

Decision Maker: PORTFOLIO HOLDER FOR CHILDREN, EDUCATION AND FAMILIES

Date: For Pre-Decision Scrutiny by the Children, Education and Families Policy Development and Scrutiny Committee on 14th September 2021

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2020/21

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 2020/21.

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 £125,000 on controllable expenditure at the end of 2020/21 and consider any issues arising from it: and,
- (ii) Note that the Executive on the 30th June 2021 have agreed the net carry forwards as detailed in Appendix 2;

2.2 The Portfolio Holder is asked to:

- (i) Endorse the 2020/21 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: CEF Portfolio
 4. Total current budget for this head: £42.2m
 5. Source of funding: CEF approved budget
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Staff

1. Number of staff (current and additional): 1,155 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 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:

3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Children, Education and Families Portfolio, 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 2020/21 is an overspend of £125k compared to the last reported figure of an overspend of £370k which was based on activity at the end of December 2020.
- 3.3 Senior officers meet on a regular basis to scrutinise and challenge the expenditure position and formulate management action to address any issues. Psychology

FINAL POSITION

- 3.4 The £125k 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 - Overspend on staffing, offset by an underspend on running expenses	-47
Schools, Early Years Commissioning and QA - Staffing and grant usage	-71
SEN and Inclusion - Underspend in SEN Transport partially offset by additional staffing costs in Education Psychology, use of agency staff and additional running costs	-122
Strategic Place Planning - running costs	23
Workforce Development and Governor Services - Running costs	-1
Access and Inclusion - Overspend on staffing offset by running costs	46
Central Schools Budgets - Recharge overspend offset by corresponding amount in non controllable expenditure	112
Other Strategic Functions - Overspend in staffing offset by running costs	-71
Bromley Youth Support - Staffing overspends offset by underspends in running expenses and the use of grant	-220
Early Intervention and Family Support - Salary and running costs underspends	-331
CLA and Care leavers - Additional costs of accommodation, increased placement support costs and an increase in the bad debt provision, offset by an underspend in staying put	53
Fostering, Adoption and Resources - Overspend in residential placements, staffing, running costs and contract costs for the RAA	111
Referral and Assessment - Support to families and running cost overspends	62
Safeguarding and Care Planning East - Public Law Outline costs including pre court assessments and running costs	292
Safeguarding and Care Planning West - Overspend on Children with Disabilities, support to families and running costs	122
Safeguarding and Quality Improvement - staffing, running costs and an additional contribution to the BSCB	167
	<u>125</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 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.
- 3.7 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.
- 3.8 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
Free Early Education - 2 year olds	-70
Free Early Education - 3 & 4 year olds (Inc. extra 15 hours)	-301
Primary Support Team	-83
Home & Hospital	317
Special Education Needs	4,146
Other Small Balances	12
Total	<u><u>4,021</u></u>

CARRY FORWARDS

- 3.9 On the 30th June 2021 the Executive 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 2021/22. 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 2021/22. 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 2021/22

- 3.10 Appendix 3 provides a breakdown of any full year implications arising from the final 2020/21 outturn. Overall there are £4,138k of full year effect pressures in 2021/22. All of these are in the Children's Social Care area. As part of the budget setting process the majority of these full year effects have been dealt with and additional funding has been added to the budgets for 2021/22. There are still some management actions that were assumed to be taken that have not delivered in 2020/21. If these are not addressed in 2021/22 then there will be an additional pressure on the budget.

£'000

Residential/Fostering/Adoption placements	3,474
Leaving Care	664
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	4,138
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3.11 Appendix 4 provides a detailed reconciliation of the original 2020/21 budget to the latest approved 2020/21 budget. Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

DIRECTOR OF CHILDRENS SERVICES COMMENTS

- 3.12 The Children, Education and Families Portfolio has an overspend of £125,000 for the year
- 3.13 The Education Division has an underspend of £131k, mainly due to SEN Transport and staffing pressures in some areas of the division.
- 3.14 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.
- 3.15 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.
- 3.16 In the Childrens Social Care Division the overspend is £256k.
- 3.17 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 wellbeing 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 leave the LA (and children) in challenging situations and delaying permanency moves thus increasing the cost of placements.

- 3.18 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.
- 3.19 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.
- 3.20 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.
- 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 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

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 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to ensure good strategic financial management and robust discipline to deliver within our budgets.

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 2021/22 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 2021/22. 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 £125k (£4,138k overspend full year effect). The full year effect will need to be addressed in 2021/22 in due course.

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2020/21 Budget Monitoring files in ECHS Finance Section