

Children, Education and Families Portfolio Budget Monitoring Summary

2022/23 Actuals £'000	Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
CHILDREN, EDUCATION AND FAMILIES PORTFOLIO								
Education Division - Core funding								
Cr 347	Adult Education Centres	Cr 430	Cr 430	Cr 430	0		0	0
576	Schools and Early Years Commissioning & QA	739	739	620	Cr 119	1	0	0
2,771	SEN and Inclusion	2,525	2,615	2,455	Cr 160	2	0	0
100	Strategic Place Planning	56	56	56	0		0	0
17	Workforce Development & Governor Services	Cr 22	Cr 22	Cr 22	0		0	0
7,516	Access & Inclusion	8,134	9,134	9,177	43	3	0	0
196	Other Strategic Functions	459	369	369	0		0	0
Cr 40	Central School Costs	Cr 60	Cr 60	Cr 60	0		0	0
10,789		11,401	12,401	12,165	Cr 236		0	0
Children's Social Care								
1,911	Bromley Youth Support Programme	1,798	1,798	1,923	125	4	0	0
1,260	Early Intervention and Family Support	1,545	1,545	1,500	Cr 45	5	0	0
10,034	CLA and Care Leavers	11,485	12,352	12,680	328	6	0	300
22,122	Fostering, Adoption and Resources	23,880	24,380	24,348	Cr 32	7	0	500
5,184	0-25 Children Service (Disability Services)	3,714	4,314	5,382	1,068	8	0	1,400
5,073	Referral and Assessment Service	4,765	4,765	5,229	464	9	0	0
4,582	Safeguarding and Care Planning East	4,181	4,181	4,360	179	10	0	0
2,998	Safeguarding and Care Planning West	2,493	2,499	2,715	216	11	0	0
Cr 2,489	Safeguarding and Quality Improvement	Cr 6,255	Cr 6,394	Cr 6,319	75	12	0	0
50,675		47,606	49,440	51,818	2,378		0	2,200
61,464	TOTAL CONTROLLABLE FOR CEF CORE FUNDING	59,007	61,841	63,983	2,142		0	2,200
129	Total Non-Controllable	1,424	1,424	1,424	0		0	0
11,182	Total Excluded Recharges	7,208	7,208	7,208	0		0	0
72,775	TOTAL CEF PORTFOLIO CORE FUNDING	67,639	70,473	72,615	2,142		0	2,200
Education Division - DSG Funding								
21,691	Schools and Early Years Commissioning & QA	21,512	21,512	21,410	Cr 102	13	0	0
39,401	SEN and Inclusion	40,787	40,787	45,097	4,310	14	0	0
3,272	Access & Inclusion	3,635	3,635	3,636	1		0	0
22	Strategic Place Planning	94	94	94	0		0	0
6	Workforce Development & Governor Services	20	20	20	0		0	0
130	Other Strategic Functions	481	481	481	0		0	0
Cr 97,312	Schools Budgets	Cr 103,139	Cr 103,139	Cr 103,139	0		0	0
17,840	Special Schools and Alternative Provision	18,983	18,983	18,983	0		0	0
7,847	Primary Schools	10,075	10,075	10,075	0		0	0
4,005	Secondary Schools	3,798	3,798	3,798	0		0	0
0	Charge to Reserves	0	0	Cr 4,209	Cr 4,209	15	0	0
Cr 3,098		Cr 3,754	Cr 3,754	Cr 3,754	0		0	0
Cr 3,098	TOTAL CONTROLLABLE FOR CEF - DSG FUNDING	Cr 3,754	Cr 3,754	Cr 3,754	0		0	0
11	Total Non-Controllable	81	81	81	0		0	0
3,087	Total Excluded Recharges	3,673	3,673	3,673	0		0	0
0	TOTAL CEF PORTFOLIO - DSG FUNDING	0	0	0	0		0	0
TOTAL CEF PORTFOLIO		67,639	70,473	72,615	2,142		0	2,200

REASONS FOR VARIATIONS**1. Schools and Early Years Commissioning & QA - Cr £119k**

The in-house nurseries are currently expected to underspend by £80k, and this is down to an underspend on staffing.

Across the rest of the service there is a £39k underspend relating to staffing

2. SEN and Inclusion - Cr £160k

The staffing in this area is currently forecasting an underspend by £153k. This is due to a number of posts that are currently vacant and are currently expected to be filled during the year. The remaining £7k relates to an underspend in running costs.

3. Access & Inclusion - Dr £43k

The Education Welfare Service Trading Account is currently expected to under collect on its income by £43k due to the loss of a number of school contracts.

Children's Social Care - Dr £2,378k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £2,378k, Additional funding has been identified of £1,370k due to above inflationary increases in prices across the board in CSC. this has been applied but some pressures/demands still remain

4. Bromley Youth Support Programme -Dr £125k

The BYSP budget is projected to overspend by £125k this year. The service is currently looking at transformational savings that have not yet been realised.

5. Early Intervention and Family Support - Cr £45k

The main projected variance relates to services is a projected underspend on staffing of £82k. This is then offset by a £37k overspend on running costs.

6. CLA and Care Leavers - Dr £328k

The service is currently expected to overspend by £328k. This is due to an overspend in staffing of £66k, an under collection of income of £125k and a £15k underspend on running costs. Additionally, there are is an overspend of £152k relating to placement costs in the service.

7. Fostering, Adoption and Resources - Cr £32k

The budget for children's placements is currently projected to overspend by £88k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £804k
- Boarding Schools - Cr £121k
- Secure Placement - Cr £201k
- Fostering services (IFA's) - Dr £309k
- Fostering services (In-house, including SGO's and Kinship) - Cr £568k
- Adoption placements - Cr £199k
- Outreach Services - Dr £143k
- Transport Costs - Cr £79k

Additionally there is an extra £304k worth of income - most of which relates to the cost of the placements. This is then being offset by overspends in staffing of £175k and running cost of £9k.

8. 0-25 Children Service - Dr £1,068k

The main area of overspend is the use of Direct Payments and Dom Care to support the client of £1,144k. There is also a overspend in running costs of £24k. These overspends are then being offset by an underspend in staffing of £100k.

9. Referral and Assessment Service Dr £464k

The main projected variance relates to a projected overspend on staffing of £573k. This is then offset by a £109k underspend on running costs that mostly relates to No Recourse to Public Funds (NRPF) clients.

10. Safeguarding and Care Planning East Dr £179k

The budget in this area is currently projected to overspend by £179k, and is due to staffing overspends of £169k, with the remaining (£10k) relating to general running costs overspends.

11. Safeguarding and Care Planning West Dr £216k

The projected variance relates to a projected overspend on staffing of £39k. There is an additional £177k overspend on running costs that mostly relates to looked after clients.

12. Safeguarding and Quality Improvement Dr £75k

The projected overspend of £75k in this area mainly relates to staffing (£53k), and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care. There is additionally a £22k overspend in running costs.

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 DSG of £4,209k. This will be added to the £12,706k carried forward in the reserves from 2022/23. There has been a prior year Early Year adjustment which has increased the 2022/23 DSG allocation by £600k, and this is off set against the DSG reserve that effectively reduces the reserve. This gives us an estimated DSG reserve of £16,315k at the end of the financial year.

13. Schools and Early Years Commissioning & QA Cr £102k

The underspend of £102k is due to staffing underspends over a range of cost centres.

14. SEN and Inclusion Dr £4,310k

SEN placements are projected to overspend by a total of £4,729k. The overspend is being caused by the Maintained Day (£1,749k), Independent Day (£881k), Alternative Programmes (£1,098k), Maintained Boarding Schools (£259k), Direct Payment (£199k) and Matrix funding (£602k). This is then slightly offset by an underspend on Independent Boarding Schools (£59k).

Additionally to the placement costs, there is an under collection / repayment of grant in this area of £114k, an underspend on staffing across a number of units of £316k, and an underspend on running costs of £217k (of which some relates to the repayment of grant).

15. Charge to Reserves Cr £4,209k

Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However funding will ultimately need to be identified

In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils reserves. On that basis the budget monitoring report identifies a deficit of £4,209k which has to ultimately be funded from the Councils reserve.

Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term

The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances

In terms of presentation of the DSG deficit of £12,706k up to 31/3/2023 and the estimated in year sum of £4,209k in 2023/24, there will need to be adequate funding from the Councils reserves unless alternative savings can be found. The use of reserves have been assumed in this report, although the specific reserves to use have not been identified at this stage.

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 4 waivers agreed for placements of between £50 and £100k, 3 between £100k and £150k, and 2 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 two virements processed :- (1) Transfer of Staff from Learning Disabilities Care Management to Children's 0-25 years' service (£144k) and (2) Transfer of Care Placements Team Staff to Children's Services (£320k)

Description	2023/24 Latest Approved Budget £'000	Variation To 2023/24 Budget £'000	Potential Impact in 2024/25
Children's Social Care	49,440	2,378	The overall full year effect of the Children's Social Care overspend is a net £2,200k, analysed as Residential Care, Fostering and Adoption of £500k, Leaving Care costs of £500k, and CWD costs of £1,400k.

Reconciliation of Latest Approved Budget	£'000
Original Budget 2023/24	67,639
Contingency:	
Carry forwards:	
Deed Settlement for Hawes Down Site	expenditure 5
	income Cr 5
Virtual School - CIN Grant Carry Forward	expenditure 82
	income Cr 82
Homes for Ukraine DfE Grant	expenditure 1,187
	income Cr 1,187
BAEC upgrading hardware and supporting software - GLA Grant	expenditure 26
	income Cr 26
YOT NHS Money	expenditure 29
	income Cr 29
COVID Recovery Grant	expenditure 130
	income Cr 130
National Tutoring Programme	expenditure 22
	income Cr 22
GLA Adult Ed Grant Repayment	expenditure 16
	income Cr 16
Supporting Families; Investing in Practice Grant	expenditure 475
	income Cr 475
Homes for Ukraine Main Grant	expenditure 300
	income Cr 300
Other:	
Transfer of Staff from LD Care Management to Children's 0-25 years' service	144
Transfer of Care Placements Team Staff to Children's Services	320
S31 Leaving Care Uplift Grant	expenditure 68
	income Cr 68
GLA free school meal payment	expenditure 6,036
	income Cr 6,036
UKSPF funding	expenditure 275
	income Cr 275
Above Inflation Pressures on Children Placements	1,370
Drawdown of SEN Transport Reserve	1,000
Latest Approved Budget for 2023/24	<u><u>70,473</u></u>