

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 220	Cr 220	0	1	382	0
202	Alternative Education and Welfare Service	264	264	264	0		0	0
296	Schools and Early Years Commissioning & QA	396	396	289	Cr 107	2	Cr 137	Cr 74
4,633	SEN and Inclusion	4,833	4,833	5,107	274	3	Cr 59	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	178
Cr 1,493	Schools Budgets	Cr 1,509	Cr 1,509	Cr 1,509	0	5	0	0
139	Other Strategic Functions	133	133	159	26	6	0	0
1,257		1,607	2,000	2,193	193		186	104
Children's Social Care								
2,315	Bromley Youth Support Programme	1,473	1,549	1,885	336	7	282	40
2,303	Early Intervention Services	2,044	2,044	2,044	0		0	0
4,618		3,517	3,593	3,929	336		282	40
5,875	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,124	5,593	6,122	529		468	144
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	18,858	19,387	529		468	144
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 21	Cr 21	9	30	8	10	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 34	Cr 34		Cr 70	Cr 34
	Blenheim Nursery (RSG Funded)	0	0	Cr 40	Cr 40		Cr 50	Cr 40
	Business Partnerships (RSG Funded)	0	0	0	0	0	0	
	Total Sold Services	Cr 82	Cr 82	Cr 126	Cr 44		Cr 110	Cr 74

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

18,389

SEND Reform Implementation Grants - expenditure	456
SEND Reform Implementation Grants - income	Cr 456
YOT Service Strategic Review carry forward	76
Review of Place Planning carry forward	11
Early Years Grant carry forward - expenditure	19
Early Years Grant carry forward - income	Cr 19
SEN Preparation for Employment carry forward - expenditure	46
SEN Preparation for Employment carry forward - income	Cr 46
Adult Education Supplementary Estimate (subject to Executive approval)	382

Latest Approved Budget for 2015/16

18,858

REASONS FOR VARIATIONS**1. Adult Education - Dr £0k**

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, with a total income shortfall of £518k projected for 2015/16.

The service has managed to partly offset this with £120k of temporary staffing reductions and vacancies, in addition to other minor reductions in running expenses, resulting in a net overspend of £382k projected for 2015/16.

The service was market tested as a separate 'lot' with Education services during 2014/15, but no solution was found. Officers will be consulting on a proposed restructure to help contain this overspend going forward, the results of which be presented to members in due course.

A supplementary estimate is requested for the net effect of the grant reduction.

	Variations	
	£'000	
Skills Funding Agency grant/fee income		518
Supplies and services	Cr	16
Staffing	Cr	120
Supplementary Estimate (subject to Executive approval)	Cr	382
		<u>0</u>

2. Schools and Early Years Commissioning and Quality Assurance - Cr £107k

The two in-house nurseries are projected to generate a total surplus of £74k, a reduction since last monitoring due to corrections of double-counted income in 2014/15. 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 minor underspend of £10k is projected for Early Years, the restructure of which is now complete and will meet the £130k savings agreed for 2015/16, and the further £30k for 2016/17.

There are also net underspends of £23k within the School Standards team, mainly as a result of staff vacancies.

	Variations	
	£'000	
Blenheim Nursery	Cr	40
Community Vision Nursery	Cr	34
Early Years	Cr	10
School Standards	Cr	23
	Cr	<u>107</u>

3. SEN and Inclusion - Dr £274k

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 £40k underspend in the SEN assessment and monitoring team, and £39k on the Head of Service.

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

Although the travel training programme continues with success and has contributed to improved outcomes and help address annual volume increases, SEN transport is currently projected to overspend by £343k, based on modelling using historic data. However, the new contracts commenced on 01/09/2015 with a revised pricing framework, the impact of which isn't yet fully known. Recoupment income projections will also be updated at that time.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	40
Head of Service	Cr	39
Education Psychologists trading account		10
SEN transport		343
		<u>274</u>

4. Education Services Grant - Cr £0k

Current projections for the Education Services Grant (ESG) allocation is £569k 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, 7 on 1st September and a further 8 conversions expected during the year. The full year effect of these 18 conversions is £747k. 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 total projected net underspend of £75k will therefore be added to the £9.9m carried forward from 2014/15, against which £3.5m will be distributed as one-off funding to schools, £3m has been allocated for the Beacon House refurbishment, and £1m for growth in 2016/17.

Staffing vacancies in the School Standards team have resulted in a projected £58k underspend.

SEN placements costs are projected to overspend by a total of £397k, mainly due to a significant projected increase in pupil numbers in independent and out-borough placements, with 40 pupils aged 20-25 with EHC plans who wouldn't previously have been supported.

The SEN support costs budget for students in further education is currently projected to underspend by £163k.

There is a total underspend of £190k 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 £54k, 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 £58k. 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 further 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 £642k 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 working with Schools Forum to review the future funding of bulge classes. There is also a further £69k overspend relating to the rental of temporary modular classrooms for bulge classes.

An overspend of £70k relates to centrally held license for copyright, music licenses etc, due to notification from DfE that further licenses were to be held centrally by LA's after the budget had been set.

Finally, underspends are currently anticipated for Free Early Education funding, mainly due to a slowing of the increase in take-up seen in recent years.

	Variations	
		£'000
School Standards	Cr	58
Bulge Classes		642
- Modular classroom rentals		69
MPAA,CLA etc licenses		70
Free Early Education - 2 year olds	Cr	369
Free Early Education - 3 & 4 year olds	Cr	356
SEN:		
- Placements		397
- Support in FE colleges	Cr	163
- Sensory support service	Cr	120
- Support in mainstream	Cr	70
- Specialist Support & Disability Service		0
- Pre-school service	Cr	54
- Transport	Cr	58
- Business Support	Cr	5
	Cr	75

6. Other Strategic Functions - Dr £26k

As part of the 2015/16 agreed savings, £60k was for management savings in Education. Some efficiencies have been identified to offset this, however £26k still remains to be met.

7. Youth Services - Dr £336k

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. The appropriate consultation processes have recently been completed and the revised structure is now in place.

There is also a projected overspend in the Youth Offending Team; s a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service. The review of the existing service and interim measures required to address immediate operational delivery requirements will result in an overspend of £88k.

	Variations
	£'000
Youth Services	248
Youth Offending Team	88
	<u>336</u>

8. 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, one waivers have been approved:

A waiver was approved by the Portfolio Holder in June 2015 to enable urgent refurbishment works at a Children & Family Centre with a vaule of £426k

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, two virements have been approved:

A virement was approved by the Portfolio Holder in September 2015 for the creation of two posts in Community Vision nursery with a full year value of £47k, funded from the income received by offering additional places for 2 year olds.

A virement was approved by the Portfolio Holder in September 2015 for the creation of an Inclusion Officer post with a full year value of £35k, funded from DSG.

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 220	Cr 220	0	382	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	289	Cr 107	Cr 137	Cr 74	16,044	16,044	15,261	Cr 783	0	0	0
SEN and Inclusion	4	4,833	4,833	5,107	274	Cr 59	0	21,904	21,904	21,831	Cr 73	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	178	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 107,602	70	0	0	0
Other Strategic Functions		133	133	159	26	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	52,411	711	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	2,000	2,193	193	186	104	Cr 2,155	Cr 2,155	Cr 2,230	Cr 75	0	0	0
Children's Social Care														
Bromley Youth Support Programme - (Youth Services)	7	1,473	1,549	1,885	336	282	40	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres		2,044	2,044	2,044	0	0	0	0	0	0	0	0	0	0
		3,517	3,593	3,929	336	282	40	0	0	0	0	0	0	0
TOTAL CONTROLLABLE		5,124	5,593	6,122	529	468	144	Cr 2,155	Cr 2,155	Cr 2,230	Cr 75	0	0	0
TOTAL NON CONTROLLABLE		9,203	9,203	9,203	0	0	0	75	75	75	0	0	0	0
TOTAL EXCLUDED RECHARGES		2,578	2,578	2,578	0	0	0	1,409	1,409	1,409	0	0	0	0
PORTFOLIO TOTAL		16,905	17,374	17,903	529	468	144	Cr 671	Cr 671	Cr 746	Cr 75	0	0	0