

Education, Children and Families Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	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 373	152	1	155	130
418	Schools and Early Years Commissioning & QA	524	524	545	21	2	Cr 43	0
5,583	SEN and Inclusion	5,820	6,555	6,439	Cr 116	3	Cr 31	0
95	Strategic Place Planning	96	96	96	0		0	0
6	Workforce Development & Governor Services	5	5	Cr 49	Cr 54	4	0	0
Cr 167	Education Services Grant	0	0	0	0		0	0
185	Access & Inclusion	165	130	161	31	5	14	0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,348	0	6	0	0
102	Other Strategic Functions	1,038	338	338	0		0	0
4,550		5,775	5,775	5,809	34		95	130
Children's Social Care								
1,248	Bromley Youth Support Programme	1,479	1,479	1,536	57	7	0	0
686	Early Intervention and Family Support	1,093	1,093	1,003	Cr 90		0	0
4,912	CLA and Care Leavers	5,066	5,066	4,982	Cr 84		Cr 41	520
13,592	Fostering, Adoption and Resources	13,638	13,638	16,723	3,085		2,492	2,852
0	Management action - Additional CCG Income	0	0	Cr 500	Cr 500		Cr 505	Cr 500
2,833	Referral and Assessment Service	2,909	2,909	2,727	Cr 182		0	Cr 174
2,176	Safeguarding and Care Planning East	2,159	2,159	1,930	Cr 229		0	Cr 198
3,874	Safeguarding and Care Planning West	3,810	3,810	3,823	13	0	0	
4,290	Safeguarding and Quality Improvement	4,260	4,260	4,386	126		58	0
	Planned savings from management action	0	0	Cr 200	Cr 200	Cr 480	Cr 400	
33,611		34,414	34,414	36,410	1,996		1,524	2,100
38,161	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	40,189	40,189	42,219	2,030		1,619	2,230
3,257	Total Non-Controllable	2,006	2,088	2,073	Cr 15			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	50,403	52,418	2,015		1,619	2,230
Memorandum Item								
Sold Services								
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 75	32	8		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 32	10	42		0	
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	Cr 50	Cr 46		0	
43	Community Vision Nursery (RSG Funded)	49	49	81	32		0	
75	Blenheim Nursery (RSG Funded)	76	76	101	25		0	
157	Total Sold Services	Cr 18	Cr 18	67	85		0	0

REASONS FOR VARIATIONS

1. Adult Education - Dr £152k

The Adult Education service is currently projecting to overspend by £152k. The main pressure areas for the service is £99k for staffing costs to provide required courses 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.

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

2. Schools and Early Years Commissioning & QA - Dr £21k

The in-house nurseries are currently in the process of being restructured. This financial year will 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 £57k for the year.

These cost pressures are being offset by the current staffing underspends of £45k that are mainly due to vacant posts.

There is a small overspend on the running costs of £9k.

3. SEN and Inclusion - Cr £116k

The staffing in this area is currently forecasting an underspend by £40k. 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 £56k and the Trading Service they offer to the Schools to be overspent by £32k due to the use of expensive agency staff to provide the service. This is a net underspend of £24k.

SEN Transport is currently forecast to underspend by £52k due to the expected additional collection of income from other LA's. This figure may change during the year as route rationalisation occurs.

4. Workforce Development & Governor Services - Cr £54k

The projected underspend is due to a detailed review of the service that has identified a number of running costs that are not likely to be used during this financial year.

5. Access & Inclusion - Dr £31k

The Education Welfare Service Trading Account is currently expected to under collect on it's income by £42k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

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

There is a small underspend on the running costs of £4k that is offsetting the on-going pressures.

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 overspend in DSG of £354k. 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. The carry forward figure has been adjusted by the Early Year adjustment which has reduced the amount we received in 2017/18 by £166k. This gives us an estimated DSG balance of £472k at the end of the financial year.

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

Bulge class are currently expected to underspend by £128k for this financial year. Additionally we are currently expecting to spend £224k on modular classroom rentals during the year. Both of these figures may change once the requirements for the new academic year have been established from the October school census.

The Early Years Support Service has a small underspend of £8k expected for this year due to a staff vacancy that is expected to be filled by the end of the year.

There is an underspend of £43k 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.

The Home and Hospital service has a pressure of £112k 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 £135k 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.

The Behaviour Support service is currently expected to underspend by £70k based on expected costs for the year.

The Education Welfare service is currently forecasted an overspend of £18k due to higher staffing costs than expected

Due to a late adjustment of the recoupment at one of the schools in Bromley, there is any additional £83k worth of recoupment that the council has not budgeted for and is therefore causing a pressure on the DSG.

SEN placements are projected to overspend by a total of £759k. The overspend is being caused by the Maintained Day (£292k), Independent Day (£651k), Matrix Funding (£87k) and Alternative Programmes (£204k). These overspends are then offset by underspends on Independent Boarding Schools (£161k) and Maintained Boarding Schools (£314k).

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 Bromley schools.

SEN Support for clients in Further Education Colleges is expected to underspend by £366k this year. This is due to the underspend in the cost of placing clients with Independent providers and having more in borough placements.

The DSG funded element of SEN Transport is projected to overspend by £84k 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 £180k underspend. There are not currently any plans to recruit to these posts as there is an on-going review of the service. This underspend is being offset by the pressure relating to the rental cost of the building the service is in and is therefore causing the underspend to reduce to £57k

The Sensory Support Service is underspent by £43k. This is due to staffing costs expected to be lower than the budget in year.

The SIPS 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. These are then being offset by the overspend in the Darrick Wood Hearing Units and the Complex Needs team (totalling £53k) to give a net underspend of £54k.

There is also a total small balance of underspends of £22k. This consists of £12k underspend in the SEN heading, and £10k underspend from the non-SEN headings.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-128	0	-128	0	0
Classroom Hire	224	0	224	0	0
Early Year Support	-8	0	0	-8	0
Primary Support Team	-43	0	0	0	-43
Home & Hospital	112	112	0	0	0
Pupil Support Services	-135	-135	0	0	0
Behaviour Support	-70	-70	0	0	0
Education Welfare Officers	18	0	0	0	18
Late Adjustment to DSG Recoupment	83	0	83	0	0
Other Small Balances	-10	-8	0	0	-2
SEN:					
- Placements	759	759	0	0	0
- Support in FE colleges	-366	-366	0	0	0
- Transport	84	84	0	0	0
- High Needs Pre-school Service	-57	-57	0	0	0
- Sensory Support	-43	-43	0	0	0
- SIPS	-27	0	0	-27	0
- Darrick Wood Hearing Unit	28	28	0	0	0
- Complex Needs Team	25	25	0	0	0
- Outreach & Inclusion Service	-80	-80	0	0	0
- Other Small SEN Balances	-12	-7	0	0	-5
Total	354	242	179	-35	-32

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

7. Children's Social Care - Dr £1,996k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £1,996k. Despite additional funding being secured in the 2018/19 budget, continued 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 met to discuss ways to mitigate this, and management action of £480k was agreed last cycle. This has reduced to £200k this cycle due to the limited success so far this year.

Early Intervention and Family Support - Cr £90k

There will be an underspend in this area due to salary and running expense in year underspends

Bromley Youth Support Programme - Dr £57k

The BYSP budget is projected to overspend by £57k this year, analysed as follows:

- Youth Service - Dr £15k

Staffing is projected to be underspent by £29k and contributions to other local authorities by £41k. This is offset by projected overspends on Premises and Transport cost's of £20k , supplies and services of £60k and income of £5k.

- Business Partnership's - Dr £2k

Staffing is projected to be underspent by £45k this is offset by a projected underachievement of income from schools of £47k.

- Youth Offending Team - Dr £40k

Staffing is projected to be underspent by £22k this is offset by a projected overspend of £3k on business rates and £59k on professional fees.

CLA and Care Leavers - Cr £84k

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 £111k is currently projected.

Staffing costs are projected to be £116k underspent whilst direct accommodation support to looked after children (net of housing benefit) is projected to be £79k underspent.

Fostering, Adoption and Resources - £2,585k

The budget for children's placements is currently projected to overspend by £2,624k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,855k
- Boarding Schools - Dr £94k
- Secure Accommodation & Youth on Remand - Cr £289k
- Fostering services (IFA's) - Dr £1,038k
- Fostering services (In-house, including SGO's and Kinship) - Dr £333k
- Adoption placements - Dr £157k
- Transport Costs - Cr £64k

Included in the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. Additional funding of £500k 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.

Staffing costs are projected to be £39k underspent for the year.

Referral and Assessment Service - Cr £182k

The main projected variance relates to services to people with No Recourse to Public Funds (NRPF), which is currently projecting an underspend of £174k. This budget had been increased in the past as numbers had risen significantly, however currently numbers are much lower, resulting in this underspend. There is also a minor underspend on staffing of £8k projected.

Safeguarding and Care Planning East - Cr £229k

The budget for care proceedings is currently projected to underspend by £283k, particularly in the area of community and residential parental assessments which account for £206k of this total. Additionally there is a projected salary overspend of £54k.

Safeguarding and Care Planning West- Dr £13k

Services for Children with Disabilities is projected to overspend by £67k this year. This is made up of an overspend of £280k in relation to Direct Payments and Care Initiatives, offset by an underspend of £155k on group based short breaks and £58k on transport costs.

A change in the provision of the short/respite breaks service at Hollybank has also realised a saving of £112k. Additionally there is a projected salary overspend of £58k.

Safeguarding and Quality Improvement - Dr £126k

The projected variation of £126k overspend in this area relates solely to staffing.

Management Action

Officers have discussed ways to mitigate this overspend and had agreed on management action plans totalling £480k at May budget monitoring. This has been revised to £200k for the remainder of the year as there has been limited success so far. These will continue to be closely monitored during the year to ensure that any non-achievement is highlighted as early as possible.

8. 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, there has been one waiver in the Education area and with an annual value of less than £30k. In Children's Social Care there were 8 waivers agreed for placements of between £50k and £100k and 10 for more than £100k. There has been no waiver in the Education area since the last report.

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, 1 virement have been actioned in Education for £35k and relates to the correction of the budget for a contract.

Appendix 1C

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Children's Social Care	34,414	1,996	The overall full year effect of the Children's Social Care overspend is £2,100k, analysed as Residential, Fostering and Adoption Dr £2,352k , Leaving Care services (inc Staying Put and Housing Benefit clients) Dr £520k, No Recourse to Public Funds Cr £174k and Parental Assessments Cr £198k .This assumes that management action of £400k is achieved in 2019/20 and additional funding being negotiated from Bromley CCG of £500k 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
SEN Pathfinder Grant 2018/19	
- expenditure	28
- income	Cr 28
Carry forwards requests:	
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
Other:	
Fire Risk Assessment and Cyclical Maintenance	82
Latest Approved Budget for 2018/19	50,403