport	Cr 143	
Deaf centres & sensory support	Cr 167	
Support in mainstream	Cr 220	
Specialist Support & Disability Services	Cr 49	
Pre-school service	<u>Cr 195</u>	2,967
Behaviour service	Cr 225	
Free Early Education - 2 year olds	Cr 1,074	
Free Early Education - 3 & 4 year olds		529
Access & Admissions		14
EDC trading account	Cr 11	
School Improvement		54
School Standards	Cr 115	
Workforce Development & Governor Services	Cr 15	
Ex-EDC site costs	Cr 90	
Carbon reduction commitments	Cr 353	
PSAG		70
Non-controllable costs	Cr 61	
Excluded recharges		20
Maternity pay etc	Cr 84	
Excluded pupils		28
SEN funding for academies	Cr 1,170	
Bulge classes		175
Academy units funding/recoupment	Cr 1,473	
Teachers' Pay Grant	Cr 194	
Nursery classes	Cr 103	
Business rates re academy converters	Cr 90	
Budget share variations	Cr 139	
Special school 6th form funding	Cr 775	
Special school matrix funding	Cr 130	
One-off spend re academy conversions, classroom rentals etc		356
Contribution to Glebe expansion capital scheme		2,880
Increase in bad debt provision		678
Underspend to be carried forward to 2014/15	<u>Cr</u>	<u>4,265</u>

8. Other Strategic Functions - Cr £10k

There is a minor underspend of £10k on consultancy costs. This budget has been reduced for 2014/15 as part of the Baseline Review savings.

9. Youth Service - Cr £13k

There is an underspend of £13k for the Youth Service, mainly relating to supplies and services budgets.

10. Referral and Assessment Children's Centres - Cr £512k

An underspend of £297k in the service relates to the carry forward from 2012/13 remaining unspent. The contract to rebuild the Castlecombe Children's Centre has been awarded and the building vacated in preparation for the work starting. The service will temporarily relocate to the Motttingham Children's Centre and it is anticipated that the rebuild will be completed by the end of August 2014. The projected cost of the work has increased from the £400k reported at Education Bud Sub-Committee on 2nd October to £517k (including contingencies). The service requests that the £297k be carried forward again to 2014/15, which was agreed by Executive on 2nd April.

In addition, there were turnover savings throughout the year resulting in an underspend of £121k on staffing budgets and underspends on premises, supplies and services, and room hire income.

	Variations	
		£'000
Tenant Maintenance (unspent 2012-13 carry forward)	Cr	297
Improvements and alterations	Cr	37
Officers pay	Cr	121
Commissioning and income	Cr	32
Supplies and services	Cr	25
	Cr	512

11. Sold Services (net budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Director's Comments

This has been a very successful year for the Education team. As we develop greater focus in the nature of our relationship with schools, officers have been able to concentrate on a small number of priorities within a very clear Portfolio Plan. This focus has enabled a further third of our schools to have brokered robust plans for the transition to academy status, with only half a dozen schools yet to start that journey. As we have become more efficient in these processes, we have been able to reduce external consultancy time resulting in some small savings against RSG. This has been particularly important as we have lost considerable sums in central government grant through the academy conversion process and it is of significant credit to the Education team that these pressures have been managed in year.

The SEN pilot has proved very successful and again, we see some efficiencies as a result of this which, through creative use of central government grants, has ensured all our schools have seen benefits from our new approaches. Members will notice elsewhere the very considerable underspend on DSG, however, and officers will be looking at proposals to ensure that this surplus is spent effectively on our children's education. However, PDS also needs to be aware that officers are very concerned about the future cost pressures from the new model 'single plans' with an insistence from central government that all our SEN plans, around 1,900, are converted to the new format 'single plans' within three years.

A greater reliance on using experienced headteachers – National Leaders of Education (NLEs) – bought-in on a as-and-when basis as opposed to maintaining a standing school improvement service, to support school improvement has seen a strong improvement in standards in our primary schools but we still have too many in an Ofsted improvement category. For each of these, we are required to provide additional resources and so for every school that fails, as well as the impact this implies for the pupils in the school, there is a further drain on our budgets. We anticipate our improved approaches to early intervention in schools causing concern should see further reductions in costs in the coming years.

Adult Education has proved a real challenge this year. Changes to funding arrangements from central government left us in the difficult position of running courses that were previously funded centrally, but were for the last year a given expectation on local authorities to run. These courses also picked-up some learners who may otherwise have been on other funded courses, and so led to significant financial pressures in what has always been a well regarded and efficient service. These pressures were covered-off from elsewhere in the education budget but again Members should be aware that these pressures are likely to continue into the future.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Four waivers have been approved since the last report to the Executive:

- IT licenses on behalf of schools with a total value of £67k. These costs will be recharged to schools.
- Project management and architectural feasibility consultancy services to support the delivery of a new classroom, with a total value of £148k
- An extension for the provision of supply teachers and one to one tuition for Looked After Children with an annual value of £67k. Future provision will be delivered via the new Dynamic Purchasing System.
- SEN support in multiple pre-school and nursery settings with an annual value of £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, no virements have been approved.

Carry forward requests

Education and Care Services

Children's Centres

The service request a carry forward from the 2013/14 Bromley Childrens Project underspends of £297k as approved by the Executive on 2nd April 2014. The money will be used along with the balance of £421k in the Sure Start Capital programme to make essential repairs to Castelcombe and Mottingham children's centres.

297,000

Full Year Effects 2014/15

Service Area	Latest Approved budget	Variation	FYE	Comment
	£'000	£'000	£'000	
Education Services Grant	Cr 3,282	325	106	The Education Services Grant (previously Local Authority Block LACSEG) is allocated on the basis of pupil numbers, and reduces as schools convert to academies. Based on current projections of 13 academy conversions in 2013/14, ESG will reduce by £656k for 2014/15, of which £550k has been included as growth in the 2014/15 budget.
Adult Education	Cr 630	224	224	The current projected overspend for the Adult Education Service is expected to continue into 2014/15. The service has indicated that they will plan for further efficiency savings, however it is likely that at least one of the grant funding streams will be further reduced, as well as a continued decline in tuition fee income.

Reconciliation of Final Budget 2013/14

	£'000
2013/14 Original Budget	14,149
Allocation of Localisation & Conditions Pay Awards	70
Short Breaks Post Transfer from Care Services	21
Centralisation of training budgets	Cr 8
Transfet of IT post to Resources	Cr 8
Transfer of Commissioning Post to Care Services	Cr 45
Transfer for data cleansing work to Care Services	Cr 10
Children's Centre Carry Forward from 2012/13	297
Recharge of Nursery costs to Care Services	Cr 254
Transfer for SEN complaints work to Care Services	Cr 1
Decentralisation of IT budgets	4
Commissioning Recharge to SEND Pathfinder	3
Non-controllable	3,668
Excluded Recharges	184
Latest Approved Budget	<u><u>18,070</u></u>