
Decision Maker:	CHILDREN, EDUCATION AND FAMILIES BUDGET SUB-COMMITTEE		
Date:	18 th January 2022		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
Title:	CHILDREN, EDUCATION AND FAMILIES PORTFOLIO DRAFT BUDGET 2022/23		
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 2022/23 Budget which incorporates future cost pressures and initial draft budget saving options which have been reported to Executive on 12th January 2022. 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 2022/23 Council Tax levels.
- 1.3. There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2022/23 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 2022/23 to 2025/26;**
- ii) **Consider the initial draft 2022/23 budget as a basis for setting the 2022/23 budget; and**

iii) Provide comments on the initial draft 2022/23 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: £62,007k (draft 2022/23 budget)
 5. Source of funding: Draft revenue budget for 2022/23
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Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2022/23 Financial Control Budget to be published in March 2022
 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 2022/23 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. The Draft 2022/23 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting 'Making Bromley Even Better' priorities.
- 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 2022/23. It is important to note that some caution is required in considering any projections for 2023/24 to 2025/26 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 future plans relating to arrangements for 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. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The impact of Covid situation has had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The economic shock has had no comparisons for over 300 years. At the time of writing this report, the Government's budget deficit in 2021/22 (year to October 2021) is £127bn, with overall debt representing 95% of GDP, maintaining a level not seen since the early 1960s. The next few years remain uncertain economically and fiscally and what will this mean for council's revenues. The Spending Review provided a one-year settlement which leaves considerable uncertainties over future years.
- 3.1.4. Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21. The 2021/22 and 2022/23 settlement 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. It is currently predicted that it could take 10 to 15 years to return UK public finances to full health. Therefore 'flat' real terms funding for councils may be the best-case scenario. Austerity measures remain a real possibility from say 2024/25 or 2025/26 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.
- 3.1.5. The financial forecast detailed in this report assumes that Government funding for local government will be broadly flat from 2023/24 and future years, despite local government cost pressures. Additional funding will be provided for Adult Social Reforms for 2023/24 to 2025/26 but such funding will be offset by additional costs relating to new burdens/cost pressures from these changes. The Provisional Local Government Finance Settlement 2022/23 provides funding proposals for one year only and the financial forecast assumes that various elements

of the additional funding will continue in future years.

- 3.1.6. 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.
- 3.1.7. Bromley has the second lowest settlement funding per head of population in 2022/23 for the whole of London, giving us £115 per head of population compared with the average in London of £303 – the highest is £522. 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). Further details are provided in Appendix 3. If the council tax was the average of the four other low grant funded boroughs, our income would increase by £32.6m. 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 over £110m 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 2022/23 Budget and Update on the Council's Financial Strategy 2022/23 to 2025/26 report to the Executive on 12th January 2022.
- 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 £19.5m per annum by 2025/26. Without any action to address the budget gap in future years additional 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 2025/26 partly due to net service growth/cost pressures. 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 2021/22 BUDGET THAT IMPACT ON THE DRAFT 2022/23 BUDGET AND FINANCIAL FORECAST

- 3.3.1. The 2021/22 Council Tax report reported to Executive in February 2021 identified a significant "budget gap" over the four-year financial planning period. Some key changes are summarised below.
- 3.3.2. The Local Government Finance Settlement 2022/23, which covered 2022/23 continues to provide a significant improvement in funding for local government and combined with 2021/22 represented the most positive funding proposal for local government since austerity began 11 years ago. The latest 2022/23 settlement provides a continuation of real increases in funding although this is retaining reliance on the utilisation of the ASC precept (1% increase) to support cost pressures in social care. It has also provided additional funding towards social care costs (£2.96m), inflation cover for the Council's business rate share (£1.18m) and a 'Services Grant' of £2.652m.
- 3.3.3. The additional funding is welcomed but this has to be considered against the highest inflation levels for 10 years, ongoing impact of pandemic, increase in employer national insurance costs

(1.25% to fund social care reforms) and ongoing cost/service pressures. Uncertainty remains on the level of funding for future years. Apart from the one-off services grant, the forecast assumes that the level of core grant funding will remain unchanged in future years.

- 3.3.4. Historically, the main measure of inflation for annual price increases for the Council's contracted out services was Retail Price Index (excluding mortgage interest rates) i.e., RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2022/23 Budget assumes contract price increases of 5.0%, in 2022/23 reducing to 2.5% in 2023/24 and 2% per annum from 2023/24, which compares with the existing CPI of 5.1% (7.2% for RPIX) - inflation is at its highest level for 10 years. The Bank of England have recently indicated that inflation is expected to increase to 6% by the summer and will revert back to target levels of 2% by mid-2024. Then financial forecast assumes inflation of 2.5% in 2023/24 reducing to 2% per annum from 2024/25. 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.
- 3.3.5. The Draft 2022/23 Budget and financial forecast includes significant growth/cost pressures, with the net impact reduced to reflect mitigation assumed of £14.9m in 2022/23 rising to £27.3m per annum from 2025/26. Any reduction in the delivery of the mitigation savings could have a significant detrimental impact on the Council's budget gap and the contingency sum provides some funding support towards delivering a balanced budget in the medium term. 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 changes and the potential impact of other public agencies identifying savings or new cost burdens 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 ongoing uncertainty relating to the ongoing 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.
- 3.3.6. 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 over £110m 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 continue to undertake the transformational review across all services, focusing 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.
- 3.3.7. The current Children, Education and Families Portfolio Draft 2022/23 Budget includes the full year effect of the Phase 1 and Phase 2 Transformation Savings, totalling £255k in 2022/23

increasing to £447k per annum from 2025/26. A summary of the savings is provided below with more details within Appendix 1.

Transformation Savings

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Emergency Foster Placement	(79)	(158)	(237)	(237)
Contact Centres income generation	(40)	(40)	(40)	(40)
SEND Transport	(137)	(187)	(187)	(187)
Adult Education income generation	1	14	17	17
Total	(255)	(371)	(447)	(447)

3.3.8. 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.

3.3.9. There remain significant cost/growth pressures impacting on education, high needs transport, housing, adults and children's social care as well as opportunities for the mitigation of costs. For this Portfolio, there are additional costs relating to SEN Transport, placements and children social care staffing. The financial forecast elements for CEF are summarised below.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Growth/cost pressures	16,397	18,957	21,534	25,611
Mitigation	(4,816)	(2,998)	(3,176)	(3,529)
Offset by DSG grant	(8,030)	(9,640)	(11,878)	(15,259)
Net additional costs	3,551	6,319	6,480	6,823

3.3.10. 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 2022/23 BUDGET

3.4.1. Detailed Draft 2022/23 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 2022/23 Revenue Budget for the Portfolio showing actual 2020/21 expenditure, 2021/22 budget, 2022/23 budget and overall variations in planned spending between 2021/22 and 2022/23;
- A summary of the main reasons for variations per Portfolio in planned spending between 2021/22 and 2022/23 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 2022/23 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 2022/23 Budget represents the third year of savings from the Transformation Programme (see section 3.3.7). 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.

3.7. ESTIMATED FINANCIAL IMPACT OF COVID-19

3.7.1. It is clear that there are potential additional cost pressures facing the Council due to the impact of the pandemic which includes for example:

- Ongoing impact of increase in referrals for children social care.
- Long Covid' effect on adult social care activity and costs.
- Potential increase in homelessness costs following end of furlough and national eviction ban.
- Reduced income remaining from car parking and other income sources.
- Ongoing challenges relating to debt recovery (partly due to required delay enforcement action for income recovery).

3.7.2. Some of these changes had been incorporated in the 2022/23 Budget but there remains uncertainty about the ongoing impact arising from the 'new normal'. The Provisional Local Government Finance Settlement 2022/23 announced on 16th December provides no specific long COVID (or 'new normal') additional funding for local government in 2022/23.

3.8. SCHOOLS BUDGET

3.8.1. 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).

3.8.2. 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
2021/22	237,832	59,923	23,343	2,134	323,232
2022/23 (provisional)	245,142	67,379	21,748	2,091	336,360
Variation	7,310	7,456	-1,595	-43	13,128

- 3.8.3. The figures in the table above are provisional and subject to change once DfE issue any updates in due course.
- 3.8.4. The Schools Block has risen by £7.3m. This is due to an increase in the per pupil unit of funding and increases in the population figures. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools. Moreover, DfE has introduced a central payment mechanism for Schools Business Rates in 2022/23 and therefore a further deduction will be made for this.
- 3.8.5. There has also been an announcement of additional supplementary grant of £7.1m for 2022/23 for schools. This is to provide support for the costs of the Health and Social Care Levy and wider costs. This will be distributed as a separate grant in 2022/23 only as the intention is to integrate this into the DSG from 2023/24 onwards.
- 3.8.6. 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 has been acknowledged, and further funding committed for 2022/23.
- 3.8.7. The DSG allocation has resulted in an increase in high needs block funding of £7.5m for Bromley. £2.4m of this amount was announced in the spending review to cover additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated, including the Health and Social Care Levy. The remaining £5.1m is due to the increases in per pupil funding and the increase in pupils themselves.
- 3.8.8. 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 2023/24.
- 3.8.9. Early Years funding has decreased by £1.6m. DfE have increased the part time equivalent (PTE) rates by 21 pence per hour for 2-year-old funding and 17p per hour for 3 and four year old funding for 2022/23. This has increased the grant by £783k. However there has been a considerable drop in numbers through the census data, resulting in a grant loss of £2.4m. There is uncertainty about the figures to the COVID pandemic and the pupil counts so this should be taken with some caution. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the financial year progresses. It is hoped take up will increase and if this is the case, the funding will be adjusted by DfE.
- 3.8.10. The Central Block has decreased by £43k. The per pupil rate fell by 2.5% (the equivalent of a loss of £53k). £10k of additional grant was received 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 £410k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2022/23 bringing the total Council core funding to £460k.

3.9. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

COVID Warning

3.9.1. Across Children Education and Families we continue to experience a range of challenges in terms of safeguarding for our most vulnerable children these are as follows;

- an increase children coming into care as families who were fragile have been unable to cope.
- younger children coming into public care through the courts where issues of parental mental health and substance misuse together with domestic violence has featured.
- Schools have needed to quickly respond to the physical lay-out of class rooms and communal areas, as well as implementing arrangements to accommodate regular testing regimes.
- Higher incidences of emotional well-being concerns for young people linked to the periods lock-down and death/illness of family members.
- We have been required to find some specialist placements for complex needs children where their home situation is unable to be sustained due to their needs and these placements costs are at the high end.

3.9.2. Staffing has continued to remain 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.

3.9.3. 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:

3.9.4. 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.

3.9.5. 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.

3.9.6. Since March 2021, the number and complexity of referrals have increased. This is linked to return of young people back to a full-time, class-based curriculum. This increase in demand was anticipated and is closely linked to impact of the first and second lockdown periods.

3.9.7. We are now experiencing very high levels of contacts reaching nearly a 1,000 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.

- 3.9.8. We currently have 83 children in proceedings in various stages and the courts are backlogged and working remotely which has slowed final decisions for children. This is a slight reduction from previously reported as the Court are beginning to make in-roads into the back-log of cases caused by the initial periods of lock-down. However, this means that some children are remaining in the system longer when in 'normal' circumstances may have been closed.

Recruitment of permanent staff:

- 3.9.9. This continues to be a significant challenge. Currently 83% of staff are permanent. Some of the reasons that this is currently difficult is due to other LA's offering higher salaries in their quest to attract skilled social workers, or also the impact of remote working leading to some SW's re-locating out of London or being able to work in other parts of the Country for much of the week. Recruitment into our Referral teams and Safeguarding teams is the most challenging because of the nature of the work.
- 3.9.10. 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 are the most challenging and this is line with other London Local Authorities.
- 3.9.11. We continue to seek to promote from within and encourage career progression as a major element of our staff retention approach.

Keeping our caseload promise:

- 3.9.12. 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. We have been able to maintain caseloads within the Ras Teams and are now looking at ways to address capacity in the Safeguarding service.
- 3.9.13. 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:

- 3.9.14. 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.
- 3.9.15. The complexity of young people coming into care is testing the suitability of placements and again we have recently 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 £10 – £12K per week
- 3.9.16. Bromley continues to be part of the Commissioning Alliance, along with 11 other boroughs. We are currently looking at how membership of this organisation might provide further efficiencies

in our commissioning. Currently the stability of our placements is very good despite the challenging circumstances.

- 3.9.17. Our 4 step down foster carers have now been caring for 3 young people who were high profile, complex and in residential . This resource has ensured good outcomes for young people as well as significant financial savings.
- 3.9.18. We also have a cohort of foster carers who 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 now recruited a 5 foster carers to this cohort.
- 3.9.19. 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 180 children and only 6 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. This approach has been so successful that we are currently looking to strengthen this team so that we can prevent a wider cohort of children from needing to enter care.

Unaccompanied Asylum Seeking Children:

- 3.9.20. We are currently supporting 79 young people – 7 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

- 3.9.21. Covid-19 had a significant impact on the income from paying learners within Adult Education, however these numbers have slowly begun to return to previous levels.
- 3.9.22. Our overall population continues to increase with a particularly increase in the school age population (this was 61,343 in 2018, was 62,108 in March 2021.) Over the period since 2010 this equates to a 9.62% increase. These increases are 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.
- 3.9.23. The Education Service is projected to have a significant overspend on both DSG and RSG budgets in 21/22, primarily as a direct result of increased levels of SEND and the demands to the service that this is bringing. The majority of the proposed growth items within the Education MTFS aim to address this but there continues to be immense pressures on services and budgets.

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

- 3.9.24. 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. This is also having a significant impact on the RSG resulting from significant increases in the volume and cost of SEN Transport. These pressures are in line with other Boroughs across London and England. Between 2016 and 2021, the number of children with special educational needs requiring an EHCP (Education, Health and Care Plan) has increased

by 33%, significantly higher than the overall increase in the school age population. In October there were 3,323 Bromley resident children with an EHCP. In 2017, there were 422 requests for statutory assessment, which increased to 823 by the end of 2019/20.

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

3.9.26. Match local provision to local need;

3.9.27. 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. This new school is likely to open in 2024
- 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.

3.9.28. 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 2022/23 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 2022/23 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 2022/23 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 Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 8.4 Executive is being requested to delegate the setting of the schools' budget funded through the Dedicated Schools Grant to the Education, Children and Families Portfolio Holder.
- 8.5 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 victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 8.6 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 2022/23 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 2022/23 Budget and Update on the Council's Financial Strategy 2023/24 to 2025/26, Executive 12th January 2022. Finance monitoring, Estimate Documents, etc all held in Finance Section