

Decision Maker: CHILDREN, EDUCATION AND FAMILIES POLICY
DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 18th June 2020

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2019/20

Contact Officer: David Bradshaw, Head of Finance, Children, Education and Families
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Chief Officer: Director, Children, Education and Families

Ward: (All Wards);

1. Reason for report

1.1 This report provides the provisional outturn position for 2019/20.

2. **RECOMMENDATION(S)**

2.1 **The Children, Education and Families Policy Development and Scrutiny Committee are invited to:**

- (i) **Note that the latest projected overspend of £1,348,000 on controllable expenditure at the end of 2019/20 and consider any issues arising from it: and,**
- (ii) **Note that the Leader on the 27th May 2020 has agreed the net carry forwards as detailed in Appendix 2;**

2.2 **The Portfolio Holder is asked to:**

- (i) **Endorse the 2019/20 provisional outturn position for the Children, Education and Families Portfolio.**

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Health and Integration
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: ECF Portfolio
 4. Total current budget for this head: £62.145m
 5. Source of funding: CEF approved budget
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Staff

1. Number of staff (current and additional): 1,138 Full time equivalent
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2019/20 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Children, Education and Families Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The provisional outturn for the “controllable” element of the Children, Education and Families Committee budget in 2019/20 is an overspend of £1,348k compared to the last reported figure of an overspend of £1,319k which was based on activity at the end of December 2019.
- 3.3 Senior officers meet on a regular basis to scrutinise and challenge the expenditure position and formulate management action to address any issues.

FINAL POSITION

- 3.4 The £1,348k overspend is summarised in the table below. All of the pressures and savings are further detailed and broken down in Appendix 1B.

<u>DIVISION</u>	<u>£'000</u>
Adult Education - Under collection of course fees, overspend on staffing, offset by an underspend on running expenses	34
Schools, Early Years Commissioning and QA - In house nursery income shortfall offset by staffing and additional income elsewhere within the division	-147
SEN and Inclusion - Additional transport costs, use of agency staff and additional costs of EHCP's	332
Strategic Place Planning - staff vacancies	-25
Workforce Development and Governor Services - Running cost overspend plus under collection of income	38
Access and Inclusion - Under collection of income in the EWO service offset by staffing and running expense underspends	-118
Central Schools Budgets - Recharge overspend offset by corresponding amount in non controllable expenditure	30
Other strategic Functions - Running costs underspend	-13
Bromley youth Support - Staffing underspends and additional income received from Health	-95
Early Intervention and Family Support - Salary and contract cost underspends	-236
CLA and Care leavers - Additional costs of accommodation relating to 'Staying Put', increased placement support costs and an increase in the bad debt provision.	306
Fostering, Adoption and Resources - underspend in residential placements and staffing partially offset by an overspend in contract costs for the RAA	-99
Referral and Assessment - staffing costs and the use of agency staff	170
Safeguarding and Care Planning East - staffing costs and the use of agency staff offset by Public Law Outline costs which were lower than expected	86
Safeguarding and Care Planning West - Overspend on Children with Disabilities, particularly around direct payments, partially offset by other contract savings	566
Safeguarding and Quality Improvement - staffing costs and the use of agency staff	519
	<u>1,348</u>

DSG GRANT POSITION

- 3.5 An element of the Education budget within the Portfolio is classed as Schools' budget and is funded through the Dedicated schools Grant (DSG). Grant conditions requires that any over or underspend should be carried forward to the next financial year.
- 3.6 The DSG overspent by £1,353k in 2019/20. This will be taken from the £2,495k carried forward from 2018/19. It was agreed to use £278k of the brought forward balance to support the services in-year. The carry forward figure has also been adjusted for the Early Year adjustment for 2018/19 of £869k. This gives us an DSG balance to carry forward of £1,733k in to the new 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 has contributed £1.9m of core funding to DSG services in 2019/20.
- 3.7 A summary of the main variations is provided in the table below, and further details and variations can be found in Appendix 2.

	Variations £'000
Bulge Classes	-69
Classroom Hire	182
Free Early Education - 2 year olds	-120
Free Early Education - 3 & 4 year olds (Inc. extra 15 hours)	-1,110
Early Year Support	-12
DAF	-15
Home & Hospital	443
Education Welfare Officers	-39
Access & Admissions	45
School Balance Returned	-47
6th Form Grant Allocation Changes	373
Special Education Needs	1,715
Other Small Balances	7
Total	<u>1,353</u>

CARRY FORWARDS

- 3.8 On the 27th May 2020 the Leader was asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2020/21. Appendix 2 provides a detailed breakdown of all of the carry forward requests. As you will see from Appendix 2 the carry forwards included in section 1 will have repayment implications if not approved, those in section 2 relate to grants which will not have to be repaid if not agreed but will impact on service delivery in 2020/21. Section 3 are carry forward requests with no grant attached. Future reports to the Portfolio Holder will be required to approve their release.

FULL YEAR EFFECT GOING INTO 2020/21

- 3.9 Appendix 3 provides a breakdown of any full year implications arising from the final 2019/20 outturn. Overall there are £1,820k of full year effect pressures in 2020/21. All of these are in the Children's Social Care area. As part of the budget setting process the vast majority of these full year effects have been dealt with and additional funding has been added to the budgets for 2020/21. There are still some management actions that were assumed to be taken that have not delivered in 2019/20. They are mainly around the review of Agency Staff levels and the costs. If these are not addressed in 2020/21 then there will be an additional pressure on the budget.

£'000

Residential/Fostering/Adoption placements	587
Children with Disabilities - Direct Payments	400
Agency staff costs	833
	<u>1,820</u>

- 3.10 Appendix 4 provides a detailed reconciliation of the original 2019/20 budget to the latest approved 2019/0 budget

DIRECTOR OF CHILDRENS SERVICES COMMENTS

- 3.11 The Children, Education and Families Portfolio has an overspend of £1,348,000 for the year
- 3.12 The Education Division has an overspend of £131k, mainly due to SEN Transport and staffing pressures in some areas of the division.
- 3.13 There is a current projected overspend in DSG of £1,353k. This will be taken from 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 £1,733k 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.
- 3.14 In Children's Social Care (CSC) the overspend of £1,217k is due to the following:-

Staffing within Childrens Social Care (CSC)

- 3.15 This continues to be an ongoing challenge and we are currently standing at around 79% of permanent staff. We have converted some staff to permanency roles but the challenge is becoming greater in relation to the remaining increase partly because of competing increase in salaries in adjoining boroughs and the lure of agency work via some of our social care agencies – I am pleased to say that following the appointment of David Dare as Assistant Director we seconded an agency member of staff who has now become permanent with us and has taken the role of HOS Safeguarding West.
- 3.16 There are still requirements from authorities who are inadequate to attract skilled and experienced staff and because of the current C19 issue those authorities will have more time to improve and therefore offering agency rates for longer periods of time.
- 3.17 We continue to recruit ASYE's (Assessed and Supported Year in Employment). We are currently in the process of interviewing 8 potential ASYE's for the September cohort and again when these workers are recruited we will reduce the number of agency staff. The number of staff being interviewed is reflective of the full permanency rates in Permanency, Children with Disabilities, Children Looked After and Leaving Care. It is the front line safeguarding service that is the challenge for securing social workers.
- 3.18 If the current overspend was to be reduced instantly this would equate to approximately 15 + social work posts being axed and 225 children without an allocated social worker. In addition to the current climate of C19 this would add significant pressure in supporting and safeguarding children. This would breach the vision and values of the Local Authority (LA) and the assurance given to Ofsted of a caseload and small social work pods. In any event this would likely cause the current solid permanent workforce to leave the authority because whilst we might not be

competing on a level playing field with salary as we are with the caseload promise, excellent management oversight and training.

- 3.19 Such action would place children at risk. Any improvement journey is seen to be between 3 and 5 years. We are currently in year 3 of this journey and although Bromley have exceeded the time limit by turning the authority around within 19 months but we need to be mindful that the remainder of the journey is to ensure that we appoint and then retain good quality staff who can meet the needs of our children.

Placements

- 3.20 We continue to work hard to reduce the placement spend and this has outturned as an underspend of £99k, an increase from the reported underspend of £2k in December mainly due to minor movements and projections for client numbers.
- 3.21 Currently we have no children who are in secure settings and this is due to the work of the staying together team in supporting families of children aged 14 and above where the cost of placements should they be accommodated is very high and often escalates behaviour to reach a secure threshold.
- 3.22 We have worked hard to extend some of our experienced foster carers to take our children from expensive step down residential placements. These are some of our most complex children and we have 4 carers who have received intense training and are supported by a psychologist. We have used 3 of the four placements for children which has saved the LA between £600 - £3,800 per week per respective placement. Over the course of 1 year these combined placements could alleviate future pressures by approximately £400,000. More importantly this means that a young person has the experience and support of a family life. We have a fourth placement being planned at the current time.
- 3.23 We have 12 children who will move out of the care system with a care plan of adoption and a further 8 children currently in care proceedings which will result in SGO – the net result of this would mean better outcomes for children but reduce the numbers of CLA and reduce the spend both in terms of actual cost and hidden cost of social worker and Independent Reviewing Officer (IRO) time.
- 3.24 In addition our CLA numbers are reducing with around 62 children moving out of the system by March – September 2020. Our Staying Together service since their inception in November 2018 has worked with over 100 children and only 4 young people have come into care. Had even a greater percentage of these young people come into care they would have qualified for leaving care services up to the age of the 25. This would have been a cost to the LA but also prevented them living within their birth families.
- 3.25 We have 10 Unaccompanied Asylum Seeking Children (UASC) who have reached 18 between January and March 2020 - these young people will move from the CLA cohort to leaving care which is not covered by the grant.
- 3.26 We know that whilst the Government have increased the funding from £91 to £114 per day for UASC there is a shortfall in the funding for the leaving care cohort. All LA's through various groups are pressurising the Minister to consider this position. These are traumatised young people whose needs do not diminish at 18 and with the Social Work Act we are responsible for their leaving care duty until 25.

Fostering and adoption

- 3.27 We have continued to improve our numbers of foster carers and at the current time we have 25 fostering households being assessed which would equate to 50 carers for our children. This will

further reduce our reliance on Independent Foster Agencies (IFA's). On the 18th May we have launched fostering fortnight and anticipate that we will receive further interest. During March – which incidentally coincided with the C19 lockdown the service received 20 enquiries and are following these up to ensure that where appropriate we pursue potential carers.

- 3.28 In November 2019 we established a group of foster carers who now take emergency placements during out of hours, weekends and will receive children who are in police custody or need immediate protection. The purpose of this group is to prevent children moving to IFA's in the first instance and this in time will reduce the dependency on these providers. To date we have three sets of carers who between them have accepted 7 children into their care in an emergency. This allows for children to be placed in Bromley rather than potentially be placed further away and allows for our foster carers to work with us whilst plans are made for a longer term placement, again wherever possible with Bromley foster carers. The foster carer receives £258 per week, whereas an IFA placement in an emergency could cost £800-£1,100 and residential placement upwards of £4,000.
- 3.29 We have now joined the West London Alliance framework at the end of January 2020 and will be monitoring the savings a choice of placements over the coming months. This work has been somewhat slowed due to the current pandemic.

Transitions

- 3.30 We have identified 4 young people between now and November who will be reaching 18 and will require a high level of adult care – whilst this reduces the CSC budget this will be a burden on Adult Social Care (ASC).

Children with Disabilities (CWD)

- 3.31 There has been an increase in Direct Payments (DP) - this has increased primarily with 4 families where their children have complex needs and whilst the increase is significant in terms of DP the cost should these children be in residential care would be far greater. However we are scrutinising the way we take contributions from the Bromley Clinical Commissioning Groups (BCCG). We have achieved this well in our placement budget with the BCCG contributing to £1.9m in placements up front. There has been a further increase in the direct payments budget due to the current crisis and where families who might ordinarily be offered a short break in Hollybank the staff from the health service have been redeployed. This has had a direct impact on CSC increase in support of families.
- 3.32 The risks in the Education, Children & Families Portfolio are:-
- i) Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant.
 - ii) Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people.
 - iii) Increase in the Looked After Population – particularly in our Looked After Unaccompanied Minors population.
 - iv) Increased complexity of children (SEND).
 - v) Impact of Social Work Act 2017 implementation.
 - vi) Income from partners reducing.
 - vii) Shortage of local school places.

viii) Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant.

ix) Continuing impact of 2014 Children and Families Act extending the age range to 25 for Education, Health and Care Plans.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2020/21 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are in the body of the report. A detailed breakdown of the projected outturn by service area is shown in appendix 1(a) with explanatory notes in appendix 1(b). Appendix 2 outlines the requested carry forwards to 2019/20. Appendix 3 shows the latest full year effects and Appendix 4 gives the analysis of the latest approved budget.
- 5.2 Overall the current overspend position stands at £1,348k (£1,820k overspend full year effect). The full year effect will be need to be addressed in 2020/21 in due course.

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2019/20 Budget Monitoring files in ECHS Finance Section