

Education Portfolio Budget Monitoring Summary

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 355	Adult Education Centres	Cr 602	Cr 602	Cr 220	382	1	0	382
202	Alternative Education and Welfare Service	264	264	264	0		0	0
296	Schools and Early Years Commissioning & QA	396	396	259	Cr 137	2	0	Cr 120
4,633	SEN and Inclusion	4,833	4,833	4,774	Cr 59	3	0	0
218	Strategic Place Planning	216	227	227	0		0	0
36	Workforce Development & Governor Services	4	4	4	0		0	0
Cr 2,419	Education Services Grant	Cr 2,128	Cr 2,128	Cr 2,128	0	4	0	159
Cr 1,493	Schools Budgets	Cr 1,509	Cr 1,509	Cr 1,509	0	5	0	0
139	Other Strategic Functions	133	133	133	0		0	0
1,257		1,607	1,618	1,804	186		0	421
Children's Social Care								
2,315	Bromley Youth Support Programme	1,473	1,549	1,831	282	6	0	0
2,303	Referral and Assessment Children's Centres	2,044	2,044	2,044	0		0	0
4,618		3,517	3,593	3,875	282		0	0
5,875	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,124	5,211	5,679	468		0	421
11,852	Total Non-Controllable	9,278	9,278	9,278	0		0	0
3,493	Total Excluded Recharges	3,987	3,987	3,987	0		0	0
21,220	TOTAL EDUCATION PORTFOLIO - ECHS	18,389	18,476	18,944	468		0	421
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 21	Cr 21	Cr 11	10	}	0	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0		0	0
	Workforce Development (DSG/RSG Funded)	Cr 14	Cr 14	Cr 14	0		0	0
	Governor Services (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 70	Cr 70		0	Cr 70
	Blenheim Nursery (RSG Funded)	0	0	Cr 50	Cr 50		0	Cr 50
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	Cr 82	Cr 82	Cr 192	Cr 110		0	Cr 120

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

18,389

SEND Reform Implementation Grants (Exec March 2015) - expenditure	456
SEND Reform Implementation Grants (Exec March 2015) - income	Cr 456
YOT Service Strategic Review carry forward (subject to approval)	76
Review of Plance Planning carry forward (subject to approval)	11
Early Years Grant carry forward (subject to approval) - expenditure	19
Early Years Grant carry forward (subject to approval) - income	Cr 19
SEN Preparation for Employment carry forward (subject to approval) - expenditure	46
SEN Preparation for Employment carry forward (subject to approval) - income	Cr 46

Latest Approved Budget for 2015/16

18,476

REASONS FOR VARIATIONS**1. Adult Education - Dr £382k**

As members will be aware, there has been significant reduction in grant allocation from the Skills Funding Agency for the Adult Education Service in recent years. In addition, tuition fee income has been reducing, resulting in a total income shortfall of £518k projected for 2015/16.

The service has managed to offset part of this with £120k of temporary staffing reductions and vacancies, in addition to other minor reductions in running expenses, resulting in a projected net overspend of £382k.

The service was market tested as a separate 'lot' with Education services during 2014/15, but no solution was found. Officers are currently investigating other options to help contain this overspend going forward which be presented to members in due course.

	Variations	
	£'000	
Skills Funding Agency grant/fee income		518
Supplies and services	Cr	16
Staffing	Cr	120
		<u>382</u>

2. Schools and Early Years Commissioning and Quality Assurance - Cr £137k

The two in-house nurseries are projected to generate a total surplus of £120k. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus doesn't cover 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. A virement has been approved to create new posts at Community Vision to open up an unused room which could generate an additional £25k net income.

No variation is currently projected for Early Years which is expected to meet the £130k savings agreed for 2015/16. A £19k grant from DfE to help implement Early Years Pupil Premium was announced on 17th February, and was approved by Executive to be carried forward to 2015/16 and is now requested to be drawn down from Central Contingency.

There are also underspends on staffing within the School Standards team as a result of staff vacancies.

	Variations	
	£'000	
Blenheim Nursery	Cr	50
Community Vision Nursery	Cr	70
School Standards	Cr	17
	Cr	137

3. SEN and Inclusion - Cr £59k

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 Implementation (New Burdens) Grant. LBB's allocation of this grant for 2015/16 is £177k, of which £148k was approved for drawdown by Executive in March 2015, in addition to the carry forward of £200k underspend from 2014/15.

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 £30k underspend in the SEN assessment and monitoring team, and £39k on the Head of Service.

These are partly offset by a small shortfall of income of £10k on the Education Psychology trading account.

Although the travel training programme is progressing well, the savings this is generating on the SEN Transport budget are currently only offsetting increased costs due increasing number of pupils in general, and of those with complex needs.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	30
Head of Service	Cr	39
Education Psychologists trading account		10
	Cr	59

4. Education Services Grant - Cr £0k

Current projections for the Education Services Grant (ESG) allocation is £562k 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 4 conversions on 1st April and 14 conversions expected during the year. The full year effect of these 18 conversions is £721k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

5. 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.

The projected overspend of £774k will reduce the £9.9m carried forward from 2014/15, against which £3.5m will be distributed as one-off funding to schools, £3m for Beacon House refurbishment, and £1m for growth in 2016/17.

Staffing vacancies in the School Standards team have resulted in a projected £42k underspend.

SEN placements costs are projected to overspend by a total of £420k, mainly due to a significant projected increase in pupil numbers in independent and outborough placements, and SEN support costs for students in further education is currently projected to underspend by £152k.

There is an underspend of £77k in the Sensory Support Service and support in mainstream, mainly due to vacant posts and delays in recruitment, as well as specific posts linked to pupils for sensory support that are not currently required.

The Early Years SEN (Phoenix) and Specialist Support and Disability Services are currently projected to underspend by a total of £74k, mainly on staffing costs. This budget was reduced for 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of SEN Transport is projected to underspend by £96k. 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.

The underspends above are offset by a continued increase in the requirement for bulge classes, and for the first time, a need for them at secondary level, a year earlier than had been anticipated, resulting in an overspend of £800k on the £1.5m budget. This £1.5m includes the additional £500k which was agreed to be added to the budget for two years, funded from the DSG carry forward. Officers are currently planning to work with Schools Forum to review the future funding of bulge classes.

	Variations	
		£'000
School Standards	Cr	42
Bulge Classes		800
SEN:		
- Placements		420
- Support in FE colleges	Cr	152
- Sensory support service	Cr	54
- Support in mainstream	Cr	23
- Specialist Support & Disability Service	Cr	20
- Pre-school service	Cr	54
- Transport	Cr	96
- Business Support	Cr	5
		<u>774</u>

6. Youth Services - Dr £282k

The Youth Service has a projected overspend in year on salaries and some running costs during a period of restructure required to reconfigure the service to achieve the 2015-16 saving target of £506k whilst continuing to provide both universal and targeted youth support. A clearer picture will be available on the completion of the appropriate consultation processes which started earlier in the year.

There is also a projected overspend in the Youth Offending Team of up to £50k; as a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service.

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.

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 have 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. Since the last report to Executive, a virement of £27k has been agreed by the Portfolio Holder for the creation of additional posts at Community Vision nursery to be funded by the additional income generated.

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 602	Cr 220	382	0	382	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2 264	264	264	0	0	0	1,314	1,314	1,314	0	0	0	0
Schools and Early Years Commissioning & QA	3 396	396	259	Cr 137	0	Cr 120	16,044	16,044	16,002	Cr 42	0	0	0
SEN and Inclusion	4 4,833	4,833	4,774	Cr 59	0	0	21,904	21,904	21,920	16	0	0	0
Strategic Place Planning	216	227	227	0	0	0	321	321	321	0	0	0	0
Workforce Development & Governor Services	4	4	4	0	0	0	45	45	45	0	0	0	0
Education Services Grant	5 Cr 2,128	Cr 2,128	Cr 2,128	0	0	159	0	0	0	0	0	0	0
Schools Budgets	6 Cr 1,509	Cr 1,509	Cr 1,509	0	0	0	Cr 107,672	Cr 107,672	Cr 107,672	0	0	0	0
Other Strategic Functions	133	133	133	0	0	0	0	0	0	0	0	0	0
Early Years	0	0	0	0	0	0	0	0	0	0	0	0	0
Primary Schools	0	0	0	0	0	0	51,700	51,700	52,500	800	0	0	0
Secondary schools	0	0	0	0	0	0	2,904	2,904	2,904	0	0	0	0
Special Schools & Alternative Provision	0	0	0	0	0	0	11,285	11,285	11,285	0	0	0	0
Post-16 Provision	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,607	1,618	1,804	186	0	421	Cr 2,155	Cr 2,155	Cr 1,381	774	0	0	0
Children's Social Care													
Bromley Youth Support Programme - (Youth Services)	7 1,473	1,549	1,831	282	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8 2,044	2,044	2,044	0	0	0	0	0	0	0	0	0	0
	3,517	3,593	3,875	282	0	0	0	0	0	0	0	0	0
TOTAL CONTROLLABLE	5,124	5,211	5,679	468	0	421	Cr 2,155	Cr 2,155	Cr 1,381	774	0	0	0
TOTAL NON CONTROLLABLE	9,278	9,278	9,278	0	0	0	75	75	75	0	0	0	0
TOTAL EXCLUDED RECHARGES	3,987	3,987	3,987	0	0	0	1,409	1,409	1,409	0	0	0	0
PORTFOLIO TOTAL	18,389	18,476	18,944	468	0	421	Cr 671	Cr 671	103	774	0	0	0

Youth Offending Service

Brief Description of Service

The Youth Offending Team (YoT) is made up of representatives from the Police and Probation Services, Social Services and Health and Education and works closely with the Community Safety Partnership to ensure a joint approach that tackles the reasons why young people offend. The service regularly reports to the Management Board chaired by the LB Bromley Chief Executive. The team works in the criminal justice system to prevent crime and reduce the likelihood of re-offending by young people. They work closely with victims to ensure that their views are taken into account and with other organisations that can offer support to confront these young people with the consequences of their behaviour.

Revenue Budget

	2014-15			2015-16		
	Revised Budget £000s	Outturn £000s	Variance £000s	Revised Budget £000s	Forecast £000s	Projected Variance £000s
Employees	1,000	988	(12)	899	949	50
Premises	41	43	2	41	41	0
Transport	9	9	(0)	9	9	0
Supplies and Services	39	50	11	114	114	0
Third Party Payments	91	116	26	91	91	0
Controllable Recharges	(71)	(70)	1	(29)	(29)	0
Income	(292)	(298)	(6)	(270)	(270)	0
Controllable Total	816	838	21	856	906	50
Employees fte	26.30			22.30		
Budget Options	(120)			(50)		

Salary savings to be achieved through efficiencies and rationalisation of the youth support.

Grant Funding

The Youth Justice Board part funds the service for the "purposes of the operation of the youth justice system and the provision of youth justice services". The recently announced grant funding for 2015-16 has been reduced by £22,190 compared to 2014-15 which represents a fall of 7.6%. This shortfall will need to be met from revenue.