

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
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
Cr 401	Adult Education Centres	Cr 602	Cr 601	Cr 332	269	1	264	269
275	Alternative Education and Welfare Service	104	104	226	122	2	122	0
412	Schools and Early Years Commissioning & QA	565	565	401	Cr 164	3	Cr 122	0
4,451	SEN and Inclusion	4,772	4,775	4,820	45	4	Cr 205	0
213	Strategic Place Planning	255	265	224	Cr 41	5	0	0
11	Workforce Development & Governor Services	11	11	16	5	6	0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	7	0	920
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	8	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
<b>749</b>		<b>1,038</b>	<b>1,052</b>	<b>1,288</b>	<b>236</b>		<b>59</b>	<b>1,189</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,471	1,471	0	9	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,442	2,305	Cr 137	10	Cr 100	0
<b>3,679</b>		<b>3,611</b>	<b>3,913</b>	<b>3,776</b>	<b>Cr 137</b>		<b>Cr 100</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>4,965</b>	<b>5,064</b>	<b>99</b>		<b>Cr 41</b>	<b>1,189</b>
9,221	<b>Total Non-Controllable</b>	5,096	5,124	5,124	0		0	0
3,802	<b>Total Excluded Recharges</b>	3,386	3,386	3,386	0		0	0
<b>17,451</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>13,131</b>	<b>13,475</b>	<b>13,574</b>	<b>99</b>		<b>Cr 41</b>	<b>1,189</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 3	35	} 11	20	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	Cr 8	0		0	0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 49	Cr 35		Cr 49	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 53	Cr 59		Cr 53	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	<b>Total Sold Services</b>	<b>Cr 138</b>	<b>Cr 138</b>	<b>Cr 103</b>	<b>58</b>		<b>35</b>	<b>0</b>

**REASONS FOR VARIATIONS****1. Adult Education - Dr £269k**

As previously reported, 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 £366k has not been matched by the same level of reductions in the running costs of the service.

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		164
Tuition fee income		225
Lettings and other fees and charges	Cr	23
Business rates and other premises costs		14
Recharge to WD&GS	Cr	22
Supplies and services	Cr	47
Staffing	Cr	42
		<b>269</b>

**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 £164k**

The two in-house nurseries are projected to generate a total surplus of £94k, a £30k 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 £43k in the Early Years service due to staff vacancies held in anticipation of savings proposed for 2015/16. Additionally a £19k grant from DfE to help implement Early Years Pupil Premium was announced on 17th February. Due to the late announcement of the grant, this will not be spent in the financial year, however the service will request a carry forward of this funding to enable them to implement the changes required. The additional underspend is therefore not being reported on the assumption that the carry forward will be approved.

A projected underspend in School Standards of £27k is the result of the vacant Senior Advisor post, which is being covered more efficiently by the use of consultants/agency staff.

	Variations	
	£'000	
Blenheim Nursery	Cr	59
Community Vision Nursery	Cr	35
Early Years support services	Cr	43
School Standards	Cr	27
	<b>Cr</b>	<b>164</b>

**4. SEN and Inclusion - Dr £45k**

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 £200k of the Reform/Implementation grants will not be spent during 2014/15. However this is not currently being reported as it is assumed that approval will be given for this to be carried forward to help with the work in 2015/16. This request will be made along with the request for drawdown of the 2015/16 grant funding.

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 £85k underspend in the SEN assessment and monitoring team.

The current projection for the Education Psychology trading account is an overspend of £35k, a small 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.

Although the travel training programme is progressing well, increasing number of pupils in general, and of those with complex needs has resulted in a projected overspend of £110k for SEN Transport.

	Variations	
		£'000
SEN assessment & monitoring team	Cr	85
SEN Reform/Implementation grants	Cr	200
- Assumed carry forward		200
Education Psychologists	Cr	10
- Trading account		35
SEN Transport		110
Business Support	Cr	5
		<u>45</u>

### **5. Strategic Place Planning - Cr £41k**

An underspend of £6k is currently projected for the RSG funded element of the Admissions team salaries. There is also a £7k underspend on pupil assessment expenses and an expected £28k underspend on non-SEN transport.

	Variations	
		£'000
Admissions	Cr	6
Pupil Assessments	Cr	7
Transport	Cr	28
	<b>Cr</b>	<b><u>41</u></b>

### **6. Workforce Development & Governor Services - Dr £5k**

An overspend of £6k on the statutory element of the service is due to an overspend on training expenses partly offset by a reduction in staffing costs.

On the trading accounts, there is shortfall of income relating to governor services, and surplus income on the workforce development side, which has also required less resources to deliver.

	Variations	
		£'000
Workforce Development & Governor Services		6
Governor Services Trading Account		11
Workforce Development Trading Account	Cr	12
		<u>5</u>

### **7. Education Services Grant - Dr £0k**

Current projections for the Education Services Grant (ESG) allocation is £360k 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 15 in-year conversions as at 1st February 2014 including the PRU, with a further 2 conversions approved by DfE expected to convert before April 2015. The full year effect of these 17 conversions is £920k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

### **8. Schools Budgets (no impact on General Fund)**

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided 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 overspend of £257k on DSG funded services as outlined below to be offset against the £8.9m carried forward from previous years.

Current projections for SEN placements are for £107k overspend mainly due to higher than budgeted average placement costs, especially those in schools maintained by other authorities. There is an underspend of £80k 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 £263k.

There is an underspend of £189k 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 £27k 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 £15k on staffing costs. The Early Years SEN service (Phoenix) is projected to underspend by a total of £114k, 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 £123k. 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 £52k underspend in the Early Intervention service due a vacant post which has been deleted for 2015/16, £9k underspend on Progression Courses, and £11k 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, 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 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 £111k 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 £1.3m 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	11
Early Intervention Service	Cr	52
Progression Courses	Cr	9
Bulge classes		793
Nursery classes		64
Carbon Reduction Commitments re 2013/14	Cr	13
Budget share adjustments		6
Recoupment adjustments (rates/dedelegation)	Cr	66
Admissions	Cr	30
School Standards	Cr	33
Workforce Development & Governor Services		6
SEN:		
- Placements		107
- Equipment	Cr	80
- Support in FE colleges	Cr	263
- Sensory support service	Cr	189
- Support in mainstream	Cr	227
- Specialist Support & Disability Service	Cr	15
- Pre-school service	Cr	114
- Business Support	Cr	5
- Transport	Cr	123
		Cr 909
FEE:		
- 3 & 4 year olds provision	Cr	111
- Inclusion support	Cr	91
- 2 year olds provision	Cr	1,299
- Contribution to capital		150
- Prior year provisions	Cr	231
		Cr 1,582
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	
- Langley Park BSF		400	
- Beacon House refurbishment costs		8	
- PRU maintenance/carry forward		238	
- Kingswood House costs		23	2,743
			<u>257</u>

### **9. 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.

### **10. Referral & Assessment Children's Centres - Cr £137k**

Bromley Children's Project is forecast to underspend by £137k 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	147
Premises costs		79
Commissioning budget	Cr	55
Other (Suppliers & Services/income)		11
Parent Partnerships vacancies	Cr	25
	<b>Cr</b>	<b>137</b>

### **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.

### **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. Since the last report to the Executive, a waiver for £336k has been approved by the Portfolio Holder on 16th December for Health and Safety works in a Special School.

### **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, £10k has been vired from ECHS Strategy & Business Support for data cleansing in Admissions.

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 17 conversions projected to take place during 2014/15 is £920k and is included in the Council's draft budget for 2015/16.
Adult Education	Cr 602	269	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 £366k, with only a net reduction of £97k 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	
<b>Education Division</b>													
Adult Education Centres	1 Cr 602	Cr 601	Cr 332	269	264	269	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2 104	104	226	122	122	0	1,402	1,402	1,330	Cr 72	Cr 92	0	0
Schools and Early Years Commissioning & QA	3 565	565	401	Cr 164	Cr 122	0	15,919	16,141	14,302	Cr 1,839	Cr 1,995	0	0
SEN and Inclusion	4 4,772	4,775	4,820	45	Cr 205	0	23,740	22,747	21,838	Cr 909	Cr 1,220	0	0
Strategic Place Planning	255	265	224	Cr 41	0	0	276	276	246	Cr 30	0	0	0
Workforce Development & Governor Services	11	11	16	5	0	0	106	106	112	6	0	0	0
Education Services Grant	5 Cr 2,732	Cr 2,732	Cr 2,732	0	0	920	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
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	51,748	53,059	1,311	911	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	16,354	10,987	12,777	1,790	1,790	0	0
Post-16 Provision	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>1,038</b>	<b>1,052</b>	<b>1,288</b>	<b>236</b>	<b>59</b>	<b>1,189</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 1,906</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>
<b>Children's Social Care</b>													
Bromley Youth Support Programme - (Youth Services)	7 1,468	1,471	1,471	0	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8 2,143	2,442	2,305	Cr 137	Cr 100	0	0	0	0	0	0	0	0
	<b>3,611</b>	<b>3,913</b>	<b>3,776</b>	<b>Cr 137</b>	<b>Cr 100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CONTROLLABLE</b>	<b>4,649</b>	<b>4,965</b>	<b>5,064</b>	<b>99</b>	<b>Cr 41</b>	<b>1,189</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 1,906</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>
<b>TOTAL NON CONTROLLABLE</b>	5,096	5,124	5,124	0	0	0	90	90	90	0	0	0	0
<b>TOTAL EXCLUDED RECHARGES</b>	3,386	3,386	3,386	0	0	0	1,402	1,402	1,402	0	0	0	0
<b>PORTFOLIO TOTAL</b>	<b>13,131</b>	<b>13,475</b>	<b>13,574</b>	<b>99</b>	<b>Cr 41</b>	<b>1,189</b>	<b>Cr 671</b>	<b>Cr 671</b>	<b>Cr 414</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>

**EDUCATION PORTFOLIO BUDGET ALLOCATIONS FOR 2014/15**

<b>Reconciliation of Latest Approved Budget</b>		<b>£'000</b>
<b>Original Budget 2014/15</b>		<b>13,131</b>
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
Transfer from Strategy for Data Cleansing		10
<b>Latest Approved Budget for 2014/15</b>		<b><u>13,475</u></b>