

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 601	Cr 337	264	1	259	264
275	Alternative Education and Welfare Service	104	104	226	122	2	117	0
412	Schools and Early Years Commissioning & QA	565	565	443	Cr 122	3	Cr 91	0
4,451	SEN and Inclusion	4,772	4,775	4,570	Cr 205	4	10	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	5	0	617
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	6	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	1,042	1,101	59		295	881
Children's Social Care								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,471	1,471	0	7	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,442	2,342	Cr 100	8	Cr 20	0
3,679		3,611	3,913	3,813	Cr 100		Cr 20	0
4,428	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,649	4,955	4,914	Cr 41		275	881
9,221	Total Non-Controllable	5,096	5,124	5,124	0		Cr 3	0
3,802	Total Excluded Recharges	3,386	3,386	3,386	0		0	0
17,451	TOTAL EDUCATION PORTFOLIO - ECHS	13,131	13,465	13,424	Cr 41		272	881
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 3	20	9	10	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0		0	0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	56	117		117	0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	8	0		0	0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	7	0		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 49	Cr 49		Cr 53	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 53	Cr 53		Cr 38	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	Cr 138	Cr 138	Cr 103	35			36

REASONS FOR VARIATIONS**1. Adult Education - Dr £264k**

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A reduction in grant, tuition fee and other income totalling £350k has not been matched by the same level of reductions in the running costs of the service.

The overspend has increase slightly from the £259k reported for September, as although further savings have been made on staffing and premises costs, projected tuition fee income has fallen by £39k at the same time.

The service is currently being market tested as a separate 'lot' with Education services, and at the same time officers are investigating other options to help contain this overspend going forward which may need to be consulted on in due course.

	Variations	
	£'000	
Skills Funding Agency grant		163
Tuition fee income		205
Lettings and other fees and charges	Cr	18
Business rates and other premises costs		18
Recharge to WD&GS	Cr	22
Supplies and services	Cr	31
Staffing	Cr	51
		264

2. Alternative Education and Welfare - Dr £122k

From 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a traded service selling to schools. At the end of July 2014, the service was closed and the staff assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Trust Academy will continue the service now that the PRU has converted to academy status.

The final outturn position for the trading account is £122k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

3. Schools and Early Years Commissioning and Quality Assurance - Cr £122k

The two in-house nurseries are projected to generate a total surplus of £102k, a slight increase over 2013/14. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus is only funding an element of the £185k recharges allocated. The service is currently undergoing a market testing exercise which might, depending on the level of rental income and concession fee agreed, result in a reduction of net income if delivered by an external provider.

There is also an underspend of £20k in the Early Years service due to staff vacancies.

	Variations	
	£'000	
Blenheim Nursery	Cr	53
Community Vision Nursery	Cr	49
Early Years support services	Cr	20
	Cr	122

4. SEN and Inclusion - Cr £205k

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. DfE later announced the SEND Implementation (New Burdens) Grant, with £259k allocated to LBB. At it's meeting on 15th October 2014, Executive approved drawdown of £152k for 2014/15, with the remaining £107k ring-fenced for drawdown in 2015/16. At the same meeting Executive also approved drawdown of the third year £71k allocation of the ring-fenced SEND Pathfinder Champion Grant.

Due to changes to the statutory guidance around the reforms, the service has not been able to put in place the structure to implement the reforms as early as originally intended. As a result, an estimated £95k of the Reform/Implementation grants will not be spent during 2014/15.

In addition the head of service post is now being covered part time, and at a lower grade whilst the previous post holder is working solely on the reforms. This, plus temporary vacancies, and staff working reduced hours has resulted in a projected £92k underspend in the SEN assessment and monitoring team.

The current projection for the Education Psychology trading account is an overspend of £20k, a significant improvement over the £41k overspend in 2013/14, and which is partly offset by an underspend of £10k in the statutory element of the service.

There is also a minor underspend of £28k currently projected for SEN Transport.

	Variations	
		£'000
SEN assessment & monitoring team	Cr	92
SEN Reform/Implementation grants	Cr	95
Education Psychologists	Cr	10
- Trading account		20
SEN Transport	Cr	28
	Cr	205

5. Education Services Grant - Dr £0k

Current projections for the Education Services Grant (ESG) allocation is £387k 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 13 in-year conversions as at 1st December 2014 including the PRU, with a further 7 conversions approved by DfE expected to convert before April 2015. The projection also includes a further 1 conversion which is deemed likely to occur. The full year effect of these 21 conversions is £1,004k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

6. 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 £606k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the underspend in 2013/14, primarily due to lower than budgeted numbers of children, with £218k underspend projected for 2014/15. There is also an underspend anticipated relating to SEN equipment.

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 £312k. This has reduced from September monitoring figures mainly due to placement cost negotiations, and the confirmation that 6 students are the responsibility of another borough.

There is an underspend of £186k in the sensory support service, mainly due to vacant posts to support pupils who have a sensory impairment, as there are currently no pupils requiring this support. There is also a budget of £200k for Pupil Resource Agreements which will remain unspent due to changes to the funding regulations, plus a £12k underspend due to vacant posts. These budgets will be deleted from 2015/16 to help fund the Early Years inclusion funding.

The Specialist Support & Disability service is expected to underspend by £25k due to increased health contribution, partly offset by increased equipment and support costs. The Early Years SEN service (Phoenix) is projected to underspend by a total of £88k, mainly on staffing costs. This budget will be reduced in 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of the SEN Transport is currently projected to underspend by £108k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of increased take up of lower cost in-borough placements in future years.

There is also a £50k underspend in the Early Intervention service due to a vacant post which has been deleted for 2015/16, and £36k underspend in the Home & Alternative Provision service as a result of staffing vacancies and the reduction in recharges from the termination of the outreach service, partly offset by increased use of agency tutors.

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. DfE has since confirmed that this can in fact be distributed in-year as top-up funding, although it is expected that £91k of this will remain unspent.

An increase of £314k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and there has been a subsequent increase of £224k made in November as the original figure had incorrectly been pro-rata'd. There was also an adjustment to the previous academy recoupment figure of £112k to account for bulge classes.

A major pressure area 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 £199k is now projected on the £11.4m total budget. There is also £231k of 2013/14 creditor provision which will remain unspent.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15. 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, resulting in an anticipated reduction to the DSG allocation of £1.3m, so this underspend will not continue. As approved by Executive on 26th November 2014, a contribution of £150k from this underspend will be made 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.

Finally there are one off costs funded by the overall underspend above for HR support for academy conversions, consultancy costs for the Pupil Referral Unit IEB, temporary classroom rentals, initial costs relating to the purchase and refurbishment of Beacon House (subject to approval from DfE to disapply the funding regulation limit on increasing the budget), and costs relating to the vacant Kingswood House.

	Variations	
		£'000
Home and Alternative Provision	Cr	26
Early Intervention Service	Cr	50
Progression Courses	Cr	16
Bulge classes		793
Nursery classes		64
Carbon Reduction Commitments re 2013/14	Cr	13
Budget share adjustments		6
Recoupment adjustments (rates/dedelegation)	Cr	66
SEN:		
- Placements	Cr	218
- Equipment	Cr	70
- Support in FE colleges	Cr	312
- Sensory support service	Cr	174
- Support in mainstream	Cr	212
- Specialist Support & Disability Service	Cr	38
- Pre-school service	Cr	88
- Transport	Cr	108
	Cr	1,220
FEE:		
- 3 & 4 year olds provision	Cr	199
- Inclusion support	Cr	91
- 2 year olds provision	Cr	1,400
- Contribution to capital		150
- Prior year provisions	Cr	231
	Cr	1,771
DSG allocation adjustments:		
- Additional Early Years allocation re 13/14	Cr	314
- Additional Early Years allocation re 14/15	Cr	224
- Bulge class recoupment adjustment	Cr	112
	Cr	650
One-off expenditure:		
- Support for academy conversions/IEB consultancy		65
- Temporary classroom rentals		219
- Purchase of Beacon House		1,790
- Beacon House refurbishment costs		8
- PRU maintenance/carry forward		238
- Kingswood House costs		23
		2,343
	Cr	606

7. Youth Service - Dr £0k

This service previously reported an expected overspend of £90k on salaries during 2014-15 whilst the total savings target of £360k were achieved. However, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, a clearer picture of the revised service has emerged and it is now expected that there will be no overall variance.

8. Referral & Assessment Children's Centres - Cr £100k

Bromley Children's Project is forecast to underspend by £100k due to resignations and delays in appointing to vacant posts, plus an underspend on the Commissioning budget. This is partially offset by premises maintenance and NNDR liability for two former unoccupied Children's Centres.

	Variations	
		£'000
Salaries	Cr	134
Premises costs		98
Commissioning budget	Cr	55
Other (Suppliers & Services/income)		16
Parent Partnerships vacancies	Cr	25
	Cr	100

9. 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.

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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

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. No virements have been approved since the last report to Executive.

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 21 conversions projected to take place during 2014/15 is £1,004k. Assuming that the in year shortfall of £387k is drawn down from contingency, the full year effect is reduced to £617k.
Adult Education	Cr 602	264	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £350k, with only a net reduction of £86k on running costs to offset this.

EDUCATION PORTFOLIO BUDGET MONITORING SUMMARY

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 601	Cr 337	264	259	264	0	0	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2	104	104	226	122	117	0	1,402	1,402	1,310	Cr 92	0	0	0	0	0
Schools and Early Years Commissioning & QA	3	565	565	443	Cr 122	Cr 91	0	15,919	16,141	14,146	Cr 1,995	Cr 2,032	0	0	0	0
SEN and Inclusion	4	4,772	4,775	4,570	Cr 205	10	0	23,740	22,747	21,527	Cr 1,220	Cr 522	0	0	0	0
Strategic Place Planning		255	255	255	0	0	0	276	276	276	0	0	0	0	0	0
Workforce Development & Governor Services		11	11	11	0	0	0	106	106	106	0	0	0	0	0	0
Education Services Grant	5	Cr 2,732	Cr 2,732	Cr 2,732	0	0	617	0	0	0	0	0	0	0	0	0
Schools Budgets	6	Cr 1,493	Cr 1,493	Cr 1,493	0	0	0	Cr 118,896	Cr 108,771	Cr 108,771	0	0	0	0	0	0
Other Strategic Functions		158	158	158	0	0	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	0	0
Primary Schools		0	0	0	0	0	0	55,100	51,748	52,659	911	1,010	0	0	0	0
Secondary schools		0	0	0	0	0	0	2,751	3,201	3,201	0	0	0	0	0	0
Special Schools & Alternative Provision		0	0	0	0	0	0	16,354	10,987	12,777	1,790	31	0	0	0	0
Post-16 Provision		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1,038	1,042	1,101	59	295	881	Cr 2,163	Cr 2,163	Cr 2,769	Cr 606	Cr 1,513	0	0	0	0
Children's Social Care																
Bromley Youth Support Programme - (Youth Services)	7	1,468	1,471	1,471	0	0	0	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8	2,143	2,442	2,342	Cr 100	Cr 20	0	0	0	0	0	0	0	0	0	0
		3,611	3,913	3,813	Cr 100	Cr 20	0	0	0	0	0	0	0	0	0	0
TOTAL CONTROLLABLE		4,649	4,955	4,914	Cr 41	275	881	Cr 2,163	Cr 2,163	Cr 2,769	Cr 606	Cr 1,513	0	0	0	0
TOTAL NON CONTROLLABLE		5,096	5,124	5,124	0	Cr 3	0	90	90	90	0	0	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	0	0
PORTFOLIO TOTAL		13,131	13,465	13,424	Cr 41	272	881	Cr 671	Cr 671	Cr 1,277	Cr 606	Cr 1,513	0	0	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
SEND Pathfinder Champion Grant Income	Cr 71
SEND Pathfinder Champion Grant Expenditure	71
SEND Implementation Grant Income	Cr 152
SEND Implementation Grant Expenditure	152
Increased insurance premiums	7
Allocation of Merit Awards	9
Latest Approved Budget for 2014/15	<u>13,465</u>