

Education & Children's Services Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	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 501	Cr 495	6		Cr 19	0
6	Alternative Education and Welfare Service	0	0	0	0		0	0
432	Schools and Early Years Commissioning & QA	372	372	497	125	1	6	0
5,481	SEN and Inclusion	5,864	5,859	5,805	Cr 54	2	0	0
38	Strategic Place Planning	0	93	93	0		0	0
26	Workforce Development & Governor Services	4	4	7	3		0	0
Cr 1,274	Education Services Grant	Cr 181	Cr 181	Cr 166	15	3	0	0
0	Contingency Drawdown for ESG	0	0	Cr 15	Cr 15	3		
425	Access & Inclusion	139	46	48	2		1	0
Cr 1,134	Schools Budgets	Cr 1,282	Cr 1,282	Cr 1,282	0	4	0	0
245	Other Strategic Functions	127	35	198	163	5	98	0
4,104		4,537	4,445	4,690	245		86	0
	Children's Social Care							
1,516	Bromley Youth Support Programme	1,454	1,459	1,513	54	6	50	0
1,147	Early Intervention and Family Support	1,042	1,044	957	Cr 87	7	0	0
4,041	CLA and Care Leavers	4,227	4,315	4,860	545	8	496	780
0	Management action	0	0	Cr 100	Cr 100		0	Cr 200
12,974	Fostering, Adoption and Resources	12,818	12,774	13,640	866	9	415	1,026
0	Additional contribution from the CCG	0	0	Cr 300	Cr 300		0	0
0	Management action	0	0	Cr 365	Cr 365		0	Cr 888
3,757	Referral and Assessment Service	2,981	3,002	3,159	157	10	33	0
3,056	Safeguarding and Care Planning East	2,405	2,416	2,187	Cr 229	11	Cr 315	0
4,020	Safeguarding and Care Planning West	3,645	3,645	3,714	69	12	123	0
2,825	Safeguarding and Quality Improvement	4,250	4,735	4,528	Cr 207	13	Cr 261	0
33,336		32,822	33,390	33,793	403		541	718
37,440	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	37,359	37,835	38,483	648		627	718
Cr 8,263	Total Non-Controllable	2,029	2,044	2,040	Cr 4		0	0
6,911	Total Excluded Recharges	6,428	6,138	6,138	0		0	0
36,088	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	45,816	46,017	46,661	644		627	718
	Memorandum Item							
	Sold Services							
Cr 134	Education Psychology Service (RSG Funded)	Cr 19	Cr 19	23	42	14	0	0
Cr 16	Education Welfare Service (RSG Funded)	Cr 35	Cr 35	6	41		0	0
11	Workforce Development (DSG/RSG Funded)	Cr 5	Cr 5	Cr 2	3		0	0
3	Governor Services (DSG/RSG Funded)	0	0	0	0		0	0
16	Community Vision Nursery (RSG Funded)	Cr 14	Cr 14	64	78		0	0
82	Blenheim Nursery (RSG Funded)	14	14	109	95		0	0
	Total Sold Services	Cr 59	Cr 59	200	259		0	0

REASONS FOR VARIATIONS**1. Schools and Early Years Commissioning & QA - Dr £125k**

There is a pressure of £172k at the two in-house nurseries. This is due to the loss of the recharge from Children Social Care (CSC) following the change in the methodology used to calculate the CSC charge. There is currently a review being undertaken to look at how the nurseries can be put onto a more stable financial footing and become more self sufficient.

Early Years Support has an underspend of £15k that is due to the collection of income being higher than anticipated.

There is also an underspend in the School Standard area of £32k that is due to the underspend in staffing costs.

2. SEN and Inclusion - Cr £54k

SEN Transport is currently forecasted to underspend by £94k. This is due to underspends in staffing costs (£23k) and the over collection of income (£129k). These underspends are offset by the overspends in transport costs (£37k) and the other running costs (£21k).

The Education Psychologists are currently having issues recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £57k and Trading Service they offer to the Schools to be overspent by £42k - due to the use of expensive agency staff to provide the service. This is a net underspend of £15k.

The Special Education Needs area is currently forecasting an overspend of £71k. This is due to some posts that had grant funding attached to them to fund some of the post being removed for this financial year.

There are other small variances that total an underspend of £16k. This small variance include an underspend on the cost of the Head of Service that has been reduced due to a change in the management of the service.

3. Education Services Grant - Dr £0k

Final payments of the Education Services Grant (ESG) were £15k lower than the original allocation of £181k . The ESG allocation is re-calculated at the end of the grant to take into account any schools converting to academies during the year. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

4. 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.

here is a current projected underspend in DSG of £124k. This will be added to the £1,623k carried forward from 2016/17. The carry forward figure has been adjusted by the Early Year adjustment that has reduced the amount we received in 2016/17 by £475k. This gives an estimated DSG balance of £1,272k at the end of the financial year.

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

Free Early Years Education is forecast to overspend by £147k this year. The budget for the 2 year old children is expected to overspend by £41k and an overspend for 3 & 4 years old children (both normal 15 and the new additional 15 hours) £122k. Additionally there is a £16k underspend in the staffing needed to support this services. There is potential for the DSG to be clawed back by DfE, depending on the take up of early years services in the financial year. Any adjustment will be made retrospectively.

The Primary Support Team are currently projecting a £52k underspend due to the service having vacant posts while the service is re-designed.

There is a pressure of £58k on the DSG due to the increase the maintained schools having an increase in the rate bills that they have received. This was not factored into their original funding.

The Home and Hospital service has a pressure of £169k due to the splitting out of the Nightingale school from the service. The Home and Hospital service is in the process of being reviewed following the split with the Nightingale School.

There is an underspend of £28k in the Pupil Support Services area. This is due to the under use of agency and consultancy costs to provide the service.

The Education Welfare service is currently forecasted an underspend of £26k due to higher than expected income collection.

SEN placements are projected to overspend by a total of £428k. The overspend are being caused by the Maintained Day (£711k), Independent Day (£340k) and Alternative Programmes (£145k). These overspends are then offset with underspends on Independent Boarding Schools (£1,088k), Maintained Boarding Schools (£38k), Behaviour Services (£123k) and the costs of Matrix Funding (£89k). There is also an additional pressure £570k from changes to the Children's Care Plans.

SEN Support for clients in Further Education Colleges is expected to underspend by £663k this year. The reason for this is due to the underspend in the cost of placing clients in colleges. This is being offset by the cost of placements at Independent providers.

The DSG funded element of SEN Transport is projected to overspend by £111k due to the new routes that have been established the last year. The level of spend in this area has been lower in previous years. Due to the current funding regulations LBB are not permitted to increase this budget from the previous year.

The High Needs Pre-School Service is currently holding a number of vacant posts resulting in a £118k underspend. There are not currently any plans to recruit into these posts as it is expected that the service will be changing during the year with one of the classes currently being offered by this service being moved to the Riverside School. These posts will provide the funding needed to support the new service.

The Sensory Support Service is underspent by £66k. This is due to staffing costs expected to be lower than budget in year.

A number of areas (SIPS, Darrick Wood Hearing Unit, the Complex Needs Team, Early Years Programme and Outreach & Inclusion Services) all are currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but there 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 £76k.

There is also a total small balance of underspends of £6k. This consists of £5k under the SEN heading, and £1k from the non-SEN headings.

	Variations	
		£'000
Free Early Education - 2 year olds		41
Free Early Education - 3 & 4 year olds (inc extra 15 hours)		122
Early Year Support	Cr	16
Primary Support Team	Cr	52
Schools Rates		58
Home & Hospital		169
Pupil Support Services	Cr	28
Education Welfare Officers	Cr	26
Other Small Balances	Cr	1
SEN:		
- Placements		428
- Support in FE colleges	Cr	663
- Transport		111
- High Needs Pre-school Service	Cr	118
- Sensory Support	Cr	66
- SIPS	Cr	34
- Darrick Wood Hearing Unit		33
- Complex Needs Team	Cr	20
- Outreach & Inclusion Service	Cr	45
- Early Support Programme	Cr	12
- Other Small SEN Balances	Cr	5
	Cr	<u>124</u>

5. Other Strategic Functions - Dr £163k

£35k of the overspend relates to the additional cost of the 2017/18 Business Rate for the Widmore Centre prior to the EFA taking over the site. The takeover took longer than anticipated.

There is a pressure of £128k due to a saving allocated to Education at the start of the year that has not been identified.

Children's Social Care - Dr £953k

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. Assumptions made on the level of Agency and pay rates have not all materialised and therefore there has been an increase in staffing costs since the last report. The current overspend has been mitigated in part by management actions due to take place in the remainder of the financial year.

6. Bromley Youth Support Programme - Dr £54k

The £54k projected overspend in this area is due to agency staff filling vacant posts at a high rate.

7. Early Intervention and Family Support - Cr £87k

There are projected staffing underspends in the Family Support and Contact centres and the Bromley Children's project.

8. CLA and Care Leavers - Dr £445k

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 £138k. 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 £135k. Some additional one off funding has been identified that has offset some of these costs. This is a significant rise in the overspend reported in May which was £47k, due to both increased numbers and increased cost.

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 £220k against a grant provision of £113k. This is a reduction of £68k from the May reported figure.

Management action of £100k is also assumed in the projected outturn, with officers reviewing levels of housing benefit being claimed for care leavers.

Staffing - Dr £52k

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £52k net of any management action.

9. Fostering, Adoption and Resources - Dr 201k

The budget for children's placements is projected to overspend by £806k 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 £504k (Dr £572k)
- Boarding Schools - Cr £58k (Dr £244k)
- Secure Accommodation & Youth on Remand - Dr £186k (Cr £61k)
- Transport & Outreach services - Cr £72k (Cr £72k)
- Fostering services (IFA's) - Dr £935k (Dr £775k)
- Fostering services (In-house, including SGO's and Kinship) - Dr £277k (Dr £419k)
- Adoption placements - Dr £7k (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 £234k also expected to be received. Additional one off funding has been identified of £240k which will offset the overall costs

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.

Management action of £365k is also assumed in the projected outturn, with officers reviewing costs across the service.

Staffing - Dr £61k

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £61k net of any management action.

10. Referral and Assessment - Dr £157k

No Recourse to Public Funds - £0k

The current projected cost to Bromley for people with no recourse to public funding is a balanced budget. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget, however there continued to be a cost pressure in this area. Officers have worked to reduce the numbers being funded and currently there are approximately 23 families being supported, compared with 35 in May. The projection assumes a further reduction in numbers by the end of the financial year.

Staffing - Dr £157k

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £157k net of any management action.

11. Safeguarding and Care Planning East - Cr £229k**Public Law Outline - Court Ordered Care Proceedings - Cr £332k**

Costs in relation to care proceedings are currently expected to be £332k 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, although the underspend has fallen from the £443k reported in May.

Staffing - Dr £103k

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £103k net of any management action.

12. Safeguarding and Care Planning West - Dr £69k**Staffing - Dr £194k**

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £194k net of any management action.

Additional funding - Cr £125k

The Safeguarding West division includes areas such as children with disability and CAHMS. Additional funding has been identified from BCF for the CAHMS service for this year of £125k to cover costs incurred by the service

13. Safeguarding and Quality Improvement - Cr £207k**Staffing - Dr £143k**

Staffing costs continue to put pressure on the budgets due to the use of costly agency staff which accounts for 35% of staffing costs across the division. Although there is currently an ongoing campaign to recruit permanent social workers, which has been successful, the results of this will take some time to work through resulting in continued high costs for at least part of the year. Further recruitment efforts need to be successful in order to reduce agency levels and therefore spend down to a more manageable level. The current projected overspend for this service is £143k net of any management action.

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.

14. 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 8 waivers agreed for care placements in children's social care over £50k but less than £100k and 9 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.

Additionally since the last report to the Executive, there has been 3 waivers have been actioned in the Education area and they all have an annual value of less than £15k 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, 8 virements have been actioned and they are :- £8k additional funding for Commissioning Managers post; £35k deletion of Primary Advisor post; £106k to fund extra resources needed to support SEN children at Academies; £8k to fund Early Years Quality Improvement post; £80k to fund new Schools Standards post; £15k to fund a post to support Early Years Outreach; £55k to fund Head of Access and Inclusion post and £13k to fund an Admin post to support to conversion of SEN Statement to ECHP's.

FULL YEAR EFFECTS 2018/19

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Children's Social Care	15,047	1,376	The overall full year effect of the Childrens Social Care overspend is £718k, analysed as Residential, Fostering and Adoption £138k and Leaving Care services (inc Staying Put and Housing Benefit clients) £580k. This assumes that management action of £1,088k is acheived in 2018/19

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

Tackling Troubled Families Grant

- expenditure

796

- income

Cr 796

Other:

Support of completing ECHP Plans

115

Transfer of Central Placements Team from CE to ECHS

60

R&M Water Treatment

14

Business Rates revaluation

12

Latest Approved Budget for 2017/18**46,017**