

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 233	Adult Education Centres	Cr 288	Cr 288	Cr 205	83	1	0	0
231	Alternative Education and Welfare Service	250	250	258	8		0	0
264	Schools and Early Years Commissioning & QA	391	391	531	140	2	Cr 12	0
5,141	SEN and Inclusion	4,869	5,084	5,596	512	3	1,233	755
207	Strategic Place Planning	205	245	245	0		0	0
Cr 15	Workforce Development & Governor Services	18	18	18	0		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,728	Cr 1,257	471	4	471	552
	Education Funds Held in Contingency		0	Cr 471	Cr 471	4	Cr 471	Cr 552
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,219	Cr 1,219	0	5	0	0
1,757	Bromley Youth Support Programme	1,438	1,535	1,439	Cr 96	6	12	0
175	Other Strategic Functions	179	260	260	0		0	0
4,482		4,115	4,548	5,195	647		1,233	755
Children's Social Care								
1,872	Early Intervention Services	1,130	1,130	558	Cr 572	7	Cr 146	0
8,286		1,130	1,130	558	Cr 572		Cr 146	0
12,768	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,245	5,678	5,753	75		1,087	755
11,061	Total Non-Controllable	4,198	4,198	4,198	0		0	0
3,396	Total Excluded Recharges	3,240	3,008	3,008	0		0	0
27,225	TOTAL EDUCATION PORTFOLIO - ECHS	12,683	12,884	12,959	75		1,087	755
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 188	Cr 170	8	0	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 32	Cr 13	19		0	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	Cr 11	Cr 11	0		Cr 22	0
0	Governor Services (DSG/RSG Funded)	Cr 6	Cr 6	Cr 6	0		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	113	113		0	113
Cr 23	Blenheim Nursery (RSG Funded)	0	0	54	54		0	54
0	Business Partnerships (RSG Funded)	0	0	0	0	0	0	
	Total Sold Services	Cr 68	Cr 67	Cr 51	16		Cr 22	167

Reconciliation of Latest Approved Budget**£'000****Original Budget 2016/17****12,683****Carry forwards:**

SEN Implementation Grant 2015/16	
- expenditure	28
- income	Cr 28
YOS Service Strategy Review	97

Contingency:

SEN Implementation Grant 2016/17	
- expenditure	180
- income	Cr 180
SEN Regional Lead Grant 2016/17	
- expenditure	28
- income	Cr 28

High Needs Strategic Planning Fund	
- expenditure	140
- income	Cr 140

Other:

Transfer of SEN Transport staffing post	20
Transfer of staff as part of the Commissioning Restructure	12
LSSG - Extended Rights to Free Travel Grant	Cr 15
Transfer of Education Transport Staff to SEN	47

Items Requested this Cycle:

SEN Regional Lead Grant 2015/16 (Carried Forward)	
- expenditure	15
- income	Cr 15
SEN Implementation Grant 2015/16	
- expenditure	80
- income	Cr 80
Consultancy Support (Place Planning & Schools)	40

Latest Approved Budget for 2016/17**12,884**

REASONS FOR VARIATIONS**1. Adult Education Centres - Dr £83k**

The restructure that took place in Adult Education at the start of the Academic year has now started to settle down and is producing an overspend of £83k for this year. The pressure is being caused by a reduction in income (mainly from the SFA grant) and unexpected payments to staff for Lieu of notice. These pressures are being offset by under spending in running costs. We are currently in the process of trying to set a balanced budget for next year that will take into account these issues.

As part of the restructuring of the Adult Education Service, they vacated one of the properties they occupied. This property was then to be used by the EFA to provide extra schooling in Bromley. This has not yet progressed. The property has now passed its exemption period and Business Rates totalling £28k are now due on it.

2. Schools and Early Years Commissioning & QA - Dr £140k

£38k underspend in this area is due to vacant posts being held vacant for the remainder of the year.

The overspend is being caused by an under collection of recharge income from Children Social Care (CSC) in relation to the in-house nurseries (£172k). This overspend is offset by an underspend in CSC, and therefore has a £0 effect across the council.

A report recently went to the Commissioning Board relating to the two in-house nurseries within this area. The Commissioning Board has requested that a management action plan be drawn up to put the nurseries on a break even position going forward. As the management action is likely to include some sort of staffing reorganisation it is likely that the plan will not be fully implemented until the start of the new Financial Year.

3. SEN and Inclusion - Dr £512k

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 2016/17 is £201k, of which £180k was approved for drawdown by Executive in March 2016, in addition to the carry forward of £108k of the 2015/16 grant that was not used.

Additionally the Department for Education has provided us with a SEND Regional Lead Grant in 2016/17 that is used in partnership with Enfield to support the role of regional lead for the implementation of the Special Educational Needs reforms. LBB's allocation of this grant for 2016/17 is £28k, along with a carry forward of £15k of the 2015/16 grant that was not used.

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport is currently projected to overspend by £656k. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework, which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases. The remainder of the overspend is due to the increased number of routes required during the year and the complexity of the clients using them (i.e. the need to have assistants on the transport due to the young age of the client).

Central Government pay the Council the Extended Rights to Free Travel grant (funding for children to get to school) directly to us instead of as part of a number of grants. Due to this change the grant now sits in the Education Portfolio instead of within Corporate. This has resulted in a £4k underspend as the budget was less than the actual income we are now receiving.

The Education Psychologists Trading Account has collected income over its budget by £188k this year. This is offset by the overspend of £40k the work the Education Psychologists are required to do with the schools in Bromley. This results in a total underspend of £147k.

4. Education Services Grant - Dr £471k

Current projections for the Education Services Grant (ESG) allocation is £471k 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 8 conversions that have already happened this year, and a further school that will be converting during the remainder of the year. The full year effect of these conversions is £552k. 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 £101k will therefore add to the £3.7m carried forward from 2015/16. Along with £3m for the Beacon House refurbishment (of which £1.4m remains), £2.3m has been agreed for growth in 2016/17 to balance the budget, so the brought forward balance has now been fully spent / allocated.

Bulge class are currently expected to overspend by £240k for this financial year. Additionally we are currently expecting to spend £166k on modular classroom rentals during the year. Both of these figures may increase once the requirements for the new academic year have been established from the October school census.

The underspends above are offset by a continued increase in the requirement for bulge classes at both primary and secondary schools. The current budget for bulge classes is £2.5m (an increase of £1m from 2015/16) that was agreed by the School Forum, and funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole.

There is currently an expected overspend of £55k on Special Schools. This relates to a payment that needed to be made this year relating to 2015/16.

The Primary Support Team is in the process of being re-organised that has resulted in a number of posts currently being vacant (and remaining so for the rest of the year). This has resulted in an under spend of £54k for the year.

The FAP budget is overspent by £82k due to the payment for 2015/16 Secondary FAP being paid in 2016/17 in error.

Phoenix Pre School Services are currently in negotiations regarding a new rental agreement for the centre they currently occupy. The new agreement is expected to lead to an above inflation increase in their rent. Ways of covering this rental income with additional income elsewhere is currently being finalised. The additional income is expected to cover the whole of the rental increase and not lead to a pressure on this budget.

Free Early Years Education is forecast to overspend by £75k this year. This is down to the £3k overspend in the summer term for the 2 year old age and an overspend £72k for the year in the 3 & 4 years age.

SEN placements are projected to overspend by a total of £214k. This overspend is mainly due to higher than expect number of children attending Independent Day Schools (£705k) and Maintained Day Schools (£330k). There is also an increased use of Alternative support (£275k). These overspends are then offset with underspends on children being places in Independent Boarding schools (£819k), Maintained Boarding schools (£59k) and higher than expected income to be collected (£82k).

SEN Support for clients in Further Education Colleges is expected to over spending by £29k this year. The reason for this is due to the overspend in the cost of placing clients in colleges (mainly Bromley). This is being offset by the cost of placements at Independent providers.

There is a Strategic Review of the SEN service (as per Government guidance) that will review the current vacant posts that are the main reason behind the underspends in the following headings:-

Home & Hospital
SIPS
Pupil Support Service
Sensory Support
High Needs Pre-school Service
Complex Need Team

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. This figure is likely to change once the routes for the new academic year have been finalised.

	Variations	
	£'000	
Bulge Classes		240
Modular classroom rentals		166
Special Schools/units		55
Secondary Schools		8
Free Early Education - 2 year olds		3
Free Early Education - 3 & 4 year olds		72
Primary Support Team	Cr	54
FAP Payments		82
Standards Fund Grant	Cr	745
Other Small Balances		4
SEN:		
- Placements		214
- Support in FE colleges		29
- Home & Hospital	Cr	17
- SIPS	Cr	22
- Pupil Support Services	Cr	47
- Sensory Support	Cr	30
- High Needs Pre-school Service	Cr	49
- Complex Needs Team	Cr	15
- Transport		10
- Other Small Balances	Cr	5
	Cr	<u>101</u>

6. Bromley Youth Support Programme - Cr £96k

Previously the Youth Service has been projecting to overspend in year on salaries and some running costs whilst the restructure required to reconfigure the service to achieve the 2015-16 saving was completed. However staffing underspends during a period of recruitment will result in an in-year underspend during which the service has continued to provide both universal and targeted youth support.

The pressure in the Youth Offending Team is due to the funding they receive from the Youth Justice Board being further reduced in April by £22k. A review of their existing services will be carried out to address this short fall in future years, however during 2016-17 there have been in year turnover savings during a period of recruitment.

The Bromley Education Business Partnership has seen an in-year underspend (£71k) relating to salary costs during a period recruitment which has occurred whilst the service has been waiting for final confirmation of funding from Members and external bodies.

	Variations	
	£'000	
Youth Services	Cr	30
Youth Offending Team		5
Bromley Education Business Partnership	Cr	71

Cr	96
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7. Early Intervention Services - Cr £572k

Two services within the area have in year salary savings during a period of recruitment which has now been completed.

	Variations £'000
Bromley Children's Project	Cr 53
Parent Partnership	Cr 19
	<u>Cr 72</u>

In addition Public Health funding has been allocated to Children's Centres for 2016/17 resulting in an underspend in year

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, four waivers have been actioned and they all have an annual value of less than £20k each.

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, three virements have been actioned. These relate to adjustments to realign the SEN budgets that include the rental income received from the EFA.