

Children, Education 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 |
|-------------------------------|--|--|--|--|--------------------|-------|--|------------------------------|
| PEOPLE DEPARTMENT | | | | | | | | |
| Education Division | | | | | | | | |
| Cr 436 | Adult Education Centres | Cr 409 | Cr 409 | Cr 375 | 34 | 1 | Cr 4 | 0 |
| 385 | Schools and Early Years Commissioning & QA | 676 | 676 | 585 | Cr 91 | 2 | 0 | 0 |
| 6,586 | SEN and Inclusion | 7,829 | 7,816 | 8,015 | 199 | 3 | 165 | 0 |
| 73 | Strategic Place Planning | 98 | 98 | 98 | 0 | | 0 | 0 |
| Cr 6 | Workforce Development & Governor Services | Cr 30 | Cr 30 | Cr 36 | Cr 6 | | Cr 4 | 0 |
| 430 | Access & Inclusion | 527 | 527 | 541 | 14 | | 56 | 0 |
| Cr 1,340 | Schools Budgets | Cr 1,264 | Cr 1,264 | Cr 1,264 | 0 | 4 | 0 | 0 |
| 71 | Other Strategic Functions | 28 | 18 | 18 | 0 | | 0 | 0 |
| 5,763 | | 7,455 | 7,432 | 7,582 | 150 | | 213 | 0 |
| Children's Social Care | | | | | | | | |
| 1,418 | Bromley Youth Support Programme | 1,518 | 1,518 | 1,559 | 41 | 5 | 147 | 0 |
| 879 | Early Intervention and Family Support | 1,156 | 1,156 | 1,034 | Cr 122 | | 0 | 0 |
| 5,706 | CLA and Care Leavers | 6,165 | 6,257 | 6,115 | Cr 142 | | Cr 51 | 0 |
| 17,933 | Fostering, Adoption and Resources | 16,908 | 16,908 | 16,906 | Cr 2 | | 107 | 587 |
| Cr 800 | Management action | 0 | 0 | 0 | 0 | | Cr 186 | 0 |
| 3,411 | Referral and Assessment Service | 3,407 | 3,407 | 3,646 | 239 | | 72 | 199 |
| 2,743 | Safeguarding and Care Planning East | 2,912 | 2,912 | 2,957 | 45 | | 48 | 96 |
| 4,470 | Safeguarding and Care Planning West | 4,575 | 4,575 | 5,439 | 864 | | 697 | 709 |
| 2,280 | Safeguarding and Quality Improvement | 582 | 571 | 830 | 259 | 145 | 379 | |
| 38,040 | | 37,223 | 37,304 | 38,486 | 1,182 | | 979 | 1,970 |
| 43,803 | TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES | 44,678 | 44,736 | 46,068 | 1,332 | | 1,192 | 1,970 |
| 5,332 | Total Non-Controllable | 1,819 | 1,819 | 1,806 | Cr 13 | | 0 | 0 |
| 8,391 | Total Excluded Recharges | 8,678 | 8,678 | 8,678 | 0 | | 0 | 0 |
| 57,526 | TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO | 55,175 | 55,233 | 56,552 | 1,319 | | 1,192 | 1,970 |
| Memorandum Item | | | | | | | | |
| Sold Services | | | | | | | | |
| Cr 85 | Education Psychology Service (RSG Funded) | Cr 116 | Cr 116 | Cr 8 | 108 | 6 | 107 | 0 |
| 8 | Education Welfare Service (RSG Funded) | Cr 29 | Cr 29 | 18 | 47 | | 53 | 0 |
| Cr 6 | Workforce Development (DSG/RSG Funded) | Cr 34 | Cr 32 | Cr 38 | Cr 6 | | Cr 6 | 0 |
| 52 | Community Vision Nursery (RSG Funded) | 62 | 62 | 33 | Cr 29 | | 42 | 0 |
| 93 | Blenheim Nursery (RSG Funded) | 86 | 86 | 59 | Cr 27 | | 11 | 0 |
| 62 | Total Sold Services | Cr 31 | Cr 29 | 64 | 93 | | | 207 |

REASONS FOR VARIATIONS**1. Adult Education - Dr £34k**

There is an overspend in Adult Education, and this is due to an estimated under collection of course fees (£20k) and an overspend on staffing costs (£23k). This is offset by an underspend of £9k on running costs.

2. Schools and Early Years Commissioning & QA - Cr £91k

The Nurseries are underspending by £56k. This is broken down to underspends on staffing (£73k), running costs (£13k) and Provisions (£36k). These are then offset by an any under collection of £66k on income. These variance would be expected at the nurseries as they have not running at full capacity during the year.

Early Years is currently underspent by £29k. This is due to staff vacancies (£23k) and a small underspend on running costs (£6k).

The remaining difference relates to staffing in this area that is currently forecasting an underspend of £6k.

3. SEN and Inclusion - Dr £199k

It is currently forecasted that the SEN Transport will overspend by £143k. This is split between staffing (£42k underspent) and additional income (£94k) from services provided to other organisations. There is then an overspend of £258k for providing the transport service. Additionally there is a pressure of £21k relating to specialist legal advice the service required to resolve a supplier issue.

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 £79k and the Trading Service they offer to the Schools to be overspent by £108k. This is due to the use of expensive agency staff to provide the service. This is a net Overspend of £29k.

The remaining difference relates to staffing in this area that is currently forecasting an overspend of £27k.

4. 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 £1,095k. This will be taken from the £2,495k carried forward from 2018/19. We have agreed to use £278k of the brought forward balance to support the services in-year. The carry forward figure will need to be adjusted for the Early Year adjustment for 2018/19 of £869k. This gives us an estimated DSG balance of £1,991k 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:-

£271k 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 normal 15 and the new additional 15 hours) of £449k. Additionally there is a £3k underspend on the staffing budget that supports these payments and a £27k underspend on the DAF related spend. This is resulting in a net underspend of £339k.

There is an underspend of £25k 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 £130k on agency at present due to demand led pressures in the service. This continues to be an issue.

The Education Welfare service is currently forecasting an underspend of £18k due to higher than expected income collection.

During the year one of the Bromley Maintained schools closed, and after all payments were paid relating to the school there was £47k that has been return to the DSG.

There is currently an expected overspend on High Needs Place and Top Up Funding of £167k. This is based on an overspend of £121k for Place Funding, £53k for Top Up Funding and £7k underspend on 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 DfE make 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 overspend by a total of £46k. There are underspends being caused by boarding placements (£358k) and additional income of (£46k). These underspends are then offset by overspends on day placements (£136k) and Alternative Provisions (£314k).

Additional to the SEN Placements there is a £512k 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.

The SIPS and Pupil Support Service 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 are then offset by similar overspends at the Pupil Support Service, Outreach & Inclusion Services and Complex Needs Team. The net effect of these cost centres is a £19k overspend.

There is also a total small balance of overspends of £6k.

| | Variations £'000 | High Needs £'000 | Schools £'000 | Early Years £'000 | Central £'000 |
|--|---------------------|---------------------|------------------|----------------------|------------------|
| Classroom Hire | 271 | 0 | 271 | 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 | -3 | 0 | 0 | -3 | 0 |
| DAF | -27 | 0 | 0 | -27 | 0 |
| Primary Support Team | -25 | 0 | 0 | 0 | -25 |
| Home & Hospital | 130 | 130 | 0 | 0 | 0 |
| Education Welfare Officers | -18 | 0 | 0 | 0 | -18 |
| School Balance Returned | -47 | -47 | 0 | 0 | 0 |
| High Needs Place Funding | 167 | 167 | 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 | -2 | -7 | 48 | 0 | -43 |
| SEN: | | | | | |
| - Placements | 46 | 46 | 0 | 0 | 0 |
| - Matrix Funding | 512 | 512 | 0 | 0 | 0 |
| - Transport | 115 | 115 | 0 | 0 | 0 |
| - Pupil Support Services | 7 | 7 | 0 | 0 | 0 |
| - SIPS | -22 | 0 | 0 | -22 | 0 |
| - Complex Needs Team | 10 | 10 | 0 | 0 | 0 |
| - Business Support | 24 | 0 | 0 | 0 | 24 |
| - Other Small SEN Balances | 8 | 8 | 0 | 0 | 0 |
| Total | 1,095 | 1,199 | 319 | -361 | -62 |

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.

5. Children's Social Care - Dr £1,182k

The current budget variation for the Children and Families Division is projected to be an overspend of £1,182k. This is an increase of £203k in the overspend reported in September which was £979k, and is based on current levels of spending. Despite additional funding being secured in the 2019/20 budget, 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 (BYSP) - Dr £41k

This variation relates to staffing budgets within the service with a projected underspend of £9k on BYSP Delivery and overspend of £50k on the Youth Offending Service.

Early Intervention and Family Support - Cr £122k

The projected underspend is made up of:

- Staffing Cr £82k
- Contract costs Dr £20k
- Premises costs Cr £39k
- Staff Travel, Car Allowances & Training Cr £21k

CLA and Care Leavers - Cr £142k

The projected variation in this area relates to underspends on accommodation costs in relation to the Staying Put scheme of £28k and Children Looked After placement support costs of £121k. This is offset by an overspend in accommodation and support costs and related housing benefit income of the 18+ age group of £7k.

Fostering, Adoption and Resources - Cr £2k (net of management action)

The budget for children's placements is currently projected to be almost on budget this year, with a small underspend of £2k projected. This is a reduction from the September projected underspend of £79k, mainly due to management action previously expected to reduce costs of £186k now being removed. Some of this management action would have been achieved, and this would be imbedded in the variation reported, but it is now not expected that any further reductions in cost's are achievable that would impact on the current financial year. The analysis of this over the various placement types is shown below, with the September position shown in brackets.

- Community Home's / Community Home's with Education - Cr £913k (Cr £744k)
- Boarding Schools - Dr £44k (Dr £47k)
- Placement Support services - Dr £169k (Dr £149k)
- Secure Accommodation - Cr £501k (Cr £348k)

- Youth on Remand - Cr £429k (Cr £146k)
- Fostering services (IFA's) - Dr £1,627k (Dr £1,357k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £145k (Cr £206k)
- Adoption placements - Cr £7k (Cr £2k)

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 and are 38 fte places above the budgeted provision of 67 fte places.

The provision of Adoption Services has moved to the new Regional Adoption Agency, with most services now being undertaken by Coram rather than the council. The new contract started on 11th July 2019, with an annual value of £435k, and is expected to be overspent by £152k

Referral and Assessment Service - Dr £239k

The projected overspend in this area relates to staffing costs , which are £327k 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 £88k, with actual numbers continuing to remain under budget.

Safeguarding and Care Planning East - Dr £45k

The projected overspend in this area relates to staffing costs , which are £184k 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 £139k, as the call on this budget has reduced.

Safeguarding and Care Planning West- Dr £864k

Of the projected overspend in this area, £255k 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 £682k 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 September by £132k. this is offset by a reduction in short breaks of £73k.

Safeguarding and Quality Improvement - Dr £259k

Of the projected overspend in this area, £167k relates to staffing costs and arises as a result of the use of agency staff which cost more than a permanent member of staff. Additionally the costs of recruitment of overseas workers and payments to recruitment agencies have increased costs by a further £62k. There have also been some additional costs for pre inspection work for the Youth Offending Service of £30k

6. 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 9 waivers agreed for placements of between £50k and £100k and 8 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 | 1,182 | The overall full year effect of the Children's Social Care overspend is a net £1,970k, analysed as Residential Care, Fostering and Adoption Dr £587k , Children with Disabilities direct payments £550k and staffing costs of £833k. |

| Reconciliation of Latest Approved Budget | £'000 |
|--|----------------------|
| Original Budget 2019/20 | 55,175 |
| Carry forwards: | |
| 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 |
| Family Group Conferences | |
| - expenditure | 52 |
| - income | Cr 52 |
| Other: | |
| MOPAC YOS Grant | |
| - expenditure | 20 |
| - income | Cr 20 |
| Tackling Troubled Families | |
| - expenditure | 365 |
| - income | Cr 365 |
| Additional MOPAC expenditure 19/20 | 50 |
| Additional MOPAC Grant recharged to Children's Services | Cr 50 |
| North Lodge | 79 |
| Contributions to creation of Local Offer Development Officer | Cr 21 |
| Latest Approved Budget for 2019/20 | <u>55,233</u> |