

Decision Maker: PORTFOLIO HOLDER FOR EDUCATION, CHILDREN AND FAMILIES

Date: For Pre Decision Scrutiny by the Education, Children and Families Budget and Performance Monitoring Sub-committee on 18th July 2018

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2017/18

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Chief Officer: Deputy Chief Executive & Executive Director of Education, Care and Health Services

Ward: (All Wards);

1. Reason for report

1.1 This report provides the provisional outturn position for 2017/18.

2. RECOMMENDATION(S)

2.1 The Education, Children and Families Budget and Performance Monitoring Sub-committee are invited to:

- (i) Note that the latest projected overspend of £925,000 on controllable expenditure at the end of 2017/18 and consider any issues arising from it: and,
- (ii) Note that the Executive on the 21st May 2018 have agreed the net carry forwards as detailed in Appendix 2;

2.2 The Portfolio Holder is asked to:

- (i) Endorse the 2017/18 provisional outturn position for the Education, Children and Families Portfolio.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Children and Young People
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Education, Children and Families Portfolio
 4. Total current budget for this head: £47.803m
 5. Source of funding: Education, Children and Families Approved Budget
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Staff

1. Number of staff (current and additional): 1,321 Full time equivalent
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2017/18 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Education, Children and Families Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The provisional outturn for the “controllable” element of the Education, Children and Families Committee budget in 2017/18 is an overspend of £925k compared to the last reported figure of an overspend of £874k which was based on activity at the end of December 2017.

FINAL POSITION

- 3.3 The £925k overspend is summarised in the table below. All of the pressures and savings are further detailed and broken down in Appendix 1B.

<u>DIVISION</u>	<u>£'000</u>
Adult Education - Increase in costs of sessional tutors plus lower than expected income generation	141
Schools, Early Years Commissioning and QA - In house nursery income shortfall partially offset by additional income and underspends in staffing elsewhere within the division	32
SEN and Inclusion - Underspends in SEN Transport across the service offset by other minor variances	-295
Central Schools Budgets - Recharge overspend offset by corresponding amount in non controllable expenditure	-30
Other strategic Functions - Business rates and a savings target partially not identified	196
Bromley youth Support - Staffing underspends, release of a provision, partially offset by reduced income , mainly from schools	-167
Early Intervention and Family Support - Freeze on running expenses, staffing and overachievement of income	-362
CLA and Care leavers - Additional costs of accommodation and costs of staffing partially offset by additional grant funding	581
Fostering, Adoption and Resources - Increase in costs and number of Children's Placements over the budget together with over budget staffing costs	812
Referral and Assessment - Underspend in no recourse to public funds costs partially offset by higher than budgeted staffing costs	-77
Safeguarding and Care Planning East - costs of court ordered care proceedings was lower than expected. This has been partially offset by higher than budgeted staffing costs	-240
Safeguarding and Care Planning West - Overspend on staffing costs which was offset by additional BCF funding together with an expenditure freeze on running expenses	150
Safeguarding and Quality Improvement - Overspend on staffing costs which was offset by additional public health contributions	173
Other minor variances	11
	925

DSG GRANT POSITION

- 3.4 An element of the Education budget within the Portfolio is classed as Schools' budget and is funded through the Dedicated schools Grant (DSG). Grant conditions requires that any over or underspend should be carried forward to the next financial year.
- 3.5 The DSG Schools Budget has underspent by £32k during 2017/18., which will be added to the £1.6m carried forward from 2016/17. The carry forward position has been adjusted by an Early Years funding adjustment, made by DfE which has reduced the amount available by £475k. Therefore the DSG balance carried forward into the new financial year stands at £1,180k.
- 3.6 A summary of the main variations is provided in the table below, and further details and variations can be found in Appendix 2

CARRY FORWARDS

- 3.7 On the 21st May 2018 the Executive were asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2018/19. Appendix 2 provides a detailed breakdown of all of the carry forward requests. As you will see from Appendix 2 the carry forwards included in section 1 will have repayment implications if not approved, those in section 2 relate to grants which will not have to be repaid if not agreed but will impact on service delivery in 2018/19. Future reports to the Portfolio Holder will be required to approve their release.

FULL YEAR EFFECT GOING INTO 2018/19

- 3.8 Appendix 3 provides a breakdown of any full year implications arising from the final 2017/18 outturn. Overall there are £748k of full year effect pressures in 2018/19. These are all in the Children's Social Care area. As part of the budget setting process the vast majority of these full year effects have been dealt with and additional funding has been added to the budgets for 2018/19. There are still some management actions that were assumed to be taken that have not delivered in 2017/18. They are mainly around the review of placements and placement levels. If these are not addressed in 2018/19 then there will be an additional pressure on the budget.

	<u>£'000</u>
Residential/Fostering/Adoption placements	648
Leaving care (including Staying Put and HB clients)	551
Court ordered care proceedings	-320
No recourse to Public Funds	-131
	<u>748</u>

- 3.9 Appendix 4 provides a detailed reconciliation of the original 2017/18 budget to the latest approved 2017/18 budget

DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF ECHS COMMENTS

- 3.10 The Education, Children and Families Portfolio has an overspend of £925,000 for the year.
- 3.11 The Education Division had an overspend of £55,000. Two areas namely, adult education and strategic services had overspends of 141k and 196k respectively. This again, was mitigated by the strategic decision not to recruit to certain posts and also not to deliver a number of work plans within the division. The additional costs of running the two nurseries also contributed to

the divisional overspend as the budget of £172k for running the nurseries was removed in this financial year as an efficiency saving.

- 3.12 SEN transport continues to see pressures emerge, although steps are being taken to address this as far as possible. Increased numbers of children with complex needs requiring EHC plans led to additional services being provided to these children. There is a root and branch review of SEND currently underway which will include a review of all high needs block.
- 3.13 In Children's Social Care the overspend of £870k was due to the increased number of children in care which increased by 22 children from April 2017 to March 2018. The increase in the number of children in care was due mainly to safeguarding concerns. In addition, the division has to employ a number of agency social workers to deal with the increased work load following the Ofsted inspection and in managing legacy cases.
- 3.14 To mitigate this Placement Panels are scrutinising placements and are ensuring that the CCG contribute an appropriate share of the costs. In terms of recruitment, a push is being made to recruit more staff permanently and hiring restrictions are in place to limit the costs of agency staff coming into the organisation.
- 3.15 The risks in the Education and Children's portfolio are:-
 - 1) Loss of permanent staff/ Inability to recruit permanent staff/recruitment and retention of social workers.
 - 2) Limited supply and increasing costs of residential placements.
 - 3) Increased complexity of children (SEND).
 - 4) Impact of Social Work Act 2017 implementation.
 - 5) Income from partners reducing.
 - 6) School place issues.
 - 7) Increases in the number of Children Looked After (CLA).

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2018/19 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are in the body of the report. A detailed breakdown of the projected outturn by service area is shown in appendix 1(a) with explanatory notes in appendix 1(b). Appendix 2 outlines the requested carry forwards to 2018/19. Appendix 3 shows the latest full year effects and Appendix 4 gives the analysis of the latest approved budget.

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2017/18 Budget Monitoring files in ECHS Finance Section