

## 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>PEOPLE DEPARTMENT</b>								
<b>Education Division</b>								
Cr 436	Adult Education Centres	Cr 409	Cr 409	Cr 413	Cr 4		0	0
385	Schools and Early Years Commissioning & QA	676	676	676	0		0	0
6,586	SEN and Inclusion	7,829	7,816	7,981	165	1	Cr 155	0
73	Strategic Place Planning	98	98	98	0		0	0
Cr 6	Workforce Development & Governor Services	Cr 30	Cr 30	Cr 34	Cr 4		0	0
430	Access & Inclusion	527	527	583	56	2	0	0
Cr 1,340	Schools Budgets	Cr 1,264	Cr 1,264	Cr 1,264	0	3	0	0
71	Other Strategic Functions	28	18	18	0		0	0
<b>5,763</b>		<b>7,455</b>	<b>7,432</b>	<b>7,645</b>	<b>213</b>		<b>Cr 155</b>	<b>0</b>
<b>Children's Social Care</b>								
1,418	Bromley Youth Support Programme	1,518	1,518	1,665	147	4	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	6,178	6,127	Cr 51		83	50
17,933	Fostering, Adoption and Resources	16,908	16,908	17,015	107		439	660
Cr 800	Management action	0	0	Cr 186	Cr 186		Cr 186	Cr 186
3,411	Referral and Assessment Service	3,407	3,407	3,479	72		336	142
2,743	Safeguarding and Care Planning East	2,912	2,912	2,960	48		187	242
4,470	Safeguarding and Care Planning West	4,575	4,575	5,272	697		529	698
2,280	Safeguarding and Quality Improvement	582	571	716	145	90	145	
<b>38,040</b>		<b>37,223</b>	<b>37,225</b>	<b>38,204</b>	<b>979</b>		<b>1,478</b>	<b>1,751</b>
<b>43,803</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN &amp; FAMILIES</b>	<b>44,678</b>	<b>44,657</b>	<b>45,849</b>	<b>1,192</b>		<b>1,323</b>	<b>1,751</b>
5,332	<b>Total Non-Controllable</b>	1,819	1,819	1,819	0			0
8,391	<b>Total Excluded Recharges</b>	8,678	8,678	8,678	0		0	0
<b>57,526</b>	<b>TOTAL EDUCATION, CHILDREN &amp; FAMILIES PORTFOLIO</b>	<b>55,175</b>	<b>55,154</b>	<b>56,346</b>	<b>1,192</b>		<b>1,323</b>	<b>1,751</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
Cr 85	Education Psychology Service (RSG Funded)	Cr 116	Cr 116	Cr 9	107	5	105	0
8	Education Welfare Service (RSG Funded)	Cr 29	Cr 29	24	53		0	0
Cr 6	Workforce Development (DSG/RSG Funded)	Cr 34	Cr 32	Cr 38	Cr 6		0	0
52	Community Vision Nursery (RSG Funded)	62	62	104	42		0	0
93	Blenheim Nursery (RSG Funded)	86	86	97	11		0	0
<b>62</b>	<b>Total Sold Services</b>	<b>Cr 31</b>	<b>Cr 29</b>	<b>178</b>	<b>207</b>		<b>105</b>	<b>0</b>

**REASONS FOR VARIATIONS****1. Special Education Needs (SEN) and Inclusion - Dr £165k**

It is currently forecasted that the SEN Transport will overspend by £88k. This is split between staffing (£57k under) due to vacant posts in the current structure and extra income (£94k) from service provided to other organisations. There is then an overspend of £239k for providing the transport service.

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 £53k and the Trading Service they offer to the Schools to be overspent by £107k - due to the use of expensive agency staff to provide the service. This is a net Overspend of £54k.

The remaining difference relates to staffing in this area that is currently forecasting an overspend of £23k.

**2. Access & Inclusion - Dr £56k**

The Education Welfare Service Trading Account is currently expected to under collect on its income by £52k due to the loss of a number of school contracts.

The remaining difference relates to staffing in this area that is currently forecasting an overspend by £4k.

**3. 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 £877k. This will be added to the £2,495k carried forward from 2018/19. It was agreed that £278k of the brought forward balance could be used to support services in-year. The carry forward figure will need to be adjusted for the Early Year adjustment for 2018/19 of an additional £869k of grant. This gives us an estimated DSG balance of £2,209k 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:-

£265k on modular classroom rentals during the year.

The budget for the 2 year old children is expected to overspend by £140k and this is being offset by an underspend for 3 & 4 years old children (both standard 15 and the additional 15 hours) of £449k. Additionally there is a £13k overspend on the staffing budget that supports this area. This is resulting in a net underspend of £296k.

There is an underspend of £24k 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 due to demand led pressures in the service. This is likely to continue to be an issue in future years.

The Education Welfare service is currently forecasting an underspend of £36k due to higher than expected income collection.

There is currently an expected overspend on High Needs Place and Top Up Funding of £210k. This is based on an overspend of £103k for Place Funding, £95k for Top Up Funding and £12k for Nursery Funding.

Following changes to the 6th Form Grant Allocation for the 2019/20 academic year there is a pressure of £373k on this budget.

During the year there are adjustments to the DSG, mainly due to updated recoupment figures for the year. These are mostly around High Needs Recoupment. The net effect of these changes has been an increase in the High Needs allocation of approximately £115k.

SEN placements are projected to underspend by a total of £234k. The underspend is being caused by the Independent Schools (£336k), Out of Borough Primary Schools (£201k) and Out of Borough Secondary Schools (£607k). These underspends are then offset with overspends on Out of Borough Special Schools (£762k) and Alternative Provisions (£148k).

Additional to the SEN Placements there is a £587k overspend on the Matrix Funding to mainstream schools.

The DSG funded element of SEN Transport is projected to overspend by £115k due to 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 underspend of £42k in the High Needs Pre-School Service due to staffing.

The Sensory Support Service and Darrick Wood Hearing Units are underspent by £25k, mainly due to staffing.

The SIPS and Outreach & Inclusion Services and Complex Needs Team 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. This is offset by similar overspends in the Pupil Support Service. The net effect of these cost centres is a £30k underspend.

There is also a total small balance of overspends of £29k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Classroom Hire	265	0	265	0	0
Free Early Education - 2 year olds	140	0	0	140	0
Free Early Education - 3 & 4 year olds (Inc. extra)	-449	0	0	-449	0
Early Year Support	13	0	0	13	0
Primary Support Team	-24	0	0	0	-24
Home & Hospital	100	100	0	0	0
Education Welfare Officers	-36	0	0	0	-36
High Needs Place Funding	210	210	0	0	0
6th Form Grant Allocation Changes	373	373	0	0	0
Recoupment and Other Expected DSG Allocatior	-115	-115	0	0	0
Other Small Balances	4	-7	3	0	8
SEN:					
- Placements	-234	-234	0	0	0
- Matrix Funding	587	587	0	0	0
- Transport	115	115	0	0	0
- High Needs Pre-school Service	-42	-42	0	0	0
- Darrick Wood Hearing Unit	-25	-25	0	0	0
- SIPS	-32	0	0	-32	0
- Pupil Support Services	12	12	0	0	0
- Complex Needs Team	-23	-23	0	0	0
- Outreach & Inclusion Service	13	13	0	0	0
- Other Small SEN Balances	25	-4	0	0	29
<b>Total</b>	<b>877</b>	<b>960</b>	<b>268</b>	<b>-328</b>	<b>-23</b>

There will continue to be pressures in the DSG from 2020/21 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 of £1.9m have contributed to the High Needs Block.

#### **4. Children's Social Care - Dr £979k**

The current budget variation for the Children and Families Division is projected to be an overspend of £979k. This is a reduction of £499k in the overspend reported in May which was £1,478k, and is 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 of some placements has continued to put considerable strain on the budget.

#### **Bromley Youth Support Programme - Dr £147k**

This variation relates to the Business Partnership budget for income, with income from other departments and schools significantly below the budget.

#### **CLA and Care Leavers - Cr £51k**

The projected underspend in this area relates to an overspend of £50k on staffing costs, arising as a result of the use of more expensive agency staff. Offsetting this are underspends on accommodation costs in relation to the Staying Put scheme of £24k, CLA costs of £60k and accommodation and support costs and related housing benefit income of the 18+ age group of £17k.

#### **Fostering, Adoption and Resources - Cr £79k ( net of management action )**

The budget for children's placements is currently projected to overspend by £107k this year, a fall from the reported overspend of £439k in May, with management action of £186k reducing this to an underspend of £79k. The analysis of this over the various placement types is shown below, with the May position shown in brackets.

- Community Home's / Community Home's with Education - Cr £744k (Cr £3k)
- Boarding Schools - Dr £47k (Cr £153k)
- Placement Support services - Dr £149k (Dr £163k)
- Secure Accommodation - Cr £348k (£0k)
- Youth on Remand - Cr £146k (£0k)
- Fostering services (IFA's) - Dr £1,357k (Dr £561k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £206k (Cr £160k)
- Adoption placements - Cr £2k (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 due to the 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 £72k

The projected overspend in this area relates to staffing costs , which are £142k overspent as a result of the use of agency staff. This is offset by an underspend on the No Recourse to Public Funds budget of £70k, with actual numbers continuing to remain under budget.

Safeguarding and Care Planning East - Dr £48k

The projected overspend in this area relates to staffing costs , which are £242k overspent as a result of the use of agency staff. This is offset by an underspend on Public Law Outline costs which is projected to underspend by £194k, as the call on this budget has reduced.

Safeguarding and Care Planning West- Dr £697k

Of the projected overspend in this area, £148k 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 £549k projected overspend in direct payments for children with disabilities, with several high cost packages of care being paid. This is an increase on the projections in May.

Safeguarding and Quality Improvement - Dr £145k

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.

**5. 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 8 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 no virements

Description	2019/20 Latest Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Children's Social Care	37,225	979	The overall full year effect of the Children's Social Care overspend is a net £1,751k, analysed as Residential Care, Fostering and Adoption Dr £1,560k , Children with Disabilities direct payments £550k and staffing costs of £727k. Expected income from additional Unaccompanied Asylum Seeking Children funding of £900k 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
- income	Cr 48
Reducing Parental Conflict	
- expenditure	40
- income	Cr 40
FGM Focussed Outreach Grant	
- expenditure	10
- income	Cr 10
Tackling Troubled Families	
- expenditure	511
- income	Cr 511
<b>Other:</b>	
Contributions to creation of Local Offer Development Officer	Cr 21
<b>Latest Approved Budget for 2019/20</b>	<b><u>55,154</u></b>