

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 397	128	1	152	130
418	Schools and Early Years Commissioning & QA	524	524	488	Cr 36	2	21	0
5,583	SEN and Inclusion	5,820	6,515	6,393	Cr 122	3	Cr 116	0
95	Strategic Place Planning	96	96	96	0		0	0
6	Workforce Development & Governor Services	5	5	Cr 39	Cr 44	4	Cr 54	0
Cr 167	Education Services Grant	0	0	0	0		0	0
185	Access & Inclusion	165	158	185	27	5	31	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	334	327	Cr 7		0	0
4,550		5,775	5,759	5,705	Cr 54		34	130
Children's Social Care								
1,248	Bromley Youth Support Programme	1,479	1,475	1,463	Cr 12	7	57	0
686	Early Intervention and Family Support	1,093	1,067	946	Cr 121		Cr 90	0
4,912	CLA and Care Leavers	5,066	5,471	5,493	22		Cr 84	Cr 153
13,592	Fostering, Adoption and Resources	13,638	14,126	18,376	4,250		3,085	5,115
0	Management action - Additional CCG Income	0	0	Cr 800	Cr 800		Cr 500	Cr 500
2,833	Referral and Assessment Service	2,909	3,462	3,283	Cr 179		Cr 182	Cr 179
2,176	Safeguarding and Care Planning East	2,159	3,019	2,768	Cr 251		Cr 229	Cr 82
3,874	Safeguarding and Care Planning West	3,810	4,313	4,266	Cr 47	13	0	
4,290	Safeguarding and Quality Improvement	4,260	1,740	1,929	189	126	939	
	Planned savings from management action	0	0	0	0	Cr 200	Cr 1,339	
33,611		34,414	34,673	37,724	3,051		1,996	3,801
38,161	TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES	40,189	40,432	43,429	2,997		2,030	3,931
3,257	Total Non-Controllable	2,006	2,088	2,073	Cr 15			0
7,309	Total Excluded Recharges	8,126	8,118	8,118	0		0	0
48,727	TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO	50,321	50,638	53,620	2,982		2,030	3,931
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 £128k**

The Adult Education service is currently projecting to overspend by £128k. The main pressure areas for the service is £161k for staffing costs to provide required courses and preparation for the OFSTED inspection. There is also an under collection of income of £30k as compared to the baseline budget.

There is an underspend on the running costs (£63k) that is offsetting the on-going pressures.

2. Schools and Early Years Commissioning & QA - Cr £36k

The in-house nurseries now have the restructured staffing structure in place. 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 £13k for the year.

These cost pressures are being offset by the current staffing underspends of £20k that are mainly due to vacant posts.

There also is an underspend on running costs of £29k.

3. SEN and Inclusion - Cr £122k

The staffing in this area is currently forecasting an underspend by £53k. 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 £40k and the Trading Service they offer to the Schools to be overspent by £30k due to the use of expensive agency staff used to provide the service. This is a net underspend of £10k.

SEN Transport is currently forecast to underspend by £59k due to 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 £44k

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

5. Access & Inclusion - Dr £27k

The Education Welfare Service Trading Account is currently expected to under collect on it's income by £39k 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 £5k 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 underspend in DSG of £281k. This will be added to the £1,180k carried forward from 2017/18. 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 £1,295k at the end of the financial year. This includes the additional £788k extra funding that Government announced on the 17th December 2018 for the High Needs Block. It has been agreed that £212k of this funding will be utilised in 2019/20 to cover High Needs Block costs. This will in effect come from the £1,295k that is estimated to be carried forward into 2019/20. Without the £788k funding LBB would only be carrying forward £507k into 2019/20

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 £225k 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.

Free Early Years Education is currently forecast to underspend this financial year. Any over or underspend on this area will only have a marginal effect on the DSG variances as DfE calculate our final allocation (released in July) based on the Early Years annual census that is performed every January. The returns from the nurseries are checked by members of the Early Years team before passing the figures to DfE in March. DfE then review the figures before publish our final allocations, where they will make any adjustments to our prior year allocation. It is expected that the currently underspend will produce a clawback of funds in July at approximately the same level as the current forecast underspend. The clawback cannot be estimated until the Early Years census data is submitted to DfE in March.

There is an underspend of £38k 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.

There is a pressure of £6k on the DSG due to the increase in a rate bills in a maintained school. This was not factored into the original funding.

The Home and Hospital service has a pressure of £94k 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 overspend by £70k based on expected costs for the year.

The Education Welfare service is currently forecasting an overspend of £36k 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 had not budgeted for and is therefore causing a pressure on the DSG.

It was agreed at the start of the year to use £188k of the brought forward balance to support the Central Schools Services Block in-year. There are also two Recoupment adjustments that have been identified during the year that will also effect the Brought Forward amount by a credit of £57k. This gives an overall Use of the Reserve of £131k for the year.

There has been a number of in year DSG adjustments that have not yet been factored in to the budget figures. This changes come to a total of £98k and all impact on the High Needs Block.

In December 2018 the Government announced that they would be giving extra money to support the council's High Needs DSG Block due to the pressures on the High Needs Block nationwide. This grant is being retained to cover expenditure in both this year and future years.

SEN placements are projected to overspend by a total of £500k. The overspend is being caused by the Maintained Day (£339k), Independent Day (£655k) and Alternative Programmes (£286k). These overspends are then offset by underspends on Independent Boarding Schools (£131k), Maintained Boarding Schools (£338k) and Matrix funding (£114k). Additional, there is currently forecast to be an underspend on schools ARP's of £197k.

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 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 £121k 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 SIPS, Early Support Programme 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 £117k. These are then being offset by the overspend in the Hearing Units and the Complex Needs team (totalling £63k) to give a net underspend of £54k.

There is also a total small balance of overspends of £4k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-128	0	-128	0	0
Classroom Hire	225	0	225	0	0
Primary Support Team	-38	0	0	0	-38
School Rates	6	0	6	0	0
Home & Hospital	94	94	0	0	0
Pupil Support Services	-135	-135	0	0	0
Behaviour Support	-70	-70	0	0	0
Education Welfare Officers	36	0	0	0	36
Late Adjustment to DSG Recoupment	83	0	83	0	0
Use of Reserves	131	0	-57	0	188
In Year DSG Adjustments	98	98	0	0	0
Additional High Needs Block Allocation	-788	-788	0	0	0
Other Small Balances	4	-7	0	-1	12
SEN:					
- Placements	500	500	0	0	0
- Support in FE colleges	-366	-366	0	0	0
- Transport	121	121	0	0	0
- SIPS	-27	0	0	-27	0
- Darrick Wood Hearing Unit	44	44	0	0	0
- Complex Needs Team	19	19	0	0	0
- Outreach & Inclusion Service	-77	-77	0	0	0
- Early Support Programme	-13	-13	0	0	0
Total	-281	-580	129	-28	198

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 was put forward to DfE for 2019/20 and this was rejected and therefore additional Council resources have been added to close the shortfall. From 2020/21 it is expected that 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 £3.051k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £3,051k, a significant increase from the overspend reported for September, which was £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 £200k was agreed last cycle. This has now been removed as it is unlikely that these savings will be achieved by the end of the financial year.

Bromley Youth Support Programme -Cr £12k

The BYSP budget is projected to underspend by £12k this year, analysed as follows:

- Youth Service - Cr £38k

Staffing is projected to be underspent by £31k, premises costs £18k and transport costs by £9k and contributions to other local authorities by £41k. This is offset by projected overspends on supplies and services of £26k and income of £35k.

- Business Partnership's - Dr £46k

Staffing is projected to be underspent by £65k and supplies & services and transport by £34k. This is offset by a projected underachievement of income from schools of £86k and contributions from other departments of £44k and other income of £15k.

- Youth Offending Team - Cr £20k

Staffing is projected to be underspent by £50k this is offset by a projected overspend of £16k on premises & transport costs and £14k on the Appropriate Adult scheme

Early Intervention & Family Support - Cr £121k

There is a projected net underspend in this area due to salaries (Cr £24k), premises improvement costs (Cr £50k), cleaning (Dr £13k), telephones (Cr £7k), services commissioning costs (Cr £33k) and income (Cr £20k)

CLA and Care Leavers - Dr £22k

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 £121k is currently projected.

Offsetting this is a projected underspend on direct accommodation support to looked after children (net of housing benefit) of £99k.

Fostering, Adoption and Resources - £3,450k

The budget for children's placements is currently projected to overspend by £3,450k this year, a significant increase from the position reported in September. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,705k

- Boarding Schools - Dr £144k

- Secure Accommodation & Youth on Remand - Dr £85k

- Fostering services (IFA's) - Dr £1,272k

- Fostering services (In-house, including SGO's and Kinship) - Dr £417k

- Adoption placements - Dr £200k

- Outreach Services - Dr £482k

- Transport Costs - Cr £55k

Included in the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. An additional amount of funding of £800k has also been sought from the CCG as a contribution to these placements this has been agreed for 2018/19. Should this latter amount not be agreed in future then this will have an impact on the budget

Referral and Assessment Service - Cr £179k

The main projected variance relates to services to people with No Recourse to Public Funds (NRPF), which is currently projecting an underspend of £179k. This budget had been increased in the past as numbers had risen significantly, however currently numbers are much lower, resulting in this underspend.

Safeguarding and Care Planning East - Cr £251k

The budget for care proceedings is currently projected to underspend by £251k, particularly in the area of community and residential parenting assessments.

Safeguarding and Care Planning West- Cr £47k

Services for Children with Disabilities is projected to overspend by £65k this year. This is made up of an overspend of £248k in relation to Direct Payments and Care Initiatives, offset by an underspend of £28k on transport and £155k on group based short breaks.

A change in the provision of the short/respite breaks service at Hollybank has also realised an ongoing saving of £112k.

Safeguarding and Quality Improvement - Dr £189k

The projected variation of £189k 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 was revised to £200k in September for the remainder of the year as there had been limited success to date. The latest position is that it is not expected that any further savings can be achieved this year, therefore the remainder of the savings have been removed.

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 with an annual value of less than £30k. In Children's Social Care there were 4 waivers agreed for placements of between £50k and £100k and 7 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, there have been 2 virements 1) a virement has been actioned in Education for £35k and relates to the correction of the budget for a contract and 2) contributions from ECHS divisions to create a Customer Relations Officer as part of the Strategy, Performance and Engagement restructure for £8k. 3) Virement to CSC relating from the Programmes and Strategy Divisions to offset pressures in CSC of £250k

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	3,611	The overall full year effect of the Children's Social Care overspend is £3,801k, analysed as Residential, Fostering and Adoption Dr £5,115k , Leaving Care services (inc Staying Put and Housing Benefit clients) Cr £153k, No Recourse to Public Funds Cr £179k and Parental Assessments Cr £82k .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. Additionally, staffing costs are projected to be overspent by £939k due to continued high use of agency staff, however management action has been included to offset this as the department will need to manage the costs of staffing within the overall budget.
Adult Education	Cr 525	128	The pressure in the Adult Education area is being caused by the provision of non-fee paying courses as required by the community learning element of the ESFA grant. This requires us to provide provision to support vulnerable communities and any reduction in the priority area risks a reduction in the future allocation of the grant. The full year effect is projected to be £130k.

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:	
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
Customer Relations Officer post	Cr 8
Strategic and Business Support Services restructure	Cr 7
Education Psychologist Recharge	0
Virement from Programmes and Strategy Divisions to Childrens Social Care	250
Latest Approved Budget for 2018/19	<u><u>50,638</u></u>