

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional 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 141	147	1	83	0
231	Alternative Education and Welfare Service	250	254	258	4		8	0
264	Schools and Early Years Commissioning & QA	391	401	432	31	2	140	0
5,141	SEN and Inclusion	4,869	5,090	5,481	391	3	512	755
207	Strategic Place Planning	205	253	211	Cr 42		0	0
Cr 15	Workforce Development & Governor Services	18	19	26	7		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,274	Cr 1,274	0	4	471	0
	Education Funds Held in Contingency		0	0	0	4	Cr 471	0
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,222	Cr 1,135	87	5	0	0
1,757	Bromley Youth Support Programme	1,438	1,536	1,516	Cr 20	6	Cr 96	0
175	Other Strategic Functions	179	261	246	Cr 15		0	0
4,482		4,115	5,030	5,620	590		647	755
Children's Social Care								
1,872	Early Intervention Services	1,130	1,137	438	Cr 699	7	Cr 572	0
1,872		1,130	1,137	438	Cr 699		Cr 572	0
6,354	TOTAL CONTROLLABLE FOR EDUCATION	5,245	6,167	6,058	Cr 109		75	755
11,061	Total Non-Controllable	4,198	Cr 8,602	Cr 8,602	0		0	0
3,396	Total Excluded Recharges	3,240	3,067	3,067	0		0	0
20,811	TOTAL EDUCATION PORTFOLIO	12,683	632	523	Cr 109		75	755
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 134	Cr 116	} 8	Cr 170	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 32	Cr 16	16		Cr 19	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	Cr 11	11	22		0	0
0	Governor Services (DSG/RSG Funded)	Cr 6	Cr 6	3	9		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	16	16		113	16
Cr 23	Blenheim Nursery (RSG Funded)	0	3	82	79		54	79
0	Business Partnerships (RSG Funded)	0	0		0	0	0	
	Total Sold Services	Cr 68	Cr 64	Cr 38	26		16	95

REASONS FOR VARIATIONS

1. Adult Education Centres - Dr £147k

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 £147k for this year. The pressure is being caused by a reduction in income (mainly from the SFA grant), the continued costs of Business Rates for the now empty Widmore Centre and unexpected payments to staff for Lieu of notice. These pressures have been partially offset by under spending in running costs.

As part of the restructuring of the Adult Education Service, they vacated the Widmore, one of the properties they occupied. This property was to be used by the EFA to provide extra school places in Bromley. As yet this sale has not gone through. The property has now passed its exemption period and Business Rates totalling £44k have been paid for 2016/17 that was not budgeted for. This pressure is likely to be on-going until the property is taken over by the EFA.

2. Schools and Early Years Commissioning & QA - Dr £31k

The two in-house nurseries have over spent by £95k. This has been caused by under collection of recharge income from Children's Social Care (CSC). This overspend is offset by an underspend in CSC, and therefore has a £0 effect across the council. The nurseries have offset this over spend by collecting additional income for the places that are not being used by CSC.

A report recently went to the Commissioning Board relating to the two in-house nurseries within this area. The Commissioning Board has requested 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 involve the reorganisation of the service, it is likely that the management action plan will not be fully implemented until the new financial Year.

The overspends in the nurseries has been offset by underspends of £64k in the remaining parts of this area. These underspends are, in the main, made up of extra income collected from schools (£26k) and underspends in staffing costs (of 20k).

3. SEN and Inclusion - Dr £391k

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 LBB 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 has overspent its budget by £504k. This has reduced since the last report as income came in higher than forecast. 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 Councils the Extended Rights to Free Travel grant (funding for children to get to school). 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 £116k this year. This is offset by an overspend of £40k in the Education Psychologists to do with the schools in Bromley. This results in a net underspend of £76k.

Other variations total a net underspend of £33k and are mainly associated with staffing.

4. Education Services Grant - Dr £0k

The Education Services Grant (ESG) allocation for 2016/17 came in £454k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. 8 Schools converted during the year. The full year effect of these conversions is £552k. The shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

5. Schools Budgets - Dr £87k

There is an overall variance on the Schools Budget this year on controllable expenditure of £87k. This is offset by an underspend of £87k in the non-controllable spend due to lower overheads being charged to the DSG related budgets.

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 qualifying expenditure in the Schools Budget. Any overspend or underspend must be carried forward to the following year.

In 2016/17 there has been an in-year underspend of £226k. £3.7m was carried forward in 2016/17 and has been partly offset by planned one off growth of £2.3m. This means the Council will carry forward £1.6m DSG into 2017/18.

The in-year underspend is broken down as follows:-

During the year the remaining balance for the costs of the refurbishment of Beacon House to allow it to be used for a school has been contributed to the capital project (£1,572k).

Bulge classes have overspent by £150k for this financial year. Additionally there has been an overspend of by £229k on modular classroom rentals during the year.

Free Early Years Education has underspent by £651k this year. This is due to a £141k underspend for the 2 year old age group and an underspend £510k for the year in the 3 & 4 years age group.

The Primary Support Team is in the process of being re-organised and a number of posts were kept vacant during the year which has resulted in an underspend of £58k.

The FAP budget has overspent by £117k due to a prior year payment being paid in the current year for the Secondary FAP.

Standards Fund Grant has been allocated to DSG amounting to £745k and has been used to offset current expenditure.

SEN has underspent by £835k. There are many factors that make up this figure including:- SEN placements has underspent by a total of £482k, mainly due to fewer placements being made in independent boarding schools partially offset by increases in day placements.

There has also been underspends on pre-school services due to staffing vacancies and in other stated services due to an underspend in a contract. This has been partially offset by the Home and Hospital service which has seen an increase in Agency tutors.

Other minor variations total a net underspend of £5k.

	Variations	£'000
Bulge Classes		150
Modular classroom rentals		229
Free Early Education - 2 year olds	Cr	141
Free Early Education - 3 & 4 year olds	Cr	510
Primary Support Team	Cr	58
FAP Payments		117
Standards Fund Grant	Cr	745
Beacon House		1,572
Other Small Balances	Cr	5
SEN:		
- Placements	Cr	482
- Support in FE colleges	Cr	37
- Home & Hospital		80
- SIPS	Cr	12
- Pupil Support Services	Cr	61
- High Needs Pre-school Service	Cr	41
- Other Stated	Cr	194
- Disability Services	Cr	88
	Cr	<u>226</u>

6. Bromley Youth Support Programme - Cr £20k

The £20k underspend is derived from Youth Services and the YOT and are made up of various underspends and overspends in staffing and running costs.

	Variations	£'000
Youth Services		13
Youth Offending Team	Cr	33
	Cr	<u>20</u>

7. Early Intervention Services - Cr £699k

Bromley Children's Project variance is due to a underspends in staffing of £84k due to in year recruitment, reduced running costs and additional income of £103k and a recharge from Public Health to support the Children Centres of £500k.

Information Advice and Support Service underspend is due to in year recruitment.

	Variations	£'000
Bromley Children's Project	Cr	687
Information Advice and Support Service	Cr	12
	Cr	<u>699</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, four waivers have been actioned and they all have an annual value range of £123k to £424k 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 and the re-alignment of overhead budgets.

Carry Forwards from 2016/17 to 2017/18

£ £

Grants with no Explicit Right of Repayment**EDUCATION PORTFOLIO**

15	Early Years Grant - Supporting early education of disadvantaged children It has taken longer than expected to work through the IT related agreements to purchase software and implement the changes needed with the introduction of additional hours of early years funding. To support this there will be a need to use the grant for additional hours for staff to steer the activity through to completion which the conditions of the grant allow.	14,800
16	LA conversion Academies sponsor support This grant is to support the conversion of our remaining Schools into Academies. The grant was received late in 2016/17 and was unable to spent in 2016/17	28,000
17	High Needs Strategic Planning Fund Grant received late in 2016/17 and was unable to spent in year. Grant is to be used to review the services we support via the High Needs DSG Block. We are currently in the process of employing someone to carry out the review.	139,624
18	SEN Reform Grant This grant is to support a three year Government specified programme for the transition of statements into Education Health and Care Plans (EHCP). The underspends in 2016/17 are required to continue to support this work in 2017/18 to meet the three year Government deadline. Bromley is the lead partner with Enfield.	20,703
19	SEN Pathfinder Grant This grant is to support our role as a Pathfinder Champion. This role has benefited the local authority in accessing high quality training and innovative practice. The carry forward of this grant allows the delivery of the training programme to continue.	14,427

Education Portfolio

217,554**Total Expenditure to be Carried Forward****217,554****Total Grant Income****-217,554**

APPENDIX 4

Description	2016/17 Final Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
SEN Transport	3,645	504	SEN Transport carries Children with special needs to and from school. Over the last few years there has been an increasing pressure on the budget. The causes of this include the new contract that was agreed in 2015/16 and the change in the age profile of the children to a younger age range that requires shorter travel time and more care during the trip. The full year effect of the pressures are £755k

LATEST APPROVED BUDGET

Reconciliation of Latest Approved Budget **£'000**

Original Budget 2016/17 **12,683**

SEN Implementation Grant 2015/16		
- expenditure		28
- income	Cr	28
YOS Service Strategy Review		97
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 2016/17		
- expenditure		140
- income	Cr	140
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
Transfer of SEN Transport staffing post		20
Transfer of staff as part of the Commissioning		12
LSSG - Extended Rights to Free Travel Grant	Cr	15
Transfer of Education Transport Staff to SEN		47
ESG Contingency		454
Merit Awards		38

Memorandum Items

Capital Charges	Cr	14,030
Insurance		6
Repairs & Maintenance	Cr	11
IAS19 (FRS17)		1,236
Excluded Recharges		55

Latest Approved Budget for 2016/17

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