

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	Variatio £'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 412	89	1	6	0
6	Alternative Education and Welfare Service	0	0	0	0		0	0
432	Schools and Early Years Commissioning & QA	372	372	482	110	2	125	0
5,481	SEN and Inclusion	5,864	5,869	5,812	Cr 57	3	Cr 54	0
38	Strategic Place Planning	0	93	93	0		0	0
26	Workforce Development & Governor Services	4	4	2	Cr 2		3	0
Cr 1,274	Education Services Grant	Cr 181	Cr 166	Cr 166	0	4	15	0
0	Contingency Drawdown for ESG	0	0	0	0	4	Cr 15	0
425	Access & Inclusion	139	171	150	Cr 21	5	2	0
Cr 1,134	Schools Budgets	Cr 1,282	Cr 1,282	Cr 1,282	0	6	0	0
245	Other Strategic Functions	127	Cr 94	69	163	7	163	0
4,104		4,537	4,466	4,748	282		245	0
Children's Social Care								
1,516	Bromley Youth Support Programme	1,454	1,408	1,303	Cr 105	8	54	0
1,147	Early Intervention and Family Support	1,042	1,044	957	Cr 87	9	Cr 87	0
4,041	CLA and Care Leavers	4,227	4,327	4,940	613	10	545	424
0	Management action	0	0	0	0		Cr 100	Cr 100
	Additional funding for UASC	0	0	Cr 141	Cr 141		0	0
12,974	Fostering, Adoption and Resources	12,818	12,780	13,973	1,193	11	866	1,113
0	Additional contribution from the CCG	0	0	Cr 500	Cr 500		Cr 300	0
0	Management action	0	0	0	0		Cr 365	Cr 546
0	Contribution from Public Health	0	0	Cr 140	Cr 140		0	0
3,757	Referral and Assessment Service	2,981	2,910	2,934	24	12	157	0
3,056	Safeguarding and Care Planning East	2,405	2,416	2,193	Cr 223	13	Cr 229	0
4,020	Safeguarding and Care Planning West	3,645	3,720	3,703	Cr 17	14	69	0
2,825	Safeguarding and Quality Improvement	4,250	4,110	4,435	325	15	Cr 207	0
0	Contribution from Public Health	0	0	Cr 350	Cr 350		0	0
33,336		32,822	32,715	33,307	592		403	891
37,440	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	37,359	37,181	38,055	874		648	891
Cr 8,263	Total Non-Controllable	2,029	2,043	2,042	Cr 1		Cr 4	0
6,911	Total Excluded Recharges	6,428	6,662	6,662	0		0	0
36,088	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	45,816	45,886	46,759	873		644	891
Memorandum Item								
Sold Services								
Cr 134	Education Psychology Service (RSG Funded)	Cr 19	Cr 19	39	58	16	42	0
Cr 16	Education Welfare Service (RSG Funded)	Cr 35	Cr 35	8	43		41	0
11	Workforce Development (DSG/RSG Funded)	Cr 5	Cr 5	3	8		3	0
3	Governor Services (DSG/RSG Funded)	0	0	0	0		0	0
16	Community Vision Nursery (RSG Funded)	Cr 14	Cr 14	58	72		78	0
82	Blenheim Nursery (RSG Funded)	14	14	94	80		95	0
Cr 38	Total Sold Services	Cr 59	Cr 59	202	261		259	0

REASONS FOR VARIATIONS

1. Adult Education - Dr £89k

The overspend in Adult Education is mainly due to the increased spend on sessional tutors and a decrease in the expected income. The overspend on sessional tutors (£68k) is due to an increase in the volume of non-fee paying courses targeted at disadvantaged adults and local communities. The main purpose of the community learning element of the ESFA grant is to provide provision to support vulnerable communities and any reduction in this priority area risks a reduction in the future allocation of the grant. Proportion of fee income generating provision reduced (by £31k) as part of the service restructure. Loss of specialist facilities has reduced the range of courses offered.

These overspends are being partly offset by an underspend of £10k on the running costs of the service

2. Schools and Early Years Commissioning & QA - Dr £110k

There is a pressure of £152k 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.

Early Years Support has an underspend of £20k that is due to the collection of income being higher than anticipated.

There is also an underspend in the School Standard area of £22k that is due to the underspend in staffing costs.

3. SEN and Inclusion - Cr £57k

SEN Transport is currently forecasted to underspend by £72k. This is due to underspends in staffing costs (£33k) and the over collection of income (£94k). These underspends are offset by the overspends in transport costs (£34k) 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 £67k and the Trading Service they offer to the Schools to be overspent by £58k - due to the use of expensive agency staff to provide the service. This is a net underspend of £9k.

The Special Education Needs area is currently forecasting an overspend of £34k. 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 £10k. 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.

4. 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 recalculated 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.

5. Access & Inclusion - Cr £21k

The underspend in this area is due to a change of process in the non SEN school transport service. The service used to provide taxi's to get the children to school and now other forms of transport are provided where possible such as travelcards.

6. 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.

There is a current projected underspend in DSG of £210k. 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 which has reduced the amount we received in 2016/17 by £475k. This gives an estimated DSG balance of £1,358k at the end of the financial year.

Additional to the projected underspend of £210k there is a potential underspend of £700k relating to the recoupment of the DSG relating to new free schools in the Borough. As a prudent measure it has been assumed that DfE will claw this back in due course. If this does not occur then this will be added to the carry forward position.

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

Free Early Years Education is forecast to overspend by £40k this year. The budget for the 2 year old children is expected to overspend by £181k and this is being offset by an underspend for 3 & 4 years old children (both normal 15 and the new additional 15 hours) of £121k. Additionally there is a £20k underspend in the staffing needed to support this service. 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 £47k 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 £126k due to the splitting out of the Nightingale school from the service. The Home and Hospital service is in the process of being reviewed.

There is an underspend of £16k 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 £8k due to higher than expected income collection.

The Access & Admissions service is currently forecasting an over spend of £33k due to higher than expected staffing costs.

SEN placements are projected to overspend by a total of £422k. The overspends are being caused by the Maintained Day, Independent Day and Alternative Programmes. These overspends are then offset with underspends on Independent Boarding Schools, Maintained Boarding Schools, Behaviour Services and the costs of Matrix Funding.

SEN Support for clients in Further Education Colleges is expected to underspend by £701k this year. The reason for this is due to the underspend in the cost of placing clients at Independent providers. This is being offset by the cost of placements in colleges.

The DSG funded element of SEN Transport is projected to overspend by £121k due to the new routes that were established 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 £169k underspend. There are not currently any plans to recruit to 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 £48k. This is due to staffing costs expected to be lower than budget in year.

A number of areas (SIPS, the Complex Needs Team, Early Years Programme and Outreach & Inclusion Services) all are currently projected to underspend. Darrick Wood Hearing Unit is predicted to overspend. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relates to running costs that are not expected to be incurred during the year. Darrick Wood is overspending due to high use of casual classroom assistants. The total of all of these over and underspends is a £21k credit.

There is also a small balance totalling £0k. This consists of £4k under spend in the SEN heading, and £4k overspend from the non-SEN headings.

	Variations	£'000
Free Early Education - 2 year olds		181
Free Early Education - 3 & 4 year olds (inc extra 15 hours)	Cr	121
Early Year Support	Cr	20
Primary Support Team	Cr	47
Schools Rates		58
Home & Hospital		126
Pupil Support Services	Cr	16
Education Welfare Officers	Cr	8
Access & Admissions		33
Other Small Balances		4
SEN:		
- Placements		422
- Support in FE colleges	Cr	701
- Transport		121
- High Needs Pre-school Service	Cr	169
- Sensory Support	Cr	48
- SIPS	Cr	37
- Darrick Wood Hearing Unit		80
- Complex Needs Team	Cr	10
- Outreach & Inclusion Service	Cr	44
- Early Support Programme	Cr	10
- Other Small SEN Balances	Cr	4
	<u>Cr</u>	<u>210</u>

7. Other Strategic Functions - Dr £163k

£35k of the overspend relates to the additional cost of the 2017/18 Business Rates 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 £592k

The main areas of under / overspending are shown below. Staffing expenditure remains an issue going forward with considerable overspends on staffing across the division (highlighted in each service area below). There is an ongoing drive to recruit permanent staff which has driven agency numbers down, but levels of agency staff are still significant as numbers have not fallen as fast as expected. This has contributed significantly to the divisions overspend due to the high costs of employing agency staff compared to permanent staff.

8. Bromley Youth Support Programme - Cr £105k

There is a projected underspend of £190k on staffing across the programme areas, mainly as a result of vacant posts not covered by agency staff. Offsetting this is an overspend of £85k, mainly due to reduced income from schools.

9. 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.

10. CLA and Care Leavers - Dr £472k

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 £122k. 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 £87k. Some additional one off funding has been identified that has offset some of the increased costs in this area.

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 £208k against a grant provision of £113k. This is a reduction of £12k from the September reported figure.

In January 2018 the government announced additional funding to support unaccompanied asylum seeking children. Bromleys share of this funding is £141k, and this has been allocated to the budget to offset some of the unfunded costs of uasc's.

Staffing - Dr £196k

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 bring spend down to a more manageable level. The current projected overspend for this service is £196k net of any management action.

11. Fostering, Adoption and Resources - Dr 553k

The budget for children's placements is projected to overspend by £424k 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 may change before the end of the financial year. An analysis of the current projected variations by placement type is shown below.

- Community Home's / Community Home's with Education - Dr £331k
- Boarding Schools - Dr £7k
- Secure Accommodation & Youth on Remand - Dr £240k
- Transport & Outreach services - Dr £97k
- Fostering services (IFA's) - Dr £716k
- Fostering services (In-house, including SGO's and Kinship) - Dr £166k
- Adoption placements - Dr £7k

In addition to the variations above, Bromley CCG had allocated a one off payment of £300k and an additional payment of £500k as a contribution towards the continuing care costs of placements at the last budget monitoring. A further £200k contribution has been agreed this period by the CCG. Additionally, funding of £140k has been secured this year from the Public Health budget 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 which had been assumed in the last monitoring has also only been marginally successful, adding to the budget pressure.

Staffing - Dr £129k

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 £129k.

12. Referral and Assessment - Dr £24k**No Recourse to Public Funds - Cr £114k**

The current projected cost to Bromley for people with no recourse to public funding is an underspend of £114k. 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 19 families being supported, compared with 23 in September.

Staffing - Dr £138k

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 £138k net of any management action.

13. Safeguarding and Care Planning East - Cr £223k**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, which are reflected in the latest projection.

Staffing - Dr £109k

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 £109k net of any management action.

14. Safeguarding and Care Planning West - Cr £17k**Staffing - Dr £222k**

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 £222k 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.

Various Expenditure Budgets - Cr £114k

In November 2016, a freeze was initiated on running expense budgets that were underspending at that time. Due to the continued overspend in the division it has been decided that this will be replicated for 2017/18, with a sum of £114k being identified this year.

15. Safeguarding and Quality Improvement - Cr £25k**Staffing - Dr £561k**

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 £561k net of any management action. This budget holds the bulk of the Post Inspection additional funding, the majority of these posts are filled by agency staff.

Additionally, funding of £350k has been secured this year from the Public Health budget which will offset the overall costs.

Various Expenditure Budgets - Cr £236k

In November 2016, a freeze was initiated on running expense budgets that were underspending at that time. Due to the continued overspend in the division it has been decided that this will be replicated for 2017/18, with a sum of £236k being identified this year.

16. 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 6 waivers agreed for care placements in children's social care over £50k but less than £100k and 8 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, and would also include placements where there is a third party contributor such as Health.

Additionally since the last report to the Executive, there has been 2 waivers in the Education area and they both 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, one virement have been actioned for a £6k recharge to Children Services.

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Children's Social Care	32,715	592	The overall full year effect of the Children's Social Care overspend is £891k, analysed as Residential, Fostering and Adoption £899k , Leaving Care services (inc Staying Put and Housing Benefit clients) £444k, Public Law Outline Cr £332k and No Recourse to Public Funds Cr £120k. This assumes that management action of £646k is achieved in 2018/19. The full year effect has been dealt with as part of the 2018/19 budget process and therefore there is no overall variance predicted in 2018/19 at this stage.

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
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
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
Commissioning Support Officer Post	Cr 7
Head of Policy, Projects & programmes Post from CSC to Strategy	Cr 40
PA to deputy Chief Exec post from CSC to Strategy	Cr 19
Transfer of central Placements Team from CSC to Programmes	Cr 79
SEND staffing funding transfer to Education	10
Public Health	
- funding transferred from Public Health	490
- recharge to Public Health	Cr 490
Part funding from Chief Executives Division towards post in CSC	40
Items Requested this Cycle:	
ESG Contingency	15
UASC Grant	
- expenditure	141
- income	Cr 141
Residual share of South London Connexions Consortium balance	Cr 51
Latest Approved Budget for 2017/18	<u>45,886</u>