

## Education, Children and Families Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Service Areas	2019/20 Original Budget £'000	2019/20 Latest Approved £'000	2019/20 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
Cr 436	Adult Education Centres	Cr 409	Cr 409	Cr 409	0		0	0
385	Schools and Early Years Commissioning & QA	676	676	676	0		0	0
6,586	SEN and Inclusion	7,829	7,829	7,674	Cr 155	1	0	0
73	Strategic Place Planning	98	98	98	0		0	0
Cr 6	Workforce Development & Governor Services	Cr 30	Cr 30	Cr 30	0		0	0
430	Access & Inclusion	527	527	527	0		0	0
Cr 1,340	Schools Budgets	Cr 1,264	Cr 1,264	Cr 1,264	0	2	0	0
71	Other Strategic Functions	28	28	28	0		0	0
<b>5,763</b>		<b>7,455</b>	<b>7,455</b>	<b>7,300</b>	<b>Cr 155</b>		<b>0</b>	<b>0</b>
<b>Children's Social Care</b>								
1,418	Bromley Youth Support Programme	1,518	1,518	1,518	0	3	0	0
879	Early Intervention and Family Support	1,156	1,156	1,156	0		0	0
5,706	CLA and Care Leavers	6,165	6,165	6,248	83		0	83
17,933	Fostering, Adoption and Resources	16,908	16,908	17,347	439		0	208
Cr 800	Management action	0	0	Cr 186	Cr 186		0	Cr 186
3,411	Referral and Assessment Service	3,407	3,407	3,743	336		0	336
2,743	Safeguarding and Care Planning East	2,912	2,912	3,099	187		0	188
4,470	Safeguarding and Care Planning West	4,575	4,575	5,104	529	0	530	
2,280	Safeguarding and Quality Improvement	663	663	753	90	0	90	
<b>38,040</b>		<b>37,304</b>	<b>37,304</b>	<b>38,782</b>	<b>1,478</b>		<b>0</b>	<b>1,249</b>
<b>43,803</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN &amp; FAMILIES</b>	<b>44,759</b>	<b>44,759</b>	<b>46,082</b>	<b>1,323</b>		<b>0</b>	<b>1,249</b>
5,332	<b>Total Non-Controllable</b>	1,819	1,819	1,819	0			0
8,391	<b>Total Excluded Recharges</b>	8,597	8,597	8,597	0		0	0
<b>57,526</b>	<b>TOTAL EDUCATION, CHILDREN &amp; FAMILIES PORTFOLIO</b>	<b>55,175</b>	<b>55,175</b>	<b>56,498</b>	<b>1,323</b>		<b>0</b>	<b>1,249</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
Cr 85	Education Psychology Service (RSG Funded)	Cr 116	Cr 116	Cr 11	105	4		0
8	Education Welfare Service (RSG Funded)	Cr 29	Cr 29	Cr 29	0			0
Cr 6	Workforce Development (DSG/RSG Funded)	Cr 34	Cr 34	Cr 34	0			0
52	Community Vision Nursery (RSG Funded)	62	62	62	0			0
93	Blenheim Nursery (RSG Funded)	86	86	86	0			0
<b>62</b>	<b>Total Sold Services</b>	<b>Cr 31</b>	<b>Cr 31</b>	<b>74</b>	<b>105</b>		<b>0</b>	<b>0</b>

**REASONS FOR VARIATIONS****1. Special Education Needs (SEN) and Inclusion - Cr £155k**

It is currently forecasted that the SEN Transport will underspend by £134k. This is split between staffing (£45k under) due to vacant posts in the current structure and extra income (£89k) from services provided to other organisations. These figure may change once the routes and children for the new academic year are finalised

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 £117k and the Trading Service they offer to the Schools to be overspent by £105k - due to the use of expensive agency staff to provide the service. This is a net underspend of £12k.

The remaining difference relates to staffing in this area that is currently forecasting an underspend of £9k.

**2. 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 £426k. This will be added to the £2,495k carried forward from 2018/19. We have agreed to use £212k of the brought forward balance to support the services in-year. The carry forward figure will need to be reduced for the Early Year adjustment for 2018/19 once DfE has released the figures (normally in July). This gives us an estimated DSG balance of £2,709k at the end of the financial year. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. The Council are contributing £1.9m of core funding to DSG services in 2019/20 and potentially any underspend could be used to minimise the Council contribution.

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

There is an underspend of £31k 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 £100k on agency staff costs due to demand led pressures in the service. This continues to be an issue

SEN placements are projected to underspend by a total of £589k. The underspend are being caused by underspends in Maintained Day (£107k), Independent Day (£364k) and Independent Boarding Schools (£301k). These underspends are then offset with overspends on Maintained Boarding Schools (£105k), Alternative Programmes (£45k) and the costs of Matrix Funding (£33k). These figures may change later in the year once the final placements (and their costs) have been agreed for the new academic year.

The DSG funded element of SEN Transport is projected to overspend by £115k due to the new routes that were established in the last year. This forecast may change once the routes for the new academic year have been finalised. Due to the current funding regulations LBB are not permitted to increase this budget from the previous year.

There is an overspend of £24k in the High Needs Pre-School Service due to staffing.

The Sensory Support Service and Darrick Wood Hearing Units are underspent by £39k, mainly due to an underspend in staffing.

The Schools Improvement Plan Service (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 were not expected to be incurred during the year. This are then offset by similar overspends at the Complex Needs Team and the Early Support Programme. The net effect of these cost centres is a £3k underspend.

There is also a total small balance of underspends of £3k. This consists of £14k underspend in the SEN heading, and £11k overspend

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000	
Primary Support Team	-31	0	0	0	0	-31
Home & Hospital	100	100	0	0	0	0
Other Small Balances	11	6	3	2	2	0
SEN:						
- Placements	-589	-589	0	0	0	0
- Transport	115	115	0	0	0	0
- High Needs Pre-school Service	24	24	0	0	0	0
- Sensory Support	-30	-30	0	0	0	0
- SIPS	-7	0	0	0	-7	0
- Darrick Wood Hearing Unit	-9	-9	0	0	0	0
- Complex Needs Team	13	13	0	0	0	0
- Outreach & Inclusion Service	-21	-21	0	0	0	0
- Early Support Programme	12	12	0	0	0	0
- Other Small SEN Balances	-14	-9	0	0	0	-5
<b>Total</b>	<b>-426</b>	<b>-388</b>	<b>3</b>	<b>-5</b>	<b>-5</b>	<b>-36</b>

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 contributed £1.9m in the High Needs Block. From 2020/21 although it is not yet clarified by DfE, it is expected that disapplication requests to top slice funding will no longer be available as the 'hard formula' National Funding Formula is put in place and funding blocks are even more rigidly fixed.

### **3. Children's Social Care - Dr £1,478k**

The current budget variation for the Children's Social Care Division is projected to be an overspend of £1,478k based on current levels of spending. Despite additional funding being secured in the 2019/20 budget, continued increases in the number of children being looked after together with the high cost's of some placements has continued to put considerable strain on the budget.

#### **CLA and Care Leavers - Dr £83k**

The projected overspend in this area relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff.

#### **Fostering, Adoption and Resources - £253k (net of management action)**

The budget for children's placements is currently projected to overspend by £439k this year, with management action of £186k reducing this to £253k. The analysis of this over the various placement types is shown below.

- Community Home's / Community Home's with Education - Cr £3k
- Boarding Schools - Cr £153k
- Placement Support services - Dr £163k
- Fostering services (IFA's) - Dr £561k
- Fostering services (In-house, including SGO's and Kinship) - Cr £160k
- Adoption placements - Dr £31k

The projections include an estimation of further costs for the year of children coming into care. Also included in the variations above are (1) Bromley CCG have continued to contribute £1m this year towards the continuing care costs of placements and have committed to a further £900k in 2019/20. (2) additional funding for Unaccompanied Asylum Seeking Children expected due to the April 2019-20 change in daily allowance from £91 to £114/day. This equates to an additional £8,400 per annum for each UASC child, assuming they are in all the financial year.

The main pressure area continues to be the number of placements being made into Independent Fostering agencies (IFA) which on average cost £20k more than an in-house fostering placement.

Management action of £186k is also included further reducing the projected spend, this relates to moving placements from residential care settings to in-house fostering. This target was originally £400k and £214k of this has already been achieved.

#### **Referral and Assessment Service - Dr £336k**

The projected overspend in this area relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff.

#### **Safeguarding and Care Planning East - Dr £187k**

The projected overspend in this area relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff.

#### **Safeguarding and Care Planning West- Dr £529k**

Of the projected overspend in this area, £110k relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff. There is a £419k projected overspend in direct payments for children with disabilities, with several high cost packages of care being paid.

#### **Safeguarding and Quality Improvement - Dr £90k**

The projected overspend in this area relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff.

### **4. 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 was 1 waiver agreed for placements of 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, 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

Description	2019/20 Latest Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Children's Social Care	37,304	1,478	The overall full year effect of the Children's Social Care overspend is £1,249k, analysed as Residential Care, Fostering and Adoption Dr £1,228k , Children with Disabilities direct payments £420k and staffing costs of £807k. Expected income form additional Unaccompanied Asylum Seeking Children funding of £1,020k and management action of £186k in relation to placements reduces the full year effect of the overspend.

<b>Reconciliation of Latest Approved Budget</b>		<b>£'000</b>
<b>Original Budget 2019/20</b>		<b>55,175</b>
<b>Carry forwards:</b>		
SEN Reforms Grant	- expenditure	55
	- income	Cr 55
SEN Pathfinder Grant	- expenditure	8
	- income	Cr 8
Early Years Grant	- expenditure	15
	- income	Cr 15
Delivery Support Fund	- expenditure	27
	- income	Cr 27
Step up to Social Work Cohort 6	- expenditure	48,000
	- income	Cr 48,000
Reducing Parental Conflict	- expenditure	40,100
	- income	Cr 40,100
FGM Focussed Outreach Grant	- expenditure	10,135
	- income	Cr 10,135
Tackling Troubled Families	- expenditure	510,768
	- income	Cr 510,768
<b>Latest Approved Budget for 2019/20</b>		<b><u>55,175</u></b>