

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 401	Adult Education Centres	Cr 602	Cr 602	Cr 303	299	1	230	299
275	Alternative Education and Welfare Service	104	104	104	0		0	0
412	Schools and Early Years Commissioning & QA	565	565	565	0		0	0
4,451	SEN and Inclusion	4,772	4,772	4,772	0	2	0	0
213	Strategic Place Planning	255	255	255	0		0	0
11	Workforce Development & Governor Services	11	11	11	0		0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	3	0	675
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	4	0	0
160	Other Strategic Functions	158	158	158	0		0	0
0	Early Years	0	0	0	0		0	0
0	Primary Schools	0	0	0	0		0	0
0	Secondary schools	0	0	0	0		0	0
0	Special Schools & Alternative Provision	0	0	0	0		0	0
0	Post-16 Provision	0	0	0	0		0	0
749		1,038	1,038	1,337	299		230	974
Children's Social Care								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,468	1,558	90	5	90	0
1,889	Referral and Assessment Children's Centres	2,143	2,440	2,420	Cr 20	6	0	0
3,679		3,611	3,908	3,978	70		90	0
4,428	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,649	4,946	5,315	369		320	974
9,221	Total Non-Controllable	5,096	5,117	5,114	Cr 3		Cr 4	0
3,802	Total Excluded Recharges	3,386	3,386	3,386	0		0	0
17,451	TOTAL EDUCATION PORTFOLIO - ECHS	13,131	13,449	13,815	366		316	974
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 23	0	}		0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0			0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	Cr 61	0			0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0			0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0			0
	Community Vision Nursery (RSG Funded)	0	0	0	0			0
	Blenheim Nursery (RSG Funded)	0	0	0	0			0
	Business Partnerships (RSG Funded)	0	0	0	0			0
	Total Sold Services	Cr 138	Cr 138	Cr 138	0		0	0

REASONS FOR VARIATIONS**1. Adult Education - Dr £299k**

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A total reduction in grant, tuition fee and other income of £317k has not been matched by the same level of reductions in the running costs of the service.

Variations	
£'000	
Skills Funding Agency grant	178
Tuition fee income	165
Lettings and other fees and charges	Cr 26
Business rates and other premises costs	25
Supplies and services	Cr 36
Staffing	Cr 7
	299

2. SEN and Inclusion - Dr £0k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Reform Grant. LBB's allocation of this grant for 2014/15 is £382k, draw-down of which was approved by Executive on 2nd April 2014. The SEN assessment and monitoring team is currently projected to have an underspend of £50k on staffing due to staff being charged to the SEN Reform Grant and temporary vacancies, offset by an overspend of £15k on consultancy work for tribunals, and an estimated £35k new cost for mediations.

3. Education Services Grant - Dr £0k

Current projections for the Education Services Grant (ESG) allocation is £519k 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 current projection is based on the 3 conversions on 1st April and 1 on 1st August 2014, with a further 13 conversions approved by DfE, including the PRU, all expected to convert before December 2014. The projection also includes a further 8 conversions which DfE has either received an application for, or are deemed likely to occur. The full year effect of these 25 conversions is £1,194k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

4. 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 projected underspend of £1,308k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the significant underspend in 2013/14, primarily due to lower than budgeted numbers of children, combined with the maintained lower average costs.

SEN support costs for students in further education establishments, for which funding and responsibility transferred to the authority for the first time in September 2013, is currently expected to underspend by £123k.

The 2014/15 budget included a sum of £600k to be allocated to early years providers. It had previously been anticipated that this would be unspent, as the funding regulations no longer permit in-year changes to the early years funding formula, however DfE has since confirmed that this can in fact be distributed in-year as top-up funding.

A net increase of £261k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and a reduction in high needs funding relating to special unit places at a school which converted to academy status.

A major pressure areas in 2013/14 was Free Early Education (FEE) provision for 3 and 4 year olds, with an outturn of £529k overspend. To offset this, and to manage the anticipated continued growth in take-up, £1.3m budget growth was added for 2014/15. An underspend of £222k is now projected on the £11.4m total budget.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15, with an estimated 32% achieved by March 2014 against DfE's target of 40% for September 2014. However, current projections suggest that a significant underspend of around £1.4m is likely on this budget. From 2015/16 onwards DfE will fund this provision on a participation basis, so this underspend will not continue. The service are also intending to contribute £150k in-year from this underspend to the capital scheme to help build capacity for these extra places.

The underspends above are partly offset by a continued increase in the requirement for bulge classes, resulting in an overspend of £793k on the £1m budget.

Variations	
£'000	
SEN Placements	Cr 395
SEN Support in FE colleges	Cr 123
FEE provision - 3 & 4 year olds	Cr 222
FEE provision - 2 year olds	Cr 1,250
Additional Early Years DSG allocation	Cr 314
Additional High Needs DSG deductions	53
Bulge classes	793
One-off spend re academy conversions/classroom rental etc	150
	Cr 1,308

5. Youth Service - Dr £90k

Savings of £360k have been applied to the BYSP budget. The majority of the savings will be achieved through the realigning and repositioning of the Youth Services (universal and targeted). During this process there has been a staff consultation and the planned restructure will be completed at the end of September. This will result in a one-off in-year overspend of £90k.

6. Referral & Assessment Children's Centres - Cr £20k

There is a £20k underspend projected for the Parent Partnership team as a result of two part-year vacancies.

7. 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.

Early Warning

For 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a trading account selling to schools. From early on it was recognised that the service would not be able to achieve the income target, and was a major pressure on the Education budget. At the end of July 2014, the staff were assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Education Trust Academy would continue the service when the PRU converts to academy status in September 2014. Due to the term-time nature of the service, it has not been possible to complete a final variation for the service now that it has ceased as part of LBB, but estimates suggest that a shortfall of approximately £80k is likely.

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. One waivers has been approved since the last report to the Executive, for £303k for therapy provision for Bromley schools and settings.

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, a virement of £173k for funding of the Behaviour and Attendance Partnership/Local Inclusion Forum has been approved.

FULL YEAR EFFECT OF VARIATIONS FOR 2015/16

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Education Services Grant	Cr 2,732	0	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and grant reduces in-year as schools convert to academies. The full year effect of the 25 conversions projected to take place during 2014/15 is £1,194k. Assuming that the in year shortfall of £519k is drawn down from contingency, the full year effect is reduced to £675k.
Adult Education	Cr 602	299	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. The service has indicated that they will plan for further efficiency savings, however there is a total income shortfall of £317k, with only a net reduction of £18k on running costs to offset this.

Division Service Areas	Non-Schools' Budget (RSG)						Schools' Budget (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													
Adult Education Centres	1 Cr 602	Cr 602	Cr 303	299	230	299	0	0	0	0	0	0	0
Alternative Education and Welfare Service	104	104	104	0	0	0	1,521	1,521	1,521	0	0	0	0
Schools and Early Years Commissioning & QA	565	565	565	0	0	0	15,919	15,917	14,445	Cr 1,472	Cr 600	0	0
SEN and Inclusion	2 4,772	4,772	4,772	0	0	0	23,740	22,747	22,229	Cr 518	Cr 1,161	0	0
Strategic Place Planning	255	255	255	0	0	0	276	276	276	0	0	0	0
Workforce Development & Governor Services	11	11	11	0	0	0	106	106	106	0	0	0	0
Education Services Grant	3 Cr 2,732	Cr 2,732	Cr 2,732	0	0	675	0	0	0	0	0	0	0
Schools Budgets	4 Cr 1,493	Cr 1,493	Cr 1,493	0	0	0	Cr 118,896	Cr 112,241	Cr 111,559	682	476	0	0
Other Strategic Functions	158	158	158	0	0	0	0	0	0	0	0	0	0
Early Years	0	0	0	0	0	0	1,085	0	0	0	0	0	0
Primary Schools	0	0	0	0	0	0	55,100	55,134	55,134	0	0	0	0
Secondary schools	0	0	0	0	0	0	2,751	3,201	3,201	0	0	0	0
Special Schools & Alternative Provision	0	0	0	0	0	0	16,353	11,294	11,294	0	0	0	0
Post-16 Provision	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,038	1,038	1,337	299	230	974	Cr 2,045	Cr 2,045	Cr 3,353	Cr 1,308	Cr 1,285	0	0
Children's Social Care													
Bromley Youth Support Programme - (Youth Services)	5 1,468	1,468	1,558	90	90	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	6 2,143	2,440	2,420	Cr 20	0	0	0	0	0	0	0	0	0
	3,611	3,908	3,978	70	90	0	0	0	0	0	0	0	0
TOTAL CONTROLLABLE	4,649	4,946	5,315	369	320	974	Cr 2,045	Cr 2,045	Cr 3,353	Cr 1,308	Cr 1,285	0	0
TOTAL NON CONTROLLABLE	5,096	5,117	5,114	Cr 3	Cr 4	0	90	90	90	0	0	0	0
TOTAL EXCLUDED RECHARGES	3,386	3,386	3,386	0	0	0	1,402	1,402	1,402	0	0	0	0
PORTFOLIO TOTAL	13,131	13,449	13,815	366	316	974	Cr 553	Cr 553	Cr 1,861	Cr 1,308	Cr 1,285	0	0

EDUCATION PORTFOLIO BUDGET ALLOCATIONS FOR 2014/15

Reconciliation of Latest Approved Budget	£'000
Original Budget 2014/15	13,131
SEN Reform Grant Income	Cr 382
SEN Reform Grant Expenditure	382
Children's Centres carry forward	297
Non-controllable carry forward re Adult Education property	21
Latest Approved Budget for 2014/15	<u>13,449</u>