

Education & Children's Services Portfolio Budget Monitoring Summary

2016/17 Actuals	Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
	Education Division							
Cr 141	Adult Education Centres	Cr 506	Cr 506	Cr 525	Cr 19		0	0
6	Alternative Education and Welfare Service	0	0	0	0		0	0
432	Schools and Early Years Commissioning & QA	372	372	378	6		0	0
5,481	SEN and Inclusion	5,864	5,979	5,979	0		0	0
38	Strategic Place Planning	0	0	0	0		0	0
26	Workforce Development & Governor Services	4	4	4	0		0	0
Cr 1,274	Education Services Grant	Cr 181	Cr 181	Cr 181	0		0	0
425	Access & Inclusion	139	139	140	1		0	0
Cr 1,134	Schools Budgets	Cr 1,282	Cr 1,282	Cr 1,282	0	1	0	0
1,516	Bromley Youth Support Programme	1,454	1,454	1,504	50	2	0	0
245	Other Strategic Functions	127	127	225	98	3	0	0
5,620		5,991	6,106	6,242	136		0	0
	Children's Social Care							
1,147	Early Intervention and Family Support	1,042	1,042	1,042	0		0	0
4,041	CLA and Care Leavers	4,227	4,350	4,846	496	4	0	340
12,974	Fostering, Adoption and Resources	12,818	12,818	13,533	715	5	0	691
0	Additional contribution from the CCG	0	0	Cr 300	Cr 300	5	0	0
3,757	Referral and Assessment Service	2,981	3,099	3,132	33	6	0	99
3,056	Safeguarding and Care Planning East	2,405	2,609	2,294	Cr 315	7	0	0
4,020	Safeguarding and Care Planning West	3,645	3,950	4,073	123	8	0	0
2,825	Safeguarding and Quality Improvement	4,250	3,500	3,239	Cr 261	9	0	0
31,820		31,368	31,368	31,859	491		0	1,130
37,440	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	37,359	37,474	38,101	627		0	1,130
Cr 8,263	Total Non-Controllable	2,029	2,029	2,029	0		0	0
6,911	Total Excluded Recharges	6,428	6,428	6,428	0		0	0
36,088	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	45,816	45,931	46,558	627		0	1,130
	Memorandum Item							
	Sold Services							
Cr 134	Education Psychology Service (RSG Funded)	Cr 19	Cr 19	Cr 36	Cr 17	} 10	0	0
Cr 16	Education Welfare Service (RSG Funded)	Cr 35	Cr 35	Cr 35	0		0	0
11	Workforce Development (DSG/RSG Funded)	Cr 5	Cr 5	Cr 6	Cr 1		0	0
3	Governor Services (DSG/RSG Funded)	0	0	0	0		0	0
16	Community Vision Nursery (RSG Funded)	Cr 14	Cr 14	Cr 12	2		0	0
82	Blenheim Nursery (RSG Funded)	14	14	34	20		0	0
	Total Sold Services	Cr 59	Cr 59	Cr 55	4		0	0

REASONS FOR VARIATIONS**1. 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 £705k will therefore add to the £1.6m carried forward from 2016/17. This gives an estimated DSG balance of £2.3m. The DSG budget for 2017/18 is balanced to the amount that was allocated in December 2016, and are therefore not planning to use any of the carry forward this year.

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

The Primary Support Team are currently projecting a £12k underspend due to lower than expected running costs going to be incurred during the year.

SEN placements are projected to underspend by a total of £804k. This underspend is mainly due to lower than expect number of children attending Independent Boarding Schools (£1,274k) and Maintained Boarding Schools (£43k). These overspends are then offset with overspends on children being places in Maintained Day schools (£540k) and Alternative Programmes (£269k). The rest of the costs have a net effect of an underspend of £27k.

SEN Support for clients in Further Education Colleges is expected to overspend by £26k this year. The reason for this is due to the cost of placing clients in colleges (mainly Bromley). This is being offset by the cost of placements at Independent providers.

The DSG funded element of SEN Transport is projected to overspend by £216k due to the new routes that have been established during the year. To achieve a balanced DSG budget for 2017/18 the budget was reduced by £100k based on historical spend patterns. Due to the current funding regulations we are not permitted to increase this budget from the previous year. This figure is likely to change once the routes for the new academic year have been finalised.

The High Needs Pre-School Service is currently holding a number of vacant posts which is the cause of the £159k underspend. There are not currently any plans to recruit into these posts as it is expected that the service will be reorganised during the year with one of the classes currently being offered by this service being moved to the Riverside School.

The Sensory Support Service underspend of £96k is mostly caused by the staffing costs coming in less than budgeted for at the start of the year.

A number of areas (SIPS Pupil Support Services, Complex Needs Team and Outreach & Inclusion Services) all are currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but the is also a small amount that relate to running costs that are not expected to be incurred during the year. The total of all of these underspends is £145k.

There is also a balance underspend of £3k on Other Small Balances. This is being offset by a £3k pressure under the SEN heading. The net effect of the small balances is a nil variation.

	Variations	
	£'000	
Primary Support Team	Cr	12
Other Small Balances	Cr	3
SEN:		
- Placements	Cr	535
- Support in FE colleges		26
- Transport		216
- High Needs Pre-school Service	Cr	159
- Sensory Support	Cr	96
- SIPS	Cr	33
- Pupil Support Services	Cr	29
- Complex Needs Team	Cr	42
- Outreach & Inclusion Service	Cr	41
- Other Small SEN Balances		3
	Cr	<u>705</u>

2. Bromley Youth Support Programme - Dr £50k

The £50k projected overspend in this area due to agency staff filling vacant posts at a high rate. It is currently hoped at this stage that permanent members of staff will be recruited during the year.

3. Other Strategic Functions - Dr £98k

The £98k overspend relates to the expected cost of the 2017/18 Business Rate for the Widmore Centre while the council waits for the EFA to take over the site. The figure may change once a date for the EFA to take over the property has been agreed.

Children's Social Care - Dr £491k

The main areas of under / overspending are shown below. The May projections include assumptions around increased numbers of placements, as well as controlling expenditure on staffing budgets which overspent by £1.122m in 2016/17. If efforts to reduce expenditure in this area are not successful then this projected overspend may increase.

4. CLA and Care Leavers - Dr £496k

The cost in relation to clients leaving care continues to overspend for both the 16-17 age group and the 18+ age group for whom housing benefit contributes towards the costs.

The budget in relation to clients aged 16 or 17 is projected to overspend by £161k. Cost's have increased over the past year as children are having to be placed in accommodation with higher levels of support than they previously had.

For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to lack of supply of suitable accommodation and the rental price of properties, resulting in a projected overspend of £47k. This amount could rise if net client numbers increase.

In addition expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, is currently projecting an overspend of £288k against a grant provision of £113k.

5. Fostering, Adoption and Resources - Dr 415k

The budget for children's placements is projected to overspend by £415k by year end. This amount includes assumptions for children coming through the system however as these budgets are very volatile and are subject to large fluctuations this figure is likely to change over the course of the year. An analysis of the current projected variations by placement type is shown below.

- Community Home's / Community Home's with Education - Dr £114k
- Boarding Schools - Dr £279k
- Secure Accommodation & Youth on Remand - Cr £61k
- Transport & Outreach services - Cr £72k
- Fostering services (IFA's) - Dr £775k
- Fostering services (Inhouse, including SGO's and Kinship) - Dr £418k
- Adoption placements - Dr £12k

In addition to the variations above, Bromley CCG have allocated a one off payment of £300k and an additional payment of £500k as a contribution towards the continuing care costs of placements, with an additional £250k also expected to be received.

Additional funding was included in the 2017/18 budget as part of a package of growth within ECHS overall, however placement numbers have increased since the amount required was calculated, resulting in increased expenditure.

6. Referral and Assessment - Dr £33k**No Recourse to Public Funds - Dr £33k**

The projected cost to Bromley for people with no recourse to public funding is an overspend of £33k. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget, however there continues to be a cost pressure in this area. Currently there are 40 children with families receiving funding which is no overall change since the end of March. This budget does however remain volatile as the costs incurred largely remain outside of the councils control.

7. Safeguarding and Care Planning East - Cr £315k**Public Law Outline - Court Ordered Care Proceedings - Cr £443k**

Cost's in relation to care proceedings are currently expected to be £443k under the budget provision of £798k. The budget for this was increased significantly in 2017/18 as a result of significant costs identified during 2016/17, which outturned with a spend of around £900k. Current year projections identify reduced costs in the region of £355k, resulting in a projected underspend at this point of the year.

Staffing - Dr £128k

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £128k.

8. Safeguarding and Care Planning West - Dr £123k**Staffing - Dr £123k**

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £123k.

9. Safeguarding and Quality Improvement - Cr £261k**Staffing - Dr £98k**

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £98k.

Various Expenditure Budgets - Cr £350k

In November 2016, a freeze was initiated on running expense budgets that were underspending at that time. An amount of budget equal to these underspends was moved to a specific code within Children's Social Care to ensure that they were not spent. Due to the continued overspend in the division it has been decided that this will be replicated for 2017/18, with a sum of £350k being identified this year.

Running Expenses - Cr £9k

Various minor running expenses underspends

10. 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 there were 5 waivers agreed for care placements in childrens social care over £50k but less than £100k and 3 waivers agreed for over £100k. The waivers quoted relate to the annual cost of the placements, although it should be noted that some of these are short term placements where the final cost can be below these amounts.

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, no virements have been actioned.

FULL YEAR EFFECTS

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Children's Social Care	15,047	541	The overall full year effect of the Childrens Social Care overspend is £1,130k, analysed as Residential, Fostering and Adoption £691k, No Recourse to Public Funds £99k and Leaving Care services (inc Staying Put and Housing Benefit clients) £340k

Reconciliation of Latest Approved Budget

	£'000
Original Budget 2017/18	45,816
SEN Implementation Grant 2017/18	
- expenditure	225
- income	Cr 225
SEN Pathfinder Grant 2017/18	
- expenditure	28
- income	Cr 28
Step Up To Social Work Grant	
- expenditure	915
- income	Cr 915
SEN Implementation Grant 2016/17	
- expenditure	21
- income	Cr 21
Carry forwards requested this cycle:	
SEN Pathfinder Grant 2016/17	
- expenditure	14
- income	Cr 14
Early Years Grant	
- expenditure	15
- income	Cr 15
LA Conversion Academies Sponsor Support	
- expenditure	28
- income	Cr 28
High Needs Strategic Planning Fund	
- expenditure	140
- income	Cr 140
Other:	
SEN Pathfinder	
- expenditure	115
Latest Approved Budget for 2017/18	<u>45,931</u>