

2013/14 Actuals	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Provisional 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 355	246	1	269	246
275	Alternative Education and Welfare Service	104	104	202	98	2	122	0
412	Schools and Early Years Commissioning & QA	565	565	296	269	3	Cr 164	Cr 179
4,451	SEN and Inclusion	4,772	4,777	4,633	Cr 144	4	45	0
213	Strategic Place Planning	255	265	218	Cr 47	5	Cr 41	0
11	Workforce Development & Governor Services	11	11	36	25	6	5	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,419	Cr 2,419	0	7	0	357
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	8	0	0
160	Other Strategic Functions	158	158	139	Cr 19	9	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>1,367</b>	<b>1,257</b>	<b>Cr 110</b>		<b>236</b>	<b>424</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,472	1,477	5	10	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,444	2,303	Cr 141	11	Cr 137	0
<b>3,679</b>		<b>3,611</b>	<b>3,916</b>	<b>3,780</b>	<b>Cr 136</b>		<b>Cr 137</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>5,283</b>	<b>5,037</b>	<b>Cr 246</b>		<b>99</b>	<b>424</b>
9,221	<b>Total Non-Controllable</b>	5,096	11,852	11,852	0		0	0
3,802	<b>Total Excluded Recharges</b>	3,386	3,493	3,493	0		0	0
<b>17,451</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>13,131</b>	<b>20,628</b>	<b>20,382</b>	<b>Cr 246</b>		<b>99</b>	<b>424</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 16	7	12	35	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 41	Cr 2		0	0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 67	50	117		117	0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 11	Cr 3		0	0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	17	24		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 98	Cr 98		Cr 35	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 81	Cr 81		Cr 59	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	<b>Total Sold Services</b>	<b>Cr 138</b>	<b>Cr 144</b>	<b>Cr 180</b>	<b>Cr 36</b>		<b>58</b>	<b>0</b>

**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
Increase in insurance premiums		7
Allocation of Merit Awards		14
Transfer from Strategy for Data Cleansing		10
Shortfall in Education Services Grant		313

**Latest Approved Budget for 2014/15****13,793****Memorandum Items**

Capital Charges		5,748
Insurance	Cr	11
Repairs and Maintenance		7
IAS19 (FRS17) Adjustments		984
Excluded Recharges		107

**Reported Latest Approved Budget for 2014/15****20,628**

**REASONS FOR VARIATIONS****1. Adult Education - Dr £246k**

As previously reported, a continuation of the significant overspend in 2013/14 has occurred in the Adult Education Service. A reduction in grant, tuition fee and other income totalling £339k has not been matched by the same level of reductions in the running costs of the service.

The full year effect of this is a continued overspend at around the same level. In addition further grant reductions were announced in March, broadly in line with expectations, resulting in a expected shortfall in 2015/16 of around £600k.

The service was market tested as a separate 'lot' with Education services, but no solution was found. Officers are currently 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		133
Tuition fee income		225
Lettings and other fees and charges	Cr	19
Business rates and other premises costs		17
Recharge to WD&GS	Cr	23
Supplies and services	Cr	45
Staffing	Cr	42
		<u>246</u>

**2. Alternative Education and Welfare - Dr £98k**

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 £116k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

This is partly offset by a £16k underspend in the Education Welfare Service, and a £2k surplus on the trading account.

Variations		£'000
Secondary Outreach		116
Education Welfare Service	Cr	16
- Trading account	Cr	2
		<u>98</u>

**3. Schools and Early Years Commissioning and Quality Assurance - Cr £269k**

The two in-house nurseries have generated a total surplus of £179k. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus doesn't quite 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.

There is also an underspend of £59k in the Early Years service due to staff vacancies which were held in anticipation of the now agreed £130k savings 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 could not be spent in the financial year, and the service is requesting a carry forward of this funding to enable them to implement the changes required.

A final underspend in School Standards of £31k 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	81
Community Vision Nursery	Cr	98
Early Years support services	Cr	59
School Standards	Cr	31
		<u>269</u>

**4. SEN and Inclusion - Cr £144k**

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, and as a result, a substantial amount of the funding could not be spent. In March 2015 Executive approved the carry forward of £200k of the Reform/Implementation grants underspend along with the 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 an £87k underspend in the SEN assessment and monitoring team.

The final outturn for the Education Psychology trading account is an overspend of £7k, a significant improvement over the £41k overspend in 2013/14, and which is 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 only a minor underspend of £26k for SEN Transport.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	87
SEN Reform/Implementation grants	Cr	23
Education Psychologists	Cr	10
- Trading account		7
SEN Transport	Cr	26
Business Support	Cr	5
	<b>Cr</b>	<b>144</b>

#### **5. Strategic Place Planning - Cr £47k**

An underspend of £16k has resulted for the RSG funded element of the Admissions team salaries. There is also a £9k underspend on pupil assessment expenses, and a £22k underspend on non-SEN transport.

	Variations	
	£'000	
Admissions	Cr	16
Pupil Assessments	Cr	9
Transport	Cr	22
	<b>Cr</b>	<b>47</b>

#### **6. Workforce Development & Governor Services - Dr £25k**

An overspend of £4k 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 a small surplus on the workforce development side, which has also required less resources to deliver.

	Variations	
	£'000	
Workforce Development & Governor Services		4
Governor Services Trading Account		24
Workforce Development Trading Account	Cr	3
		<b>25</b>

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

The final position on the Education Services Grant (ESG) allocation is £313k 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 outturn is based on the 15 in-year conversions including the PRU. The full year effect of these 15 conversions is £961k. It is requested that funding be drawn-down from contingency to cover this shortfall.

#### **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. The final outturn is an underspend of £940k on DSG funded services as outlined below, which in addition to the £8.9m carried forward from previous years, gives a total carried forward to 2015/16 of £9.9m.

SEN placements underspent by a total of £631k, in addition to an underspend of £114k 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, has underspent by £247k.

There is an underspend of £187k in the Sensory Support Service, mainly due to vacant posts to support pupils who have a sensory impairment, as there were no pupils requiring this support during 2014/15. There is also a budget of £200k for Pupil Resource Agreements which remained unspent due to changes to the funding regulations, plus a £35k underspend due to vacant posts. These budgets have been deleted from 2015/16 to help fund the Early Years inclusion funding.

The Early Years SEN service (Phoenix) has underspent by a total of £141k, 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 SEN Transport has underspent by £120k. 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 £20k overspend in the Early Intervention service, and £11k on the Head of Service post due redundancy costs, £45k overspend on Progression Courses, offset by £33k 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 and £152k underspend on the Fair Access Protocol.

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, and only £84k of this remained 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 £362k has occurred on the £11.4m total budget, and there is also £231k of 2013/14 creditor provision which remained unused.

Continued growth in uptake for FEE for 2 year olds took place in 2014/15, although there was still a total underspend of £1.3m 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 has been 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 £680k on the £1m budget. An additional £500k has been agreed to be added to the 15/16 budget for two years, funded from the DSG carry forward.

Finally there is a total of £2.2m on-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, costs relating to the vacant Kingswood House, and a release of £678k in bad debt provision.

	Variations		
		£'000	
Home and Alternative Provision	Cr	33	
Early Intervention Service		20	
Progression Courses		45	
Fair Access Protocol	Cr	152	
Head of Alternative Education and Welfare		11	
Admissions	Cr	39	
School Standards	Cr	43	
Workforce Development & Governor Services	Cr	21	
Bulge classes		680	
Nursery classes		84	
Carbon Reduction Commitments re 2013/14	Cr	13	
Special Units Funding		29	
Recoupment adjustments (rates/dedelegation)	Cr	75	
6th form grant income		214	
Schools budget share adjustments/variations		114	
UIFSM		114	
Schools Forum	Cr	24	
PSAG		99	
Non-controllable costs		9	
SEN:			
- Placements	Cr	631	
- Equipment	Cr	114	
- Support in FE colleges	Cr	247	
- Sensory support service	Cr	187	
- Support in mainstream	Cr	235	
- Specialist Support & Disability Service	Cr	2	
- Pre-school service	Cr	141	
- Business Support	Cr	5	
- Transport	Cr	120	Cr 1,682
FEE:			
- 3 & 4 year olds provision	Cr	362	
- Inclusion support	Cr	84	
- 2 year olds provision	Cr	1,267	
- Contribution to capital		150	
- Prior year provisions	Cr	231	Cr 1,794
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		72	
- Temporary classroom rentals		233	
- Purchase of Beacon House		1,790	
- Refurbishment of Beacon House		102	
- Release of bad debt provision	Cr	678	
- Langley Park BSF		400	
- PRU maintenance/carry forward		238	
- Kingswood House costs		10	2,167
	<b>Cr</b>		<b>940</b>

**9. Other Strategic Functions - Cr £19k**

An total underspend of £19k is a result of various minor underspends on the Assistant Director's post, consultancy costs and voluntary sector SLA's. These budgets have been reduced for 2015/16 to meet savings agreed as part of the 2014/15 budget process, and further Management Savings in 2015/16.

**10. Youth Service - Dr £6k**

This service had a small overspend of £6k after achieving savings in 2014-15 of £360k. Previously in Budget Monitoring, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, there was no overall variance expected.

**11. Referral & Assessment Children's Centres - Cr £141k**

Bromley Children's Project underspent by £142k, from £138k previously reported in January 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	200
Premises costs		22
Commissioning budget	Cr	40
Other (Suppliers & Services/income)	Cr	27
Parent Partnerships vacancies	Cr	26
Revenue contribution to Capital		130
	<b>Cr</b>	<b>141</b>

**12. 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, three waivers have been approved:

A waiver for Project Management, Architectural and Employer's Agent Services for expansion at a Primary School with a value of £168k

A waiver schools management system with a value of £56k. This is fully recharged to schools

A waiver for inclusion support (SIPS) in multiple pre-schools with a total value of £226k

**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.

EDUCATION PORTFOLIO OUTTURN SUMMARY

APPENDIX 3

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 355	246	269	246	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2 104	104	202	98	122	0	1,402	1,402	1,293	Cr 109	Cr 72	0	0
Schools and Early Years Commissioning & QA	3 565	565	296	Cr 269	Cr 164	Cr 179	15,919	16,141	14,304	Cr 1,837	Cr 1,839	0	0
SEN and Inclusion	4 4,772	4,777	4,633	Cr 144	45	0	23,740	22,747	21,065	Cr 1,682	Cr 909	0	0
Strategic Place Planning	255	265	218	Cr 47	Cr 41	0	276	276	237	Cr 39	Cr 30	0	0
Workforce Development & Governor Services	11	11	36	25	5	0	106	106	85	Cr 21	6	0	0
Education Services Grant	5 Cr 2,732	Cr 2,419	Cr 2,419	0	0	357	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 109,069	Cr 298	0	0	0
Other Strategic Functions	158	158	139	Cr 19	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	52,655	907	1,311	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	13,117	2,130	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>1,367</b>	<b>1,257</b>	<b>Cr 110</b>	<b>236</b>	<b>424</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 3,112</b>	<b>Cr 949</b>	<b>257</b>	<b>0</b>	<b>0</b>
<b>Children's Social Care</b>													
Bromley Youth Support Programme - (Youth Services)	7 1,468	1,471	1,476	5	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8 2,143	2,442	2,301	Cr 141	Cr 137	0	0	0	0	0	0	0	0
	<b>3,611</b>	<b>3,913</b>	<b>3,777</b>	<b>Cr 136</b>	<b>Cr 137</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>5,280</b>	<b>5,034</b>	<b>Cr 246</b>	<b>99</b>	<b>424</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 3,112</b>	<b>Cr 949</b>	<b>257</b>	<b>0</b>	<b>0</b>
<b>TOTAL NON CONTROLLABLE</b>	5,096	11,852	11,852	0	0	0	90	90	99	9	0	0	0
<b>TOTAL EXCLUDED RECHARGES</b>	3,386	3,493	3,493	0	0	0	1,402	1,402	1,402	0	0	0	0
<b>PORTFOLIO TOTAL</b>	<b>13,131</b>	<b>20,625</b>	<b>20,379</b>	<b>Cr 246</b>	<b>99</b>	<b>424</b>	<b>Cr 671</b>	<b>Cr 671</b>	<b>Cr 1,611</b>	<b>Cr 940</b>	<b>257</b>	<b>0</b>	<b>0</b>