

Children, Education and Families Portfolio Budget Monitoring Summary

2017/18 Actuals	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
	Education Division							
Cr 360	Adult Education Centres	Cr 525	Cr 525	Cr 370	155	1		130
418	Schools and Early Years Commissioning & QA	524	524	481	Cr 43	2		0
5,583	SEN and Inclusion	5,820	5,820	5,789	Cr 31	3		0
95	Strategic Place Planning	96	96	96	0			0
6	Workforce Development & Governor Services	5	5	5	0			0
Cr 167	Education Services Grant	0	0	0	0			0
185	Access & Inclusion	165	165	179	14	4		0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,348	0	5		0
102	Other Strategic Functions	1,038	1,038	1,038	0			0
4,550		5,775	5,775	5,870	95		0	130
	Children's Social Care							
1,248	Bromley Youth Support Programme	1,479	1,479	1,479	0	6		0
686	Early Intervention and Family Support	1,093	1,093	1,093	0			0
4,912	CLA and Care Leavers	5,066	5,066	5,025	Cr 41			242
13,592	Fostering, Adoption and Resources	13,638	13,638	16,130	2,492			2,514
0	Management action - Additional CCG Income	0	0	Cr 505	Cr 505			Cr 505
2,833	Referral and Assessment Service	2,909	2,909	2,909	0			0
2,176	Safeguarding and Care Planning East	2,159	2,159	2,159	0			0
3,874	Safeguarding and Care Planning West	3,810	3,810	3,810	0			0
4,290	Safeguarding and Quality Improvement	4,260	4,260	4,318	58			0
	Planned savings from management action	0	0	Cr 480	Cr 480			Cr 960
33,611		34,414	34,414	35,938	1,524		0	1,291
38,161	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	40,189	40,189	41,808	1,619		0	1,421
3,257	Total Non-Controllable	2,006	2,006	2,006	0			0
7,309	Total Excluded Recharges	8,126	8,126	8,126	0		0	0
48,727	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	50,321	50,321	51,940	1,619		0	1,421
	Memorandum Item							
	Sold Services							
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 60	47	7		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 32	Cr 32	0			0
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	Cr 4	0			0
43	Community Vision Nursery (RSG Funded)	49	49	51	2			0
75	Blenheim Nursery (RSG Funded)	76	76	97	21			0
157	Total Sold Services	Cr 18	Cr 18	52	70		0	0

REASONS FOR VARIATIONS

1. Adult Education - Dr £155k

The Adult Education service is currently projecting to overspend by £155k. The main pressure areas for the service are staffing costs to provide the required courses (£102k) and preparing for the OFSTED inspection that is due in the near future. There is also an under collection of income of £58k as compared to the baseline budget

The income overspend may change once the enrolment for the new academic year is known. The enrolment process has only recently been opened.

There is a small underspend on the running costs (£5k) that is offsetting the on-going pressures.

2. Schools and Early Years Commissioning & QA - Cr £43k

The in-house nurseries are currently in the process of being restructured to bring them to a profitable position. This year is expected to be part year under the existing structure and part year under the new structure. This has had the effect of expecting the nurseries to overspend by £23k for the year. This could change depending on when the new structure is finally adopted.

These cost pressures are being more than offset by the current staffing underspends of £66k that are mainly due to vacant posts.

3. SEN and Inclusion - Cr £31k

The staffing in this area is currently forecasting an underspend by £35k. This is due to changes to how posts are being funded - removing some from grant funding and including others.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £43k and the Trading Service they offer to the Schools to be overspent by £47k - due to the use of expensive agency staff to provide the service. This is a net underspend of £4k.

4. Access & Inclusion - Dr £14k

The Education Welfare Service Trading Account is currently expected to under collect on its income by £50k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

With the service currently working on a staffing restructure, there are a few vacant posts that are causing an underspend of £29k.

There is currently expected to be an underspend of £7k on the cost for transporting mainstream children to their school.

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.

There is a current projected overspend in DSG of £392k. This will be deducted from the £1,180k carried forward from 2017/18. £188k of the brought forward balance has been allocated to support the central DSG services in-year. This gives us an estimated DSG balance of £600k at the end of the financial year.

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

The Behaviour Support service is currently expected to under spend by £98k based on expected costs for the year. This forecast may change once more information is available about the costs for the new academic year.

There is an underspend of £62k in the Pupil Support Services area. This is due to vacant posts and the under use of agency and consultancy costs to provide the service.

SEN placements are projected to overspend by a total of £950k. The overspend are being caused by the Maintained Day (£886k), Independent Day (£337k) and Alternative Programmes (£211k). These overspends are then offset with underspends on Independent Boarding Schools (£200k), Maintained Boarding Schools (£272k) and the costs of Matrix Funding (£12k).

The SEN placement budget pressure is coming from increased pupil numbers, this is in spite of the increases in in-borough Special Education places at the schools. The forecast currently shows additional 12 pupils attending Independent Day places and an increase of 45 full time equivalents at Maintained Day from September as the places in borough are already filled. There is also a 53% increase in pre-school referrals for assessment. There is an increase in volume of children being accessed and going on to receive an Education, Health and Care Plan.

SEN Support for clients in Further Education Colleges is expected to underspend by £366k this year. The reason for this is due to the underspend in the cost of placing clients at Independent providers.

The DSG funded element of SEN Transport is projected to overspend by £119k due to the new routes that were established in 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 years allocation.

The High Needs Pre-School Service is currently holding a number of vacant posts resulting in a £138k underspend. There are not currently any plans to recruit to these posts as there is currently an on-going review of the service.

The Sensory Support Service is underspent by £95k. This is due to staffing costs expected to be lower than the budget in year.

The SIPS, Darrick Wood Hearing Units and Outreach & Inclusion Services are all currently projected to underspend. 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. The total of all of these underspends is a £107k.

There is also a total small balance of underspends of £7k. This consists of £14k underspend in the SEN heading, and £7k overspend from the non-SEN headings.

	Variations £'000	
Primary Support Team	Cr	62
Behaviour Support		98
Other Small Balances		7
SEN:		
- Placements		950
- Support in FE colleges	Cr	366
- Transport		119
- High Needs Pre-school Service	Cr	138
- Sensory Support	Cr	95
- SIPS	Cr	26
- Darrick Wood Hearing Unit	Cr	7
- Outreach & Inclusion Service	Cr	74
- Other Small SEN Balances	Cr	14
Total		<u><u>392</u></u>

There will continue to be pressures in the DSG from 2019/20 onwards, especially in the High Needs Block area. More children are coming through the system which will put pressure on DSG resources. In 2018/19 DfE agreed that LBB could top slice £1m from the Schools DSG to underpin the High Needs budget. A further request will have to be put forward to DfE if this is going to be transferred again. From 2020/21 this will no longer be available as the 'hard formula' National Funding formula kicks in and funding blocks are even more rigidly fixed

6. Children's Social Care - Dr £1,524k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £2,004k. Despite additional funding being secured in the 2018/19 budget, increases in the number of children being looked after together with the cost of placements has continued to put considerable strain on the budget. Officers have met to discuss ways to mitigate this, and management action of £480k has been agreed this cycle.

CLA and Care Leavers - Dr £17k

Expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, continues to show an overspend on the budget. The budget was realigned for 2018/19 within available resources, however an overspend of £24k is currently projected.

Staffing costs are projected to be £58k overspent. Offsetting these overspends is a projected underspend of £65k on direct accommodation support to looked after children.

Fostering, Adoption and Resources - £1,987k

The budget for children's placements is currently projected to overspend by £2,492k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,499k
- Boarding Schools - Dr £122k
- Secure Accommodation & Youth on Remand - Cr £437k
- Fostering services (IFA's) - Dr £627k
- Fostering services (In-house, including SGO's and Kinship) - Dr £196k
- Adoption placements - Cr £15k

In addition to the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. Additional funding of £505k is also being sought from the CCG as a contribution to these placements and officers are in the process of negotiations over this amount. Should this latter amount not be agreed upon then the overspend will increase significantly.

Officers have discussed ways to mitigate this overspend and have agreed on management action plans totalling £480k. These will be closely monitored during the year to ensure that any non-achievement is highlighted as early as possible.

7. 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 exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Since the last report to the Executive, there has been 1 waiver in the Education area and with an annual value of less than £30k. In Children's Social Care there were 4 waivers agreed for between £50k and £100k and 3 for more than £100k.

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 in Education.

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Children's Social Care	34,414	1,524	The overall full year effect of the Children's Social Care overspend is £1,291k, analysed as Residential, Fostering and Adoption £2,514k and Leaving Care services (inc Staying Put and Housing Benefit clients) £242k. This assumes that management action of £960k is achieved in 2019/20 and additional funding being negotiated from Bromley CCG of £505k is also received.

Reconciliation of Latest Approved Budget	£'000
Original Budget 2018/19	50,321
Contingency:	
SEN Implementation Grant 2018/19	
- expenditure	189
- income	Cr 189
SEND Preparation for Employment Grant 2018/19	
- expenditure	63
- income	Cr 63
Carry forwards requested this cycle:	
SEN Implementation Grant 2016/17	
- expenditure	20
- income	Cr 20
SEN Pathfinder Grant 2016/17	
- expenditure	16
- income	Cr 16
Early Years Grant	
- expenditure	15
- income	Cr 15
School Improvement Grant	
- expenditure	47
- income	Cr 47
High Needs Strategic Planning Fund	
- expenditure	13
- income	Cr 13
Delivery Support Fund	
- expenditure	69
- income	Cr 69
Tackling Troubled Families	
- expenditure	498
- income	Cr 498
SEN Pathfinder Grant 2018/19	
- expenditure	28
- income	Cr 28
Latest Approved Budget for 2018/19	<u>50,321</u>