
Decision Maker:	CHILDREN, EDUCATION AND FAMILIES BUDGET SUB-COMMITTEE		
Date:	19 th January 2021		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
Title:	CHILDREN, EDUCATION AND FAMILIES PORTFOLIO DRAFT BUDGET 2021/22		
Contact Officer:	David Bradshaw, Head of Finance, Children, Education and Families Tel: 020 8313 4807 E-mail: David.Bradshaw@bromley.gov.uk		
Chief Officer:	Director of Finance		
Ward:	All		

1. Reason for report

- 1.1. The prime purpose of this report is to consider the Portfolio Holder's Draft 2021/22 Budget which incorporates future cost pressures and initial draft budget saving options which have been reported to Executive on 13th January 2021. Members are requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.
- 1.2. Executive are requesting that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio and the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2021/22 Council Tax levels.
- 1.3. There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2021/22 Council Tax report to the next meeting of the Executive.

2. **RECOMMENDATIONS**

2.1 **The Children, Education and Families Budget Sub-Committee is requested to:**

- i) Consider the update on the financial forecast for 2021/22 to 2024/25;**
- ii) Consider the initial draft 2021/22 budget as a basis for setting the 2021/22 budget; and**

iii) Provide comments on the initial draft 2021/22 budget for the February meeting of the Council's Executive.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Children, Education and Families Portfolio budget setting supports the provision of services to vulnerable young people
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Children, Education and Families portfolio budgets
 4. Total current budget for this head: £56,481k (draft 2021/22 budget)
 5. Source of funding: Draft revenue budget for 2021/22
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Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2021/22 Financial Control Budget to be published in March 2021
 2. If from existing staff resources, number of staff hours: Not Applicable
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Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2020/21 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: Not Applicable

3. COMMENTARY

3.1. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

- 3.1.1. Details of the Provisional Local Government Finance Settlement 2021/22, Council-wide Draft 2021/22 Budget and Financial Forecast 2022/23 to 2024/25, and an update on the Council's financial strategy are being reported to Executive on 13th January 2021. Members should consider that report in conjunction with this report for the Children, Education and Families Portfolio.
- 3.1.2. The Council continues to deliver key services and 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next 4 years and includes the outcome of the Provisional Local Government Finance Settlement 2021/22. It is important to note that some caution is required in considering any projections for 2022/23 to 2024/25 as this depends on the outcome of the Government's next Spending Review as well as the awaited impact of the Fair Funding Review and Devolution of Business Rates.
- 3.1.3. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. It is important to consider the key national issues that could impact on public finances over the next four years, and this year the impact of Covid situation has had a dramatic impact on public finances. An "Update on Economic Situation which can impact on Public Finances" is provided in Appendix 1 of the report to the Executive.
- 3.1.4. Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure. The 2021/22 settlement does provide additional funding, but this needs to be considered in the context of the 'new normal' and the considerable cost pressures facing local government. Austerity measures for future years will be a consideration but this is particularly problematic for the Government at the current time given the recessionary impact of the Covid situation and the need for a sustainable economic recovery. Therefore 'flat' real terms funding for councils may be the best-case scenario.
- 3.1.5. Austerity measures remain a real possibility from say 2023/24 as the Government will need to address the impact of the public finances from the Covid situation. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results could lead to future real term funding reductions remaining for local government. Even if funding levels are maintained, the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.
- 3.1.6. The financial forecast detailed in this report assumes that Government funding for local government will be broadly flat in 2022/23 and future years, despite local government cost pressures. The Provisional Local Government Finance Settlement 2021/22 provides funding proposals for one year only and the financial forecast assumes that various elements of the additional funding will continue in future years. The Social Care Green Paper (originally planned to be published in Summer of 2018) remains outstanding and the Spending Review 2020 refers to 'the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year'.
- 3.1.7. The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding with potential Government funding reductions in the medium and longer term. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the

resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.

- 3.1.8. Bromley has the second lowest settlement funding per head of population in 2021/22 for the whole of London, giving us £111 per head of population compared with the average in London of £297 – the highest is £498. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). If the council tax was the average of the five other low grant funded boroughs, our income would increase by £25.8m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council continues to express concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. Despite being a low-cost authority, Bromley has achieved general savings of around £100m since 2011/12 but it becomes more challenging to achieve further savings with a low-cost base.

3.2. SUMMARY OF FINANCIAL FORECAST

- 3.2.1. Details of the financial forecast are provided in the Draft 2021/22 Budget and Update on the Council's Financial Strategy 2021/22 to 2024/25 report to the Executive on 13th January 2021.
- 3.2.2. Even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £14.1m per annum by 2024/25. This assumes that there will not be Government funding reductions over the next four years and that the planned mitigation of growth pressures is realised. Without any action to address the budget gap in future years, reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable.
- 3.2.3. In the financial forecast, after allowing for inflation, council tax income and other changes, there is an unfunded budget gap from 2023/24 due to net service growth/cost pressures and the fall out of one-off funding. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the Council can afford and the need for significant mitigation or alternative transformation options.

3.3. CHANGES SINCE THE 2020/21 BUDGET THAT IMPACT ON THE DRAFT 2021/22 BUDGET AND FINANCIAL FORECAST

- 3.3.1. The 2020/21 Council Tax report reported to Executive in February 2020 identified a significant "budget gap" over the four-year financial planning period. Some key changes are summarised below.
- 3.3.2. Last year's Local Government Finance Settlement, which covered 2020/21 only, provided a significant improvement in funding for local government and represented the most positive funding proposal for local government since austerity began 10 years ago. The provisional settlement for 2021/22 provides a continuation of real increases in funding although this is mainly reliant on the utilisation of the ASC precept to support cost pressures in social care. It has also provided funding towards the cost of the Covid situation in 2021/22. Uncertainty remains for future years.
- 3.3.3. The main measure of inflation for annual price increases for the Council's contracted out services is Retail Price Index (excluding mortgage interest rates) i.e. RPIX. This measure is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2021/22 Budget assumes contract price increases of 2.0%, per annum from 2021/22, which compares with the existing RPIX of 1.1%. Inflation is expected to increase, compared with current levels, which has been assumed in the Draft 2021/22 Budget. Action will need to be taken by Chief Officers to

fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.

- 3.3.4. Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the uncertainty on future year cost pressures, significant changes that may follow relating to future new burdens, effect of ongoing population increases and the potential impact of other public agencies identifying savings which impact on the Council's costs, a prudent approach has been adopted in considering the Central Contingency Sum required to mitigate against these risks. It will also assist in dealing with the uncertainty relating to the Covid situation. If the monies remaining are not required during the year the policy of using these resources, in general, for investment, generate income/savings and provide a more sustainable financial position should continue.
- 3.3.5. The Government has provided additional funding in 2021/22 of £340k towards children's social care and adults social care and £271k towards homelessness prevention. The additional funding should be considered to partly offset the growth/cost pressures identified in the report to the Executive.
- 3.3.6. The Government has provided funding of £7,795k towards Covid related costs in 2021/22. Given the uncertainty of the continuing Covid situation the Draft 2021/22 assumes that these monies will need to be set aside to meet further Covid related costs not specifically reflected in the budget for next year.
- 3.3.7. With a remaining uncertainty on Government funding available in the future and the ongoing requirement for local authorities to be more self-sufficient, there is a need to consider what significant changes are required to manage within this new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends groups) and exploring opportunities around community based place shaping led by the Council as a community leader. Even with the additional income identified in this report the Council will need to plan for significant changes including the impact of a recession and the 'new normal'. As pressures in statutory services such as adult social care, children's social care and high needs as well as homelessness are growing, the scope to invest in local priorities and services that benefit the widest range of people is reducing. The Council has delivered savings of around £100m per annum since 2009/10 and the ability to make savings in lower priority areas becomes more problematic. The need for savings in areas that support the Council's key priorities becomes more critical to meet the legal requirements for a balanced budget. The Council will continue to look for ways to operate more efficiently and generate more income, but this alone will not be enough to meet the future years' budget gap. The key consideration is how the Council can balance the budget over the next four years. Considering the core statutory minimum service requirements, Chief Officers are undertaking a transformational review across all services, focussing on higher spend services first with options being presented to future meetings. The ongoing transformation review will be a key consideration in addressing the budget gap over the next four years.
- 3.3.8. The current Children, Education and Families Portfolio Draft 2021/22 Budget includes the full year effect of the Phase 1 Transformation Savings, agreed as part of the 2020/21 Budget totalling £390k in 2021/22.
- 3.3.9. The Draft 2021/22 Budget now includes Phase 2 Transformation Savings totalling £264k in 2021/22 increasing to £711k per annum in 2024/25. A summary of the savings is provided below with more details within Appendix 1.

Transformation Savings – Phase 2

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Training	(14)	(14)	(14)	(14)
Emergency Foster Placement	(26)	(105)	(184)	(263)
Contact Centres income generation	(64)	(104)	(104)	(104)
SEND Transport	(111)	(248)	(298)	(298)
Adult Education income generation	(49)	(48)	(35)	(32)
Total	(264)	(519)	(635)	(711)

3.3.10. This key work continues and further proposals will be reported to Members as part of addressing the four year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

3.3.11. There remain significant cost/growth pressures for the Council as well as opportunities for the mitigation of costs. For this Portfolio, there are additional costs relating to waste collection as well as the impact of future losses in car parking income when compared with the 2020/21 budget, mainly due to the Covid impact. The financial forecast elements are summarised below.

	2022/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Growth/cost pressures	11,752	17,032	22,938	29,023
Mitigation	(1,348)	(1,821)	(1,800)	(2,057)
Offset by DSG grant	(6,800)	(11,750)	(16,700)	(21,650)
Net additional costs	3,604	3,461	4,438	5,316

3.3.12. It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2023/24 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

3.4. DETAILED DRAFT 2020/21 BUDGET

3.4.1. Detailed Draft 2021/22 Budgets are attached in Appendix 1 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets are forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February.

3.4.2. Appendix 1 sets out:

- A summary of the Draft 2021/22 Revenue Budget for the Portfolio showing actual 2019/20 expenditure, 2020/21 budget, 2021/22 budget and overall variations in planned spending between 2020/21 and 2021/22;
- A summary of the main reasons for variations per Portfolio in planned spending between 2020/21 and 2021/22 together with supporting notes;
- A high level subjective summary for the Portfolio showing expenditure on employees, premises etc.

3.5. REVIEW OF FEES AND CHARGES

3.5.1. There will need to be an ongoing review identifying opportunities as the medium term 'budget gap' remains significant. Chief Officers will continue to review fees and charges during 2021/22 to identify opportunities to reduce the future years 'budget gap'

3.6. IDENTIFYING FURTHER SAVINGS/MITIGATION

3.6.1. The scale of savings required in future years cannot be met by efficiency alone – there may need to be a reduction in the scope and level of services. The Council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2021/22 Budget represents the second year of savings from the Transformation Programme. This key work continues, and further proposals will be reported to Members as part of addressing the four-year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

3.6.2. Local Authorities undertake numerous functions and provide a wide range of services. Some are mandatory and some are discretionary. We cannot stop carrying out functions where we are under a duty to deliver that function or service.

3.6.3. In 2011 Central Government compiled a list of 1,335 statutory duties which local authorities need to comply with. There followed a consultation on a possible reduction in the number of statutory duties. However this was not taken forward at government level, despite local government facing significant grant reductions. The consensus is that rather than decreasing the number of statutory duties has increased since. For example work recently undertaken on behalf of the Directors of Children's Services indicates that children services duties have increased by 50% since 2011. Therefore the number of statutory duties Local Authorities need to comply with is now far closer to 2,000 than the 1,300 identified in 2011.

3.6.4. Bromley has undertaken several pieces of work to align its services closely with its statutory duties. As part of the most recent work service leads have completed a template which identifies statutory and non-statutory services within their area to inform and support key Transformation work and each individual work stream is addressing the extent of the statutory service and savings proposed.

3.6.5. As part of the core statutory minimum requirements review, the Council will need to consider an element of early intervention and prevention to avoid the escalation of costs arising from more expensive statutory interventions.

3.7. SCHOOLS BUDGET

3.7.1. Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring fenced grant, more recently through the Dedicated Schools Grant (DSG).

3.7.2. The implementation of the National Funding Formula (NFF) began in 2018/19. Funding has been split into four blocks, Schools, High Needs, Early Years and Central Spend DSG. The funding splits are detailed in the table below:-

PROVISIONAL DSG FUNDING					
	Schools	High Needs	Early Years	Central	Total
	£'000	£'000	£'000	£'000	£'000
2020/21	218,401	53,042	23,055	1,920	296,418
2021/22	237,832	58,729	23,343	2,134	322,038
Variation	19,431	5,687	288	214	25,620

- 3.7.3. The Schools Block has risen by £19.4m. This is due to an increase in the per pupil unit of funding and increases in the population figures. There is also an element (around £11m of the increase) that relates to teachers pay and pension increases that were paid through specific grant and are now integrated into the overall Schools DSG block calculation.
- 3.7.4. The High Needs Block is seeing pressures coming through the system. Nationally the Government were seeing some authorities building up high levels of deficit reserves. This particular funding issue was acknowledged, and funding was committed for 2021/22. The DSG allocation resulted in an increase in high needs block funding of £5.7m for Bromley. This was due to the increases in per pupil funding and the increase in pupils themselves. £939k of the increase relates to pay and pension increases that were paid through specific grants and are now integrated into the overall High Needs block calculation.
- 3.7.5. Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. Moreover, future funding levels have not yet been announced and so there is uncertainty as to what funding levels will be from 2022/23.
- 3.7.6. Early Years funding has increased by £288k. This is due to increases in the hourly rates payable. Last year's population figures are being used. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the year progresses.
- 3.7.7. The Central Block has increased by £214k. Although the per pupil rate fell by 2.5% (the equivalent of a loss of £48k), £242k of additional grant was received due to the pay and pension specific grant allocation for centrally employed teachers now being integrated into the DSG. The remaining increase of around £20k is due to the increase in pupil numbers. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the Council used £360k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2021/22 bringing the total Council core funding to £410k.

3.8. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

COVID Warning

- 3.8.1. Across Children Education and Families we have experienced significant challenges in terms of safeguarding the most vulnerable children - more children coming into care as families who were fragile have been unable to cope, in addition we have had younger children coming into public care through the courts where issues of parental mental health and substance misuse together with domestic violence has featured. For our children with disabilities with closure of the CCG short break provision where health staff were redeployed this has had a major impact on families who are managing the most complex children particularly when schools were initially closed in the first lockdown. We have been required to find specialist placements for complex

children where their home situation is unable to be sustained due to their needs and these placements costs are at the high end.

- 3.8.2. Similarly, in Education the impact of health partners being unavailable had a significant impact particularly as we have seen an exponential increase in requests for EHC plans and increased risk in terms of commissioning and local placements. It remains a risk should health partners be diverted to pandemic efforts again.
- 3.8.3. We were concerned by the increased risk to vulnerable children, below social care threshold not attending school and acted quickly to establish a team to contact and support 1,900 children identified as potentially vulnerable by professionals. This significantly reduced the risk and enabled any safeguarding concerns to be rapidly escalated. In the event of any further lockdown or school closures, we are able to act of the lessons learned from this project.
- 3.8.4. Staffing remained highly resilient throughout the pandemic, with the vast majority adapting to work from home. Staff wellbeing has continued to be a priority, but this remains a risk area until the majority of staff can return to their usual place of work.
- 3.8.5. It is therefore very difficult to predict the ripple effect in the CEF division as we continue through this pandemic and the final outcome and impact on children and families and how far reaching this will be both in terms of wellbeing but also financial cost to the Local Authority.

Children's Social Care

Volume in referrals and workload:

- 3.8.6. The Bromley Children Project has continued to be flexible and extend further its reach to support families who are on the cusp of universal and targeted support. The service has continued to be innovative in supporting families through a myriad of online opportunities and face to face through C19 observing Public Health guidelines.
- 3.8.7. Despite C19 we continue with the challenge to reach out to the older age group in being able to support them before they enter statutory social care including work on disproportionality and how we can support our BAME community.
- 3.8.8. Initially in the first wave our referrals were suppressed but we have now seen the expected spike and those referrals coming into the MASH are very complex in terms of the assessments required which feature the emotional wellbeing of children and families together with the more identifiable areas of domestic violence and substance misuse.
- 3.8.9. We are now experiencing very high levels of contacts reaching nearly a 1000 per month to the MASH and we held 47 Strategy meetings during just one duty week. Due to the volume we have dip sampled cases and given assurance that the right children are being assessed the increase in younger children coming into care due to significant harm is a national picture and for Bromley many of these are families we have had no contact with before which is a changing picture and outcome of the impact of C19.
- 3.8.10. We currently have 100 children in proceedings in various stages and the courts are backlogged and working remotely which has slowed final decisions for children. Bromley has set up virtual courts and hair strand testing as the Civic to try to reduce this. However, this means that children are remaining in the system longer when in 'normal' circumstances may have been closed.

Recruitment of permanent staff:

- 3.8.11. Our key challenge continues to be the recruitment of permanent social workers to the agency placements we have. We have increased from 42% to the current figures of 85%% although

this can fluctuate at any one time for a number of reasons, some of which being as simple as a house move or other LA's offering higher salaries in their quest to attract skilled social workers. We continue to hold conversion events and one was held on 9th November to ensure that even during C19 we are trying to recruit permanently not only for the financial benefit but more importantly the benefit of our children. Our RAS Head of Service since March has recruited 6 permanent team manager – this is one of the hardest services to recruit to and a most difficult time to join an organisation at this time working more remotely. We have a full contingent of permanent staff in our Looked After Children and Care Leaving service, fostering, SGO and CWD. It is the safeguarding front line services that are the most challenging and across London too.

3.8.12. We have also recently held a Senior Practitioner panel and successfully progressed social workers to this grade which is our 'grow your own policy'.

Keeping our caseload promise:

3.8.13. Setting clear caseload levels – which are monitored (Caseload Promise and Challenge). Our caseload promise is between 12–15 children and this continues to be challenging with the high number of cases coming through the front door. This continues to subsequently challenge our safeguarding teams who are holding cases longer due to the court issues mentioned above. Currently RAS is averaging 20 children and Safeguarding around 18.

3.8.14. Caseloads are monitored carefully through performance data each week and monthly performance surgeries. The HOS KIT meetings supports this and colleagues in Children Looked After have taken some court cases and children who have become looked after to try and ease the burden.

Placements of children in care:

3.8.15. The Assistant Director of Children Social Care monitors all requests for children to be accommodated and they are then scrutinised further through the Placement Panel which continues to take place every Friday. We continue to seek and obtain financial contribution from our CCG partners and ensure that the financial split is proportionate. We review our CCG contribution twice yearly to ensure that CCG financially plan and contribute going forward. We have just completed this exercise and await the confirmation of the uplift for the coming year.

3.8.16. The complexity of young people coming into care is testing the suitability of placements and again we have been in a position where two young people reached the secure threshold and no placements were available leaving the LA with not only the risk to bear but finding a high dependency of support workers causing the cost to be above that of a secure placement. – this current cost of such placements is around 8 – 10K per week

3.8.17. Bromley joined the Commissioning Alliance with 11 other boroughs at the end of February and lockdown immediately took place in March – we have been successful in supporting our fostering placements and did not suffer the high number of placement breakdowns as other boroughs due to the high level of support offered. However, as we have come out of the first wave, we have seen placements be more fragile.

3.8.18. Our 4 step down foster carers have now been caring for 3 young people who were high profile, complex and in residential. One of those young people have now been in placement for over a year and progressing well. This has resulted in a good outcome for her but has a significant financial saving. The test of this is a year in placement to determine outcomes and financial savings.

3.8.19. We have developed a cohort of foster carers that take children in an emergency during the night or at weekends (sometimes from custody), which is when children are often placed with external

providers, sometimes miles away and high cost. We have recruited a 4th foster carer to this cohort.

3.8.20. Our Staying Together team has continued to work across the service areas preventing children 11-18 entering care and to date this has been very successful. They have worked with 102 children and only 4 of those came into care. They are currently supporting some young people within the YOS preventing those young people not only becoming looked after but preventing them entering the judicial system.

Implementation of the Social Work Act:

3.8.21. We have also seen a steady increase of previously looked after children attending schools in Bromley who have been adopted or who are living under a Special Guardianship Order or other Child Arrangement Order and can expect/apply to be supported by the Virtual School. An estimated 400+ children, not necessarily known to this authority, whose parents and carers are not obliged to 'register' and understandably do not always divulge this to their school.

Unaccompanied Asylum Seeking Children:

3.8.22. We are currently supporting 85 young people – 5 under the age of 18 and the rest as care leavers. These young people continue to be vulnerable with trauma's that require specific and skilled work and with C19 has had a more profound impact and effect on their mental health.

Education

3.8.23. Adult Education has improved, achieving a Good Ofsted judgement in 2019 and the 'matrix Standard' in December 2020. However, Covid-19 had a significant impact on the income from paying learners.

3.8.24. Population increase and particularly an increase in the school age population (55,978 in 2010 to 61,343 in 2018, an 9.58% increase) is creating pressure for universal services such as school admissions and school attendance where services are dealing with more children within the same resources. The pressure on funding for alternative provision has been mitigated by the move to a five year commissioning approach, following the Review of Alternative Provision. Nevertheless, the numbers of pupils with complex behaviours that challenge continues to increase, placing a pressure on services. We aim to mitigate this with increased focus on earlier intervention and outreach. Secondary permanent exclusions have reduced significantly, however this will need to be monitored closely.

3.8.25. The Education Service is projected to have a significant overspend on both DSG and RSG budgets in 20/21, primarily as a direct result of legacy costs no longer being covered by temporary grant funding. The majority of the proposed growth items within the Education MTFS aim to remove the structural overspend built into the Education budgets, which fund existing statutory work of the service.

SEN/D (Special Educational Needs and Disability) pressure:

3.8.26. The greatest pressure is in the area of SEN/D with an overspend in the DSG (Dedicated Schools Grant) High Needs Block arising from exponential increase in the need for specialist placements, in line with other Boroughs. Between 2016 and 2019, the number of children with special educational needs requiring an EHCP (Education, Health and Care Plan) has increased by 31%, significantly higher than the overall increase in the school age population. In October there were 2,848 Bromley resident children with an EHCP. In 2017, there were 422 requests for statutory assessment, which increased to 722 in 2019, i.e. an increase of 69%. Of the requests in 2020 to date, 15% were refused. In 2020 to date, there have been 62 cases challenged at SEND Tribunal and 57 for which mediation was sought. At the same time, the

extension of the age range for EHCPs from age 19 to age 25 is increasing the number of young people for whom the LA maintains and funds an EHCP.

3.8.27. Bromley places fewer children with EHCPs in mainstream schools than nationally and more in the non-maintained and independent sector than nationally (as at January 2019 10% of Bromley children with an EHCP attending independent and non-maintained special schools compared with 6% nationally). The cost of these placements is higher than LA maintained provision (average cost of independent day school is £37k compared with average cost of £27k for LA maintained special school) and accounts for a disproportionate level of spend relative to the number of pupils being placed.

3.8.28. Bromley's performance on the timeliness of EHCPs remains a priority, with the SEN Service working to return performance to national and London comparator levels as a minimum. However, caseloads within the Statutory Assessment Team are a significant risk, with staff routinely holding more than 300 cases each, which compares with approximately 150 in neighbouring Boroughs. The proposed growth of additional EHCPs would address this significant pressure and enable the EHCP Coordinators to focus more on casework which can help to ensure children and young people can be successfully placed in more local and lower cost provision which meets their needs.

3.8.29. An external review of arrangements for SEND highlighted the need to:

Match local provision to local need;

Use existing resources more effectively to support placements in mainstream schools, as far as possible. Action taken includes:

- Free school bid approved for a new special school for children with ASD (Autistic Spectrum Disorder) to enable Bromley to place more children locally in Bromley schools so reducing spend in more costly places in the non-maintained and independent sector.
- Service Level Agreements developed for all Additionally Resourced Provision in mainstream schools to ensure that places are used efficiently.
- SEND Training Collaborative has developed comprehensive training offer for schools and providers, supported by the SEN Advisory teams to strengthen support for children in mainstream schools.

3.8.30. The Education MTFS (Medium Term Financial Strategy) mitigations are predicated on placing more children and young people within mainstream and local specialist provision and over time reducing the number of out of Borough and independent placements. This carries significant risks because provision for children is determined by their presenting needs according to the legal tests set out within the SEND Code of Practice and there is a shortfall of local specialist provision, which the free school will help to address, but not until at least September 2023. With sustained exponential increases in demand for EHCPs and increasing numbers of cases being overturned by SEND Tribunals, this will remain a challenge across the MTFS period.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The draft 2021/22 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

5. POLICY IMPLICATIONS

- 5.1 The Draft 2021/22 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium term financial plan. The Council continues to deliver key services and lives within its means.

6. FINANCIAL IMPLICATIONS

- 6.1 Financial implications are contained within the overall body of the report.

7. PERSONNEL IMPLICATIONS

- 7.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2021/22 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

8. LEGAL IMPLICATIONS

- 8.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. The Local Government Finance Act 1992 (as amended) requires the Council to set an amount of Council Tax for each financial year and provides that it must be set before 11th March in the financial year preceding that for which it is set. Sections 73-79 of the Localism Act 2011 amended the calculations billing and precepting authorities need to make in determining the basic amount of Council Tax. The changes included new sections 31 A and 31 B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax.
- 8.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 8.3 The making of these budget decisions at full Council is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases and the recent introduction of the Adult Social Care precept. The Council has a number of statutory duties which it must fulfil by law – although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties – although it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the council must have due regard to elimination of discrimination, harassment and victimization, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 8.4 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2020/21 Council Tax report to be reported to the February meeting of the Executive.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	Draft 2021/22 Budget and Update on the Council's Financial Strategy 2022/23 to 2024/25, Executive 13th January 2021. Finance monitoring, Estimate Documents, etc all held in Finance Section