

## Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has an overspend of £125,000 for the year

The Education Division has an underspend of £131k. This is mainly to do with SEN transport and staffing costs.

The DSG overspend in year is £4,021k. This will be offset by the £1,733k carried forward from 2019/20. There is also an adjustment of £301k of additional income to the carry forward figure for Early Years Prior Year Adjustment. It was also agreed to use £252k of the brought forward balance to support the services in-year. It was also agreed to use the £1,100k of this years DSG allocation that was set aside to support future years pressures as pressures were emerging faster than anticipated. This gives us an estimated DSG deficit balance to be carry forward of £1,139k into 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.

Officers are currently working on a recovery plan in advance of any expectation of such from the DfE and this plan will be considered in due course.

In Children's Social Care the overspend is £256k.

The ongoing impact of C19 on Children Services continues especially in respect of contacts into our MASH – these are currently running at around 1,000 contacts per month compared to around 600 in April 20. The result of pandemic in relation to backlog in family proceedings resulting in 104 children waiting outcomes. Many of these children's final care plans for permanency are either SGO or Adoption resulting in around 30 children who will come out of the system and would be closed to the LA. The fallout from this pandemic will continue for some considerable time to come particularly in relation to the increasing referral rate and complexity of the children coming into care. The increase in mental health and well being amongst young people has resulted nationally in increase in suicide and suicidal ideation and with the lack of CAMHS and adult mental health services the risk and support is falling to the Local Authority. We continue to see the significant impact on the most vulnerable families and our efforts to safeguard them but the cost of supporting them through the last year and what will inevitably be the ripple effect in 21/22. We continue to concentrate on ensuring that children are safeguarded throughout the current crisis and as we move forward over the next year to 18 months. Of course, if children come into the system and are unable to be reunified within 6 months the likelihood is that these young people will remain long term and move through to increase the numbers and cost as care leavers up until the age of 25 years. We are now back to business as usual in visiting families physically with very few virtual visits which usually occur if families are isolating. Staff adapted their ways of working and now they are physically visiting families they are able to assess more fully which is identifying the fragility of some families requiring support. Our Early intervention service for the first time ever has seen waiting lists and as such have pivoted to develop a light touch assessment for some families to ensure that they are supported, preventing crisis and routes into the statutory services. As stated cases progressing through courts continue to be delayed with final hearings being scheduled for the end of the year or into 2022 We currently have around 104 children within the court system. Courts continue to be cautious around final hearings as these too are heard virtually and often subsidiary orders are being made such as Supervision Orders which entails the LA continuing to offer resources but in addition manpower of a social worker for a year which results in increase caseloads – ordinarily such orders would be far less and alternative orders granted such as Family Assistance orders which last only 6 months. These cautious decisions leaves the LA (and children) in challenging situations and delaying permanency moves thus increasing the cost of placements.

Many of the families referred in recent months have not been known to the Local Authority before and is an indication of the impact of Covid where prior they would be reliant on families, friends, networks and community – such referrals are not light touch but many have resulted in immediate escalation through to the courts particularly where immobile babies and young children are being harmed.

There has been increased requests for support particularly in CWD and with slow opening of the respite provision managed by health partners this has increased demand on additional support packages to try and prevent children with complex disabilities entering the care system. One child entering the system can be at a conservative cost of 300 – 400K per year. We were cautious in relation to closing cases which was acknowledged as good practice by Ofsted, and where children in ordinary circumstances may have been removed from plans multi agency professionals and families have a heightened anxiety requesting the LA to remain involved. During the second wave as predicted this continued and whilst we review all cases regularly this is likely to continue until the summer 2021

However with the new variant taking hold families and children are again being exposed to further stresses and until all support and community services fully open and can offer not only a wide range of universal support but higher numbers in relation to group settings this will continue.

The risks in the Children, Education, & Families Portfolio are:-

- i) Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time
- ii) Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. For example Bromley has had in the last 2 years reduced its use of residential mother and baby placements but we have seen an increase in this area with the courts directing such placements which impacts on the cost of our placements budget . The cost of such placements is high and then with the delay to final hearing families are being retained in these placements beyond the assessment
- iii) Increase in the Looked After Population due to C19 and families being unable to cope.
- iv) Increased complexity of children (SEND).
- v) Impact of Social Work Act 2017 implementation.
- vi) Income from partner agencies being redeployed and reducing their contact with families leaving the LA solely responsible.
- vii) Long term closure of short breaks throughout 2020/21 resulting in demand and cost pressures.
- viii) Shortage of local school places.
- ix) Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant
- x) Continuing impact of 2014 Children and Families Act extending the age range to 25 for Education, Health and Care Plans.
- xi) Responsibility of Virtual School (VS) in relation to supporting any child adopted living within Bromley entitled to support – this support can be requested from families and schools and with the Covid this has increased significantly stretching the VS team

Children, Education and Families Portfolio Budget Monitoring Summary

| 2019/20<br>Actuals | Service Areas  | 2020/21<br>Original<br>Budget<br>£'000 | 2020/21<br>Final<br>Approved<br>£'000 | 2020/21<br>Provisional<br>Outturn<br>£'000 | Variation<br>£'000 | Notes | Variation<br>Last<br>Reported<br>£'000 | Full Year<br>Effect<br>£'000 |
|--------------------|--|--|---------------------------------------|--|--------------------|-------|--|------------------------------|
|                    | <b>PEOPLE DEPARTMENT</b>   |  |                                       |  |                    |       |  |                              |
|                    | <b>Education Division</b>  |  |                                       |  |                    |       |  |                              |
| Cr 350             | Adult Education Centres  | Cr 401                                 | Cr 376                                | Cr 423                                     | Cr 47              | 1     | Cr 61                                  | 0                            |
| 543                | Schools and Early Years Commissioning & QA                       | 715                                    | 715                                   | 644  | Cr 71              | 2     | Cr 90                                  | 0                            |
| 8,206              | SEN and Inclusion  | 6,597                                  | 6,949                                 | 6,827                                      | Cr 122             | 3     | 263                                    | 0                            |
| 74                 | Strategic Place Planning   | 103                                    | 103                                   | 126  | 23                 | 4     | 0                                      | 0                            |
| 8                  | Workforce Development & Governor Services                        | Cr 29                                  | Cr 29                                 | Cr 30                                      | Cr 1               |       | 0                                      | 0                            |
| 356                | Access & Inclusion   | 156                                    | 156                                   | 202  | 46                 | 5     | 2                                      | 0                            |
| Cr 1,243           | Schools Budgets  | Cr 1,528                               | Cr 1,528                              | Cr 1,416                                   | 112                | 6     | 0                                      | 0                            |
| 10                 | Other Strategic Functions  | 717                                    | 217                                   | 146  | Cr 71              | 7     | Cr 12                                  | 0                            |
| <b>7,604</b>       |  | <b>6,330</b>                           | <b>6,207</b>                          | <b>6,076</b>                               | <b>Cr 131</b>      |       | <b>102</b>                             | <b>0</b>                     |
|                    | <b>Children's Social Care</b>                                    |  |                                       |  |                    |       |  |                              |
| 1,427              | Bromley Youth Support Programme                                  | 1,526                                  | 1,533                                 | 1,313                                      | Cr 220             | 8     | 0                                      | 0                            |
| 920                | Early Intervention and Family Support                            | 1,178                                  | 1,187                                 | 856  | Cr 331             |       | Cr 64                                  | 0                            |
| 6,580              | CLA and Care Leavers   | 6,252                                  | 6,326                                 | 6,379                                      | 53                 |       | 271                                    | 664                          |
| 16,846             | Fostering, Adoption and Resources                                | 16,808                                 | 16,808                                | 16,919                                     | 111                |       | 183                                    | 3,474                        |
| 3,581              | Referral and Assessment Service                                  | 3,410                                  | 3,315                                 | 3,377                                      | 62                 |       | 12                                     | 0                            |
| 2,943              | Safeguarding and Care Planning East                              | 2,768                                  | 2,664                                 | 2,956                                      | 292                |       | 21                                     | 0                            |
| 5,163              | Safeguarding and Care Planning West                              | 5,389                                  | 5,255                                 | 5,377                                      | 122                |       | 61                                     | 0                            |
| 1,071              | Safeguarding and Quality Improvement Management Action           | Cr 1,454                               | Cr 1,056                              | Cr 889                                     | 167                |       | Cr 156                                 | 0                            |
| <b>38,531</b>      |  | <b>35,877</b>                          | <b>36,032</b>                         | <b>36,288</b>                              | <b>256</b>         |       | <b>268</b>                             | <b>4,138</b>                 |
| <b>46,135</b>      | <b>TOTAL CONTROLLABLE FOR CHILDREN, EDUCATION &amp; FAMILIES</b> | <b>42,207</b>                          | <b>42,239</b>                         | <b>42,364</b>                              | <b>125</b>         |       | <b>370</b>                             | <b>4,138</b>                 |
| 8,817              | <b>Total Non-Controllable</b>                                    | 1,812                                  | 8,893                                 | 8,893                                      | 0                  |       | 0                                      | 0                            |
| 8,541              | <b>Total Excluded Recharges</b>                                  | 8,693                                  | 8,531                                 | 8,531                                      | 0                  |       | 0                                      | 0                            |
| <b>63,493</b>      | <b>TOTAL CHILDREN, EDUCATION &amp; FAMILIES PORTFOLIO</b>        | <b>52,712</b>                          | <b>59,663</b>                         | <b>59,788</b>                              | <b>125</b>         |       | <b>370</b>                             | <b>4,138</b>                 |
|                    | <b>Memorandum Item</b>   |  |                                       |  |                    |       |  |                              |
|                    | <b>Sold Services</b>   |  |                                       |  |                    |       |  |                              |
| 37                 | Education Psychology Service (RSG Funded)                        | Cr 115                                 | Cr 35                                 | 80   | 115                | 9     | 233                                    | 0                            |
| 43                 | Education Welfare Service (RSG Funded)                           | Cr 24                                  | Cr 28                                 | Cr 4                                       | 24                 |       | 6                                      | 0                            |
| 8                  | Workforce Development (DSG/RSG Funded)                           | Cr 31                                  | Cr 30                                 | 1  | 31                 |       | 0                                      | 0                            |
| 27                 | Community Vision Nursery (RSG Funded)                            | 61                                     | 61                                    | 0  | Cr 61              |       | Cr 30                                  | 0                            |
| 47                 | Blenheim Nursery (RSG Funded)                                    | 94                                     | 92                                    | Cr 2                                       | Cr 94              |       | Cr 24                                  | 0                            |
| <b>162</b>         | <b>Total Sold Services</b>                                       | <b>Cr 15</b>                           | <b>60</b>                             | <b>75</b>                                  | <b>15</b>          |       | <b>185</b>                             | <b>0</b>                     |

Reconciliation of Latest Approved Budget

£'000

Original Budget 2020/21

52,712

Contingency:

Tackling Troubled Families

- expenditure

348

- income

Cr 348

Carry forwards:

Delivery Support Fund

- expenditure

18

- income

Cr 18

Investing in Practise Grant

- expenditure

104

- income

Cr 104

Extension of Virtual Heads

- expenditure

34

- income

Cr 34

Reducing Parental Conflict

- expenditure

40

- income

Cr 40

Tackling Troubled Families

- expenditure

543

- income

Cr 543

Adult Education Match Funding

25

Expenditure on North Lodge

79

Other:

SEN Transport

363

R&M Planned - Blenheim Family Centre

22

Merit Reward

64

Contribution to Contingency

Cr 500

COVID-19 Grants

Contain Outbreak Management Fund

- expenditure

1,977

- income

Cr 1,977

COVID-19 Government Grant

|                                   |    |       |        |
|-----------------------------------|----|-------|--------|
| - expenditure                     |    | 4,405 |        |
| - income                          | Cr | 4,405 |        |
| Income loss                       |    |       |        |
| - expenditure                     |    | 254   |        |
| - income                          | Cr | 254   |        |
| Emergency Assistance Grant        |    |       |        |
| - expenditure                     |    | 164   |        |
| - income                          | Cr | 164   |        |
| Winter Grant                      |    |       |        |
| - expenditure                     |    | 667   |        |
| - income                          | Cr | 667   |        |
| Holiday Activities and Food Grant |    |       |        |
| - expenditure                     |    | 81    | 81,330 |
| - income                          | Cr | 81    |        |
| Wellbeing for education           |    |       |        |
| - expenditure                     |    | 39    |        |
| - income                          | Cr | 39    |        |

**Memorandum Items:**

|                       |    |       |  |
|-----------------------|----|-------|--|
| Capital Charges       |    | 3,627 |  |
| Insurance             |    | 218   |  |
| Repairs & Maintenance |    | 125   |  |
| IAS19 (FRS17)         |    | 3,112 |  |
| Excluded Recharges    | Cr | 161   |  |
| Rental Income         | Cr | 23    |  |

**Latest Approved Budget for 2020/21**

**59,663**

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Cr £47k**

The underspend in Adult Education is due to reduced activity that includes a reduction in the exam expenditure (£78k) and income (£51k) for the year. This is offset by additional staffing costs of £82k.

Due to the COVID-19 lockdown all of the training courses in the summer term were delivered online. Since the start of the new academic year most of the training courses have returned to the classroom with smaller class sizes. The small number of remaining courses are either delivered as blended or online courses.

### **2. Schools and Early Years Commissioning & QA - Cr £71k**

Early Years Service has underspend on staffing of £38k.

There is a non-ringfenced government grant that has not been spent in full during the year that has led to a further underspend of £32k.

The remaining underspend relates to running costs of £1k.

### **3. SEN and Inclusion - Cr £122k**

The SEN Transport has underspent by £715k. This is following an extra £363k added to the budget to support the anticipated extra costs of renewing the transport contracts from the start of the new academic year. COVID has had an effect on the service this year, as the routes have been intermittent due to lockdown restrictions throughout the year. As the service returns back to 'normal' it is expected that this variance will not continue going forward.

The Education Psychologists have made progress in recruiting to the vacant posts in their team. The use of agency staff during the year has caused both the statutory service they are required to provide to overspend by £18k and the Trading Service they offer to the Schools to overspend by £80k. This is a net overspend of £98k. The remaining overspend has resulted from increases in staffing and support roles due to the increases in EHCP's in year. Additionally there were overspends on various running costs (including contracts payments) of £99k. This was offset by a small over collection of income of £9k.

The remaining underspend relates to running costs of £2k.

### **4. Strategic Place Planning - Dr £23k**

The overspend is due to various running cost overspends.

### **5. Access & Inclusion - Dr £46k**

Access and Inclusion Service has an overspend of £46k during the year. This is due to an overspend on staffing of £84k, with a underspend on Mainstream pupil transport of £44k.

The remaining overspend relates to running costs of £6k.

### **6. Other Strategic Functions - Cr £71k**

The service has underspent by £71k. This is due to an overspend of £93k in staffing costs, that has been offset by an underspend in running costs of £273k during the year.

Additional, there is an overspend of £109k on modular classroom rental costs.

### **7. 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.

The DSG overspend in year is £4,021k. This will be offset by the £1,733k carried forward from 2019/20. There is also an adjustment of £301k of additional income to the carry forward figure for an Early Years Prior Year Adjustment. It was also agreed to use £252k of the brought forward balances to support the services in-year. It was also agreed to use the £1,100k of this years DSG allocation that was set aside to support future years pressures in year as the pressures were emerging faster than anticipated. This gives us an estimated DSG deficit balance to be carry forward of £1,139k into 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 in-year overspend is broken down as follows:-

The in-year underspend on Early Years payments was £371k. This is split between the 2 years old funding (underspend of £70k) and 3 & 4 year old Funding (underspend of £301k).

There is currently projected to be an underspend of £83k in the Primary Support Team which is mainly due to staffing.

The Home and Hospital service has a projected overspend of £317k and this is mainly due to the need to use of agency staff to support the number of children being directly looked after by the team.

SEN placements has overspend by a total of £3,263k. These overspends are split as follows:-

Residential Placements - £366k

Top-Up Funding - £2,232k

Alternative Provisions - £665k

There is an overspend of £492k on the Schools Funding area for High Needs. This is for additional places at schools to prevent the need to place children in higher cost placements.

The Post 16 placements have overspend by £1,053k.

The High Needs Pre-school Service has underspend by £87k for the year which relates mostly to staffing.

The Darrick Wood Hearing Unit has overspent this year by £24k. Most of the overspend relates to additional staffing costs, but there is also a small amount that relates to running costs. This has been offset by underspends at SENIF, Sensory Support, and the Outreach & Inclusion Service are other areas across within SEN. The net effect of these cost centres is a £575k underspend.

There is also a small overspend of £12k in total.

|  | Variations<br>£'000 | High Needs<br>£'000 | Schools<br>£'000 | Early Years<br>£'000 | Central<br>£'000 |
|--|---------------------|---------------------|------------------|----------------------|------------------|
| Free Early Education - 2 year olds                 | -70                 | 0                   | 0                | -70                  | 0                |
| Free Early Education - 3 & 4 year olds (Inc. extr) | -301                | 0                   | 0                | -301                 | 0                |
| Primary Support Team                               | -83                 | 0                   | 0                | 0                    | -83              |
| Home & Hospital                                    | 317                 | 317                 | 0                | 0                    | 0                |
| Other Small Balances                               | 5                   | 0                   | 2                | 0                    | 3                |
| <b>SEN:</b>  |                     |                     |                  |                      |                  |
| - Placements & Alternative Programmes              | 1,031               | 1,031               | 0                | 0                    | 0                |
| - Top-Up Funding                                   | 2,232               | 2,232               | 0                | 0                    | 0                |
| - Support in FE colleges                           | 1,053               | 1,053               | 0                | 0                    | 0                |
| - School Funding                                   | 492                 | 492                 | 0                | 0                    | 0                |
| - High Needs Pre-school Service                    | -87                 | -87                 | 0                | 0                    | 0                |
| - Sensory Support                                  | -68                 | -68                 | 0                | 0                    | 0                |
| - SEN Inclusion Fund (SENIF)                       | -116                | 0                   | 0                | -116                 | 0                |
| - Darrick Wood Hearing Unit                        | 24                  | 24                  | 0                | 0                    | 0                |
| - Outreach & Inclusion Service                     | -85                 | -85                 | 0                | 0                    | 0                |
| - SEN Staff  | -330                | -330                | 0                | 0                    | 0                |
| - Other Small SEN Balances                         | 7                   | 8                   | 0                | 0                    | 0                |
| <b>Total</b>                                       | <b>4,021</b>        | <b>4,587</b>        | <b>2</b>         | <b>-487</b>          | <b>-80</b>       |

There will continue to be pressures in the DSG from 2021/22 onwards, especially in the High Needs Block. More children are coming through the system which will put additional pressure on DSG resources.

#### **8. Children's Social Care - Dr £256k**

The final budget variation for the Children and Families Division is an overspend of £256k. This is an decrease of £12k in the overspend reported previously which was £268k. Despite additional funding being secured in the 2020/21 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 - CR £220k**

The underspend in this are is mainly due to the correction of the treatment to income that has meant extra income being realised in this years accounts resulting in an over collection of income of £250k. There is also an underspend on running costs of £20k. These underspends are offset by an overspend of £50k of staffing as additional support is going into the service as there is an anticipated inspection

#### **Early Intervention and Family Support - Cr £331k**

The underspend in this area of £331k relates to £140k underspend on staffing, £175k underspend on running costs (including premises and commissioning costs), and a small over collection of income (£16k).

#### **CLA and Care Leavers - Dr £53k**

The overspend in this area relates to Children Looked After placement support costs of £3k, accommodation costs of £17k and £55k on running costs that includes the cost of consultants. To offset this there is a £22k underspend on Staying Put.

#### **Fostering, Adoption and Resources - Dr £111k**

The final position for this area is an overspend of £111k. This is due to a net overspend of £2k across all of the various Residential, Fostering and Adoption Placements.

There is a £54k overspend on Regional Adoption Agency fees

Additional there are overspends of £55k on running costs

The budget for children's placements (Residential, Fostering and Adoption Placements) is projected to overspent this year, The analysis of this over the various placement types is shown below.

- Community Home's / Community Home's with Education - Cr £397k (Cr £870k)
- Boarding Schools - Dr £35k (Dr £94k)
- Secure Accommodation - Cr £272k (Cr £408k)
- Youth on Remand - Cr £697k (Cr £250k)
- Fostering services (IFA's) - Dr £1,443k (Dr £1,699k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £23k (Cr £90k)
- Adoption placements - Cr £44k (Cr £44k)
- Transport and Outreach Services - Cr £43k (Dr £0k)

Referral and Assessment Service - Dr £62k

The overspend of £62k in this area that relates to support to families overspend of £11k and an overspend of £55k on running costs that This is being offset by an underspend of £4k on the subsistence and accommodation of NRPF.

Safeguarding and Care Planning East - Dr £292k

The overspend in this area of £292k relates PLO including pre-court assessments (£212k), support to families overspend of £25k and an overspend of £55k on running costs that includes the cost of consultants.

Safeguarding and Care Planning West- Dr £122k

The overspend in this area of £122k relates to a £44k overspend in Children's Disabilities Services, support to families overspend of £25k and an overspend of £53k on running costs that includes the cost of consultants regarding YOT and Ofsted.

Safeguarding and Quality Improvement - Cr £171k

This area has overspent by £171k and this is due to overspends of £91k on staffing and £80k on running costs including an increase in contribution to the BSCP and costs relating to the use of consultants for Ofsted review and preparation work.

**9. 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, in Children's Social Care there were 7 waivers agreed for placements of between £50k and £100k, 2 between £100k and £150k, 1 between £150k and £200k and 10 for more than £200k.

**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.