

## Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has an overspend of £8,761,000 for the year.

The Education Division has an underspend of £29k.

Transport continues to be a risk area. There are a number of causal factors affecting the position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities as highlighted in this paper

The complexity of children and young people's needs continues to be at a higher level than prior to the Covid pandemic. These high levels of demand have continued for the past 3 years. A number of the Covid-related cases have acute social, emotional and mental health needs, which require specialist provision which is typically costly independent provision outside of Bromley. Transport is often required and although officers seek to minimise costs, transport is often required to meet children's needs.

Transport provider pressures arising from the Covid-19 pandemic and inflationary market pressures - The reduced availability of drivers and vehicles has resulted in more expensive providers having to be used from the call off framework.

Immediate management action was taken last financial year on the notification of the forecast budget overspend position. The service has implemented the recommendations from the review of SEN transport arrangements undertaken working with a specialist external transport adviser. The service continues to implement the significant mitigation proposals identified as part of the MTFs process, which seek to offset the forecast pressures on SEN Transport. This work is on track, however it will continue to be monitored throughout the year, noting the volatility in the transport market. The predictive work undertaken by our AD Strategic Performance on demand management will continue to inform our budget planning subsequent budget challenge discussions.

There is a current projected overspend in DSG of £5,563k in year. This will be added to the £7,142k carried forward from 2021/22. This gives us an estimated DSG deficit balance of £12,705k into the new financial year. We have met with the DfE and discussed our DSG Deficit Recovery Management Plan. We will be meeting again with representatives from the DfE in the summer to discuss next steps and ways forward

The impact of additional legal duties from the SEND Reforms, has led to unsustainable financial pressures on High Needs costs within the DSG. The recent increases in Government funding are not sufficient to meet the increased costs. We are aware that Bromley was one of the last London Boroughs to incur a deficit in the DSG, with some local authorities having deficits in excess of £20m. The legal framework is heavily weighted in favour of parental preference, which is often for independent day and residential provision. We continue to assess all cases carefully and with a view to carefully balancing the education needs of young people and ensuring the best value for money from specialist education placements. Where it is appropriate to do so we continue to defend our decisions at Tribunal.

In the 2022 calendar year, 413 new EHCPs were issued, up from 274 in 2018, however less than 476 in 2021. We have sought to commission additional local specialist provision, including a new special free school due to open in 2024, but need still outstrips the capacity of specialist provision and the legal framework and tribunal challenges are such that we often have no choice but to continue funding costly independent provision to ensure we meet our statutory duties.

A range of transformation work is underway to address the pressures currently faced by the Bromley SEND system, including the introduction of new EHC Needs Assessment Guidance, publication of a Ordinarily Available Provision expected to be in place within every school and setting and a transformation of services to focus on earlier intervention. An example of this is the introduction of Funded Improvement Plans, which provide a mechanism to provide access to time-limited support for children with SEN, without the need for an EHCP. There are early signs that the growth in requests for statutory assessment, seen over recent years, has been reversed in 2023. The position will be closely monitored over the remainder of the year.

A review of High Needs Funding and SEN Estates is nearing conclusion, with oversight from the SEND Governance Board and CEF PDS. This is considering the opportunities for creating additional local provision, how the funding bands can be simplified and identifying where any savings can be made. We continue to work on increases to local specialist provision, including the special free school and increases in Additionally Resourced Provisions, which are specialist classes within mainstream schools.

In Children's Social Care the overspend is £8,790k.

The ongoing impact of C19 on Children Services continues especially in respect of contacts into our MASH – these continue to remain consistently around 1,100 contacts per month with little sign of a reduction. This compares to around 600 in April 2020 and it is the complexity of need from the families and children that have an added dimension.

There continues to be a high level of demand for support particularly in CWD which has meant a rise in demand for our short break provision. In response we have sought to increase the number of nights available for the number of families requiring this. Whilst These continued pressures have meant an increase in our looked after population in CWD despite the innovative and expensive care packages put in to support with health provision short breaks. The resilience for some families is now being significantly tested following two years of Covid challenges. This is primarily seen in families for children with profound and complex health and challenging sometimes aggressive behaviour.

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

Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time

Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. 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.

Increased complexity of children (SEND).

Shortage of local school places (particularly for Specialist schools).

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

Children, Education and Families Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
-461	Adult Education Centres	Cr 438	Cr 394	Cr 347	47	1	80	0
694	Schools and Early Years Commissioning & QA	747	779	576	Cr 203	2	60	0
2,612	SEN and Inclusion	2,365	2,383	2,771	388	3	287	0
99	Strategic Place Planning	43	43	100	57	4	0	0
49	Workforce Development & Governor Services	Cr 24	Cr 23	17	40	5	1	0
6,975	Access & Inclusion	6,781	7,800	7,516	Cr 284	6	6	871
-1,446	Schools Budgets	Cr 3,067	Cr 3,083	3,083	0	9	0	0
25	Other Strategic Functions	318	316	196	Cr 120	7	Cr 300	0
-10	Central School Costs	Cr 36	Cr 41	9	32	8	0	0
<b>8,537</b>		<b>6,689</b>	<b>7,780</b>	<b>7,737</b>	<b>Cr 43</b>		<b>134</b>	<b>871</b>
<b>Children's Social Care</b>								
1,774	Bromley Youth Support Programme	1,732	1,822	1,865	43	10	Cr 24	0
676	Early Intervention and Family Support	1,342	1,415	1,260	Cr 155		117	0
8,150	CLA and Care Leavers	8,280	8,285	10,034	1,749		1,753	2,232
17,854	Fostering, Adoption and Resources	18,400	18,429	22,121	3,692		3,348	5,500
3,552	0-25 Children Service (Disability Services)	3,603	3,604	5,184	1,580		1,869	0
4,358	Referral and Assessment Service	4,202	4,656	5,073	417		826	0
3,908	Safeguarding and Care Planning East	3,012	3,715	4,582	867		305	0
2,779	Safeguarding and Care Planning West	2,389	2,425	2,998	573		99	0
Cr 980	Safeguarding and Quality Improvement	Cr 2,084	Cr 2,513	Cr 2,489	24	506	0	
<b>42,071</b>		<b>40,876</b>	<b>41,838</b>	<b>50,628</b>	<b>8,790</b>		<b>8,799</b>	<b>7,732</b>
<b>50,608</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN &amp; FAMILIES</b>	<b>47,565</b>	<b>49,618</b>	<b>58,365</b>	<b>8,747</b>		<b>8,933</b>	<b>8,603</b>
	<b>Total Non-Controllable</b>	1,594	129	129	0		0	0
	<b>Total Excluded Recharges</b>	10,790	11,182	11,182	0		0	0
<b>50,608</b>	<b>TOTAL EDUCATION, CHILDREN &amp; FAMILIES PORTFOLIO</b>	<b>59,949</b>	<b>60,929</b>	<b>69,676</b>	<b>8,747</b>		<b>8,933</b>	<b>8,603</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 94	Cr 94	578	672	11	668	0
	Education Welfare Service (RSG Funded)	Cr 18	Cr 17	10	27		40	0
	Workforce Development (DSG/RSG Funded)	Cr 30	Cr 29	17	46		1	0
	Community Vision Nursery (RSG Funded)	64	79	Cr 6	Cr 85		1	0
	Blenheim Nursery (RSG Funded)	98	113	169	56		108	0
<b>0</b>	<b>Total Sold Services</b>	<b>20</b>	<b>52</b>	<b>768</b>	<b>716</b>		<b>818</b>	<b>0</b>

Reconciliation of Latest Approved Budget

Original Budget 2022/23 £'000  
59,949

Contingency:

Additional social workers re caseloads 700  
Temporary increase in CIN social workers 250  
SEN Transport 1,000

Carry forwards:

Broadband at Poverest 6  
Wellbeing for Education 6  
Deed Settlement for Hawes Down Site  
- expenditure 12  
- income -12  
Virtual School CIN Grant  
- expenditure 63  
- income -63  
Virtual School PLAC Grant  
- expenditure 93  
- income -93  
Tackling Troubled Families Grant  
- expenditure 334  
- income -334  
EIFS waiting list and volumes 90  
MOPAC Choices grant 75

Other:

Draw Down from Health Reserve  
- expenditure 314  
- income Cr 314  
Tackling Troubled Families Grant  
- expenditure 490  
- income Cr 490  
Homes for Ukraine - DfE Grant  
- expenditure 350  
- income Cr 350  
Repairs and Maintenance  
- expenditure Cr 4  
Provision for agency workers contract savings Cr 121  
Adj to NI budget following reversal of 2022-23 increase in November Cr 84  
Asylum Grant  
- expenditure 129  
- income Cr 129  
VAWG Services Cr 64  
Step Up to Social Work transferred to HR

- expenditure	Cr	900
- income		900
Draw Down from Health Reserve - No 2		
- expenditure		500
- income	Cr	500
Energy Budget Adjustment		187
Merit Awards		74
Controllable Insurance	Cr	6
Movement of Recharge from Controllable to Non-Controllable	Cr	63
Movement of Recharge from Controllable to Non-Controllable		63
Memorandum Items:		
Capital Charges	Cr	1,279
Insurance	Cr	74
Repairs & Maintenance	Cr	89
Rent income	Cr	22
Excluded Recharges		335
<b>Latest Approved Budget for 2022/23</b>		<b><u>60,929</u></b>

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Dr £47k**

The Adult Education service is currently projecting to overspend by £47k. This is due to underspends on staffing of £24k and running costs of 48k. These are being offset by lower levels of income generation of £119k.

### **2. Schools and Early Years Commissioning & QA - Cr £203k**

The in-house nurseries have had issues with staffing levels that have led to a reorganisation of the service. This has resulted in a staffing underspend across the two nurseries of £299k, lower income levels of £295k and an underspend of £25k on running costs. Once these figures are netted off, it leaves a net underspend of £29k.

Across the rest of the service there is a total of £174k underspend. This is made from a £56k underspend on staffing and £72k on running costs. Additionally there are higher than budgeted income levels of £46k.

### **3. SEN and Inclusion - Dr £388k**

The staffing in this area is currently forecasting an underspend of £50k and additional Income £214k. This is offset by an overspend of £159k related to running costs

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £179k and the Trading Service they offer to the Schools to be overspent by £672k due to the use of expensive agency staff and a new contract to help reduce the backlog within the service. This is a net overspend of £493k.

Please note that as from the start of the year, the SEN Transport Service has move from the SEN Division to the Access & Inclusion Division

### **4. Strategic Place Planning - Dr £57k**

The overspend of £57k in this area is made up of a £63k overspend on staffing and associated recharges and an underspend on running costs of £6k.

### **5. Workforce Development & Governor Services - Dr £40k**

The £40k overspend is made up of lower income levels generated of £18k and the remaining £22k is mostly related to running costs.

### **6. Access & Inclusion - Cr £284k**

The Education Welfare Service Trading Account has lower levels of income generation of £27k due to the loss of a number of school contracts.

In the area they are predicting to overspend on staffing by £34k and on running costs of £31k.

SEN Transport is underspent by £376k during the year. This is due to reduced costs of £276k related to the cost of providing the service and costs associated with COVID not materialising. This is then offset by forecasted underspends on staffing (£128k), under collection of income of £106k and underspends on the remaining running costs (£78k). These figures take into account the drawdown from the reserves of £1,000k.

### **7. Other Strategic Functions - Cr £120k**

There is area underspend of £104k. This is split out by as an overspend of £95k on staffing and an underspend of £224k on running costs.

### **8. Central School Costs - Dr £32k**

The £32k overspend is mostly down to the under collection of income.

### **9. 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.

There is a current projected overspend in the DSG of £5,563k. This will be added to the £7,142k carried forward in the reserves from 2021/22. This gives us an estimated DSG reserve deficit of £12,705k at the end of the financial year.

The in-year overspend is broken down as follows:-

There is an underspend of £74k in the Primary Support Team. This is mainly due to underspends in staffing budgets.

The Home and Hospital service overspent by £56k during the year. The use of agency tutors to support the higher number of students the service is supporting caused a £153k overspend which was offset by an underspend of £174k on staffing. There are also overspends on other running costs of £25k and lower levels of income collection of £52k.

The free early years provision for 2 years and 3 & 4 Years old (universal and additional hours) in total overspent by £1.621k for this financial year. There was also a £77k overspend on the other running cost and income collection.

The Inclusion and Behaviour service has an underspend of £28k at year end. The reasons for this are an underspend on staffing of £42k and on running costs of £85k. This is offset by lower levels of income generation of £99k

The Admissions Service has overspent by £41k and this is down to an underspend in staffing of £75k and £17k on running costs. This is then offset by lower levels of income generation of £51k.

The Education Welfare Statutory Service has a net underspend of £23k. This is due to an underspend on staffing of £47k, lower levels of income generation of £32k and an underspend on running costs of £8k.

At year end the Place Planning budget was underspent by £56k, of which £48k related to staffing and £8k on running costs.

The SEN placement budget is projected to overspend £5,254 with the main pressure coming the Independent school placements, with additional pressure coming from matrix funding and direct payments. Some of this pressure is being offset by additional grant that has been received in year

SEN Support for clients in Further Education Colleges is currently expected to underspend by £732k this year. This is due to the number and cost of placing clients with Independent providers.

The SENIF budget underspent by £154k on the payments made to providers to support SEN children during the year.

The Darrick Wood Hearing Unit, Early Years SEN Advisory Team and other general staffing budgets in SEN underspent by a total of £348k. Most of the underspend relates to lower than expected staffing costs.

There is also a total small balance of net off to £11k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Primary Support Team	-74	0	0	0	-74
Home & Hospital	56	56	0	0	0
Inclusion and Behaviour	-28	-28	0	0	0
Early years settings	1,698	0	0	1,698	0
Admissions	-41	0	0	0	-41
Education Welfare	-23	0	0	0	-23
Place Planning	-56	0	0	0	-56
Other Small Balances	11	4	0	-1	8
SEN:					
- Placements	5,254	5,254	0	0	0
- Support in FE colleges	-732	-732	0	0	0
- Darrick Wood Hearing Unit	-44	-44	0	0	0
- High Needs Pre-school Service	-49	-49	0	0	0
- SENIF	-154	-154	0	0	0
- SEN General	-255	-255	0	0	0
<b>Total</b>	<b>5,563</b>	<b>4,052</b>	<b>0</b>	<b>1,697</b>	<b>-186</b>

## **10. Children's Social Care - Dr £8,790k**

The final budget variation for the Children's Social Care Division is an overspend of £8,790k (previously £8,799k). Despite additional funding being secured in the 2022/23 budget, continued increases in the number of children being looked after together with the cost of placements has continued to put considerable strain on the budget.

### Bromley Youth Support Programme - Dr £43k

The BYSP budget has overspent during the year by £43k. This is due to an overspend of £48k in staffing and in running costs of £79k. This is then offset by higher than budgeted income levels of £84k.

### Early Intervention and Family Support - Cr £155k

This budget has been underspent by £155k this year. This is due to lower income levels being generated of £51k which is offset by underspends in staffing of £82k and running costs of £124k.

### CLA and Care Leavers - Dr £1,749k

The service has overspent by £1,749k. This is due to an overspend in staffing of £40k, higher levels of grant collections of £557k and £1,103k overspend on running costs. There is currently forecast to be an additional overspend on placement costs in this service of £1,163k.

### Fostering, Adoption and Resources - Dr £3,692k

The budget for children's placements is currently projected to overspend by £3,229k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,156k (Dr £1.682k)

- Boarding Schools - Dr £166k (Dr £54k)
- Secure Placement - Dr £344k (Dr £135k)
- Fostering services (IFA's) - Dr £477k (Dr £911k)
- Fostering services (In-house, including SGO's and Kinship) - Dr £161k (Dr £132k)
- Adoption placements - Cr £63k (Cr £79k)
- Outreach Services - Dr £440k (Dr £854k)
- Remand Costs - Cr £497k (Dr £0)
- Transport Costs - Dr £45k (Cr £73k)

There is a one off £400k Health funding that is off-setting some of the pressures of the Children's Placements for this year.

Additionally there are overspends in running cost of £831k, Staffing costs of £11k and lower income levels of £21k.

0-25 Children Service (Disability Services) - Dr £1,580k

Services for Children with Disabilities has overspent by £1,580k this year. This is made up of an overspend on placement / outreach services of £1,525k, staffing of £45k and other running costs of £83k. To offset this there is an over collection of income of £73k.

Referral and Assessment Service - Dr £417k

The main projected variance relates to services is a projected overspend on staffing of £375k and this is being offset by an underspend in running costs of £32k. The remaining £74k in running costs relates to No Recourse to Public Funds (NRPF) clients.

Safeguarding and Care Planning East - Dr £867k

The budget in this area has an overspend of £867k. This is due to overspends on PLO cases of £662k, general running costs of £205k and staffing overspends of £11k. this is offset by additional income generated of £11k

Safeguarding and Care Planning West- Dr £573k

This area has overspent by £573k due to a staffing overspend of £322k and additional running costs of £262k. This has been partially offset by additional income of £11k.

Safeguarding and Quality Improvement - Dr £24k

This area has overspent by £24k mainly relates to staffing (£357k). This has been offset by an underspend in running costs of £319k in running costs and £14k additional income.

**11. 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, there has been in Children's Social Care there were 10 waivers agreed for placements of between £50k and £100k, 1 between £100k and £150k, 1 between £150k and £200k and 6 for a value of over £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 processed