Appendix A1
Bristol City Council - Adults, Children and Education
2018/19 – Budget Monitor Report

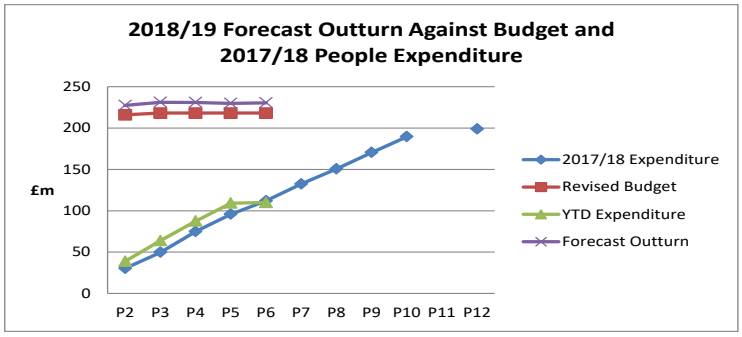
P6

a: 2018/19 Summary Headlines

Revised Budget	Forecast Outturn	Outturn Variance
P5 £218.2m	P5 £229.9m	P5 £11.7m
P6 **£ 218.2m**	**£230.6m**	**£12.3m**

b: Budget Monitor

1. Overall Position and Movement

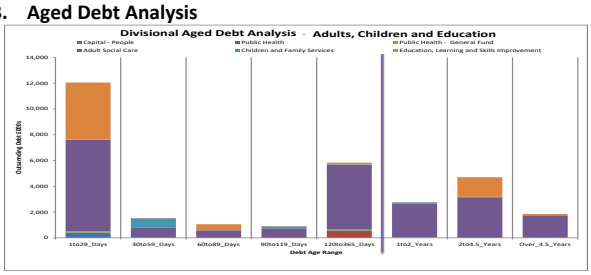


Forecast Outturn Variance 2018/19											
					£000						
Revised budget	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
£218.2m	11.4	13.0	11.7	11.7	12.3						
	▲	▲	▼	▼	▲						

2. Revenue Position by Division

Revenue Position by Division	2018/19 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			
Adult Social Care	130.6	138.6	149.7	11.1
Children and Family Services	60.3	60.3	60.3	0.0
Education, Learning and Skills Improvement	12.6	17.2	18.8	1.6
Public Health - General Fund	2.0	2.2	1.8	(0.4)
Total	205.5	218.2	230.6	12.3

3. Aged Debt Analysis



Overall position in Education

The General Fund position for Education is showing a forecast overspend of £1.6m, an adverse movement of £0.5m since Period 5 the majority of which is attributable to Home-School Transport costs. The table below shows the position for each service. The main pressures arise from not yet allocating £0.8m of savings from the loss of the 2017/18 Education Services Grant, Home School Transport pressures arising from costs, demand and a larger than usual number of school days this financial year, a shortfall on the surplus to be generated by Trading with Schools and higher team costs due to the need to engage agency staff. All of this is partly offset vacancies in Early Years and Employment and Skills and lower pension commitments due to having slightly fewer beneficiaries.

Table: Education and Skills Service budget components, forecast at Period 6 2018/19

Service	Component	Revised budget	Period 6 Forecast	Period 6 Variance	Period 5 Variance	Movement
Early Years Learning	Children's Centres (net)	3,071	3,071			
Early Years Learning	Other GF Early Years	747	693	**(54)**	(106)	53
School Partnerships	School Improvement	123	127	**4**	4	
School Partnerships	Education Welfare	335	335			
Education Management	School Pensions	4,471	4,258	**(213)**	(213)	
Education Management	Team costs	610	730	**120**	132	-11
Education Management	Grant contributions	(1,067)	-1,067			
Education Management	Unallocated savings from ESG	(786)		**786**	786	
Education Management	Overheads charged to TWS / DSG	(1,011)	-983	**28**	28	
Additional Learning Needs	Home to School Transport	4,749	5,509	**760**	328	432
Additional Learning Needs	SEND support	1,687	1,711	**25**	13	11
Employment, Learning & Skills	Team costs	710	679	**(30)**	-37	7
Trading with Schools	Service cost	(573)	(395)	**178**	178	
Schools PFI	Contribution to DSG	4,100	4,100			
TOTAL		**17,166**	**18,769**	**1,602**	**1,111**	**491**

Education (continued)

The in-year position points to four broad areas of concern for the Education budget in the medium term.

1. **Loss of Education Services Grant.** A £0.8m loss of grant for 2018/19 will be supplemented by a £0.8m loss in 2019/20. The Education Review has been assessing how the authority's statutory responsibilities and aspirations can square with the available resources. In the context of the service also having acute financial difficulties in containing the High Needs Budget within approvals, progress has been limited. Indeed, the service is reporting resource pressures in managing the Education Health and Care plan process, which is being addressed through the use of one-off reserves.

   The service budget of £17.1m includes £4.1m contribution to the DSG, £4.5m as an obligation to meet historic commitments on early retirement costs in schools, £3.1m on Children's Centres, which have recently undergone a major restructuring and £4.8m for Home-School Transport, which has been the subject of a major review in recent years. This leaves £0.6m.

   The remainder of £0.6m from the net service expenditure budgets is supplemented by £1.1m of grant contributions ((£0.9m from the DSG for statutory and regulatory responsibilities and £0.2m for School Improvement Grant), £0.6m for a surplus target on Trading with Schools, £1m as a technical (contra) entry for central recharges that are levied on the DSG and TWS and £0.8m savings target for the loss of the Education Services Grant in 2018/19. So, the gross expenditure on the other items is £4.1m.

   That £4.1m is spent on statutory assessment related SEND activities of £1.7m, £0.6m on Employment and Skills, £0.6m on Early Years staffing and contracts, £0.3m on Education Welfare, £0.1m on School Improvement and £0.7m on a range of other posts associated with delivering an education service.

   At a time when SEND managers are seeking additional resources beyond the £1.7m available, the scope for identifying how £1.6m savings can be taken from the Education GF budget and still operate at the statutory minimum is limited. To date, a plan for the future configuration of the Education service has not emerged. Until it does, the financial position for 2018/19 and 2019/20 will remain a pressure for the Authority.

2. **Home-School Transport.** Officers in Education, Finance and Transport are working together to identify service efficiencies and better ways of tracking and forecasting costs. It may be that some cost pressures could be offset by funding set aside corporately for contractual inflation. Variations in school days should be anticipated better in future years. Consideration is being given to the introduction of a dynamic purchasing system to optimise the costs of routes and to improve management information. Demand pressures in the system may have to be considered as part of the analysis for how best to organise SEND (as part of the high needs budget review) and what strategic capital investment in specialist provision might have an associated benefit of lower home-school transport costs (because provision might be more local).

3. **Trading with Schools**. The services have a turnover of £9.4m. 2/3rds of their income is generated from schools and 1/3rd from Council services. After absorbing around £1m of central recharges, and they are forecasting a surplus of £0.4m for 2018/19, which is £0.2m less than the budget target.

   Tight school and Council budgets and increasing academisation of schools has put pressure on income generation. Fixed overhead charges and inflationary pressures have affected spending levels. Partnerships with schools are good, but schools are wary of services becoming expensive and surpluses reverting to the council, rather than to schools through lower prices.

   The Director of Commercialisation will be reviewing the operation of the TWS model to identify a future strategy for these services.

4. **Additional Educational Needs.** Following the judicial review on SEND in August 2018, additional capacity has been introduced to deal with workload levels, using reserves. In principle, up to 20 additional temporary posts will be recruited for six months to March 2019 at a cost of up to £0.340m. There is no funding for these additional posts beyond March 2019, if all that funding is spent by then. A plan for resource management for 2019/20 will be needed either to revert to established levels of staffing, or to reflect any unavoidable requirements in the service and budget planning process for that year.

Until the issues above are tackled, they will continue to show as pressures in the budget monitoring reports.

Adult Social Care

At Period 6 (September 2018) the forecast adverse variance of £11.1m on the current net revenue budget of £150m, this is an increase of £100k on the forecast at Period 5.

The main reasons for the forecast adverse variance are as follows:

- Older People
  - Adverse variance of £10.5m due to ongoing pressures from both demand and the cost of care. The Better Lives Programme has successfully implemented demand interventions that has reduced placements for both residential and nursing with an associated increase in the homecare, (with new placements in care home capped at the Bristol Rate), which has held gross expenditure at the same level as the 2017/18 outturn.
  - Placement rates in residential and nursing settings continue to be affected by a challenged local acute health system and therefore impact on cost. Bristol continues to have a very poor rate of Delayed Transfers of Care (DTOC) attributable to Adult Social Care, ranked 142nd in the country. Performance improvement has been mandated by the Department of Health and NHS England. A new approach is being developed to improve discharge flow and at the same time maximise, where possible, a discharge from hospital followed by period of reablement to enable an individual to return home. It is hoped that this work will improve DTOC performance across the winter and will not cause cost pressures on the already overspent social care budgets.
- Working Age Adults
  - Adverse variance of £10.2m, there is continued use of high cost residential placements due to is a lack of accommodation based support i.e. where a service user can have their own tenancy. Included in the forecast variance is £1.3m of lost income where the BNSSG CCG have implemented revised methodology associated with health share of funding for individuals eligible for S117. These changes were introduced as a result of severe financial challenges faced by the CCG, eventually the change may be cost neutral from a BCC point of view once reviews are completed and services are commissioned, though in the short term there is a direct financial impact.
  - The next phase of the Better Lives Programme will directly address the demand and cost pressures arising from Working Age Adults. In broad terms, Bristol supports a similar number of individuals in long term support to the average of like councils but places considerably more in higher cost residential setting. The plan is to increase the amount of accommodation based support to provide a viable alternative to residential placements and to maximise service users' independence.
  - Whilst some of these changes will take longer to deliver, a short term range of changes will be implemented to contain costs that include: introduce a price cap on residential placements; working collaboratively with neighbouring authorities to control the market; reviewing all high cost packages and seeking to either renegotiate price or to provide alternative support; encouraging greater use of Personal Budgets and Personal Assistants
- Preparing for Adulthood – forecast adverse variance of £3m on a budget of £5.8m, this budget covers transitions from Children's social care.
  - One of the key pressures is 20 service users are supported in residential placements at an average cost of £3,630 per week
  - The key outcomes of the diagnostic work completed on this area include improvements in the interface between children's and adults, working with service users at a much earlier age, developing and managing the market and expanding the use of assistive technology.
- Service User Contributions and Other Income – forecast positive variance of £4.2m
  - Service user income is expected to be £1.8m higher than budget reflecting the higher costs in long term older people placements and S117 income from the CCG is also expected to be £2.4m higher than budget. Though the income would have been an additional £1.3m if the method of funding applied in prior years had continued to be applied
- Staffing and other costs/funding – forecast positive variance of £8m
  - This comprises use of the balance of iBCF after programme costs of £3.3m, forecast savings to be delivered by the Better Lives programme of £2.7m and underspend on staffing and other costs of £2m.

Children and Family Services

The Children and Families position is reported as a breakeven. This is broadly consistent with the position that has been reported in previous months. The balance arises because there are vacancies across the service with pressures in the placements budgets. The table below sets out a more detailed position on the placements detail. The P5 forecast on the placements position anticipated reductions in placements in future months of £70k. During Period 6 the net effect of changes to placement costs / numbers has increased this amount to £157k for future placement reductions which would be necessary to deliver the forecast position.

The Strengthening Families programme is still at an early stage and much of the service improvement work is still to happen, but the budget position is forecast to be on track for this financial year.

Analysis of Children's Social Care budget forecast P6 2018/19, split between placements and other services.

Name	AVERAGE Nos APR TO SEPT 18	ANNUAL BUDGET 2018-19	ANNUAL FORECAST at P6 2018-19	FORECAST VARIATION Period 6	ACTUAL AVERAGE WEEKLY COST
Components of the Placements Matrix	**Nos**	**£000**	**£000**	£000	**£**
Inhouse Non-LAC	**517**	3,628	4,673	1,045	173
Inhouse Non-LAC - Post 18	**2**				
In house Fostercare - Looked after	**395**	6,091	6,149	58	270
In house Fostercare - Post 18	**44**				
Independent Fostering Agencies - Looked After	**158**	7,072	6,484	-588	677
Independent Fostering Agencies - Post 18	**26**				
Inhouse Supported Accom - Looked after	**6**	85	200	115	127
Inhouse Supported Accom - Post 18	**25**				
Out of Authority	**37**	5,345	5,420	75	2,817
Parent & Baby Unit	**6**	704	650	-53	2,028
Secure Unit	**1**	160	245	85	4,039
Childrens Residential Homes (FTE based on no. of nights occupied)	**11**	3,037	2,581	-456	4,531
ESA - Looked after	**8**	750	1,160	410	2,308
ESA- Post 18	**2**				
Adoption - Looked after	**67**	651	501	-151	133
Adoption - Post 18	**6**				
Total for PLACEMENTS	**1,310**	**27,523**	**28,063**	540	412
Total for Teams and other services		**32,772**	**32,236**	**-537**	
TOTAL Children and Families		**60,295**	**60,299**	**3**	

Public Health (GF)

The forecast position variance for the GF element of the Public Health budget is an underspend of (£0.4m), which is no change in headline terms from Period 5. This underspend is a permanent budget with no commitments on it, so it could be an additional MTFP saving for 2019/20 onwards.

c: Risks and Opportunities

4. Savings Delivery RAG Status

18/19 ACE Directorate Savings Target (£'000s):	16,462

18/19 Savings	This month: 18/19 - Total value of savings (£'000s)	This month: 18/19 - Value at risk (£'000s)	This month: Proportion at risk	Last month: 18/19 - Total value of savings (£'000s)	Last month: 18/19 - Value at risk (£'000s)	Last month: Proportion at risk
No - savings are at risk	6,943	6,943	100%	*6,943*	*6,943*	*100%*
Yes - savings are safe	8,298	0	0%	*8,298*	*0*	*0%*
SAVING CLOSED - CONFIRMED AS 'SECURED & DELIVERED'	1,221	0	0%	*1,221*	*0*	*0%*
NO RAG PROVIDED	0	0	n/a	*0*	*0*	*n/a*
Grand Total	**16,462**	**6,943**	**42%**	*16,462*	*6,943*	*42%*
n/a - represents one off savings or mitigations in previous year	-4,942	0	0%	*-4,942*	*0*	*0%*
WRITTEN OFF	0	0	n/a	*0*	*0*	*n/a*
Grand Total	**11,520**	**6,943**	**60%**	*11,520*	*6,943*	*60%*

Top 5 largest savings at risk in 18/19 (ordered by size of saving at risk)

ID	Name of Proposal	Value at Risk in 18/19 (£'000)
FP33	Introduce Better Lives Programme (Improving outcomes for adults in Bristol)	6221
FP05	Reduced education services grant	497
FP18-2	*17/18 rollover* More efficient home to school travel	225

Mitigated 17/18 savings that remain 'due' for delivery in 18/19 (£'000)

Amount due from 17/18:	4942
Amount reported at risk:	225

Key messages/Comments:

1. The top three largest savings at risk in 18/19 remain unchanged with FP33 and FP05 in the top four largest savings for the whole council.
2. A clear plan needs to be put into place to ensure reductions in education funding can be sustainably delivered.

5. Risks and Opportunities

Division	Description	Net Risk / Opportunity £000
Adults	CCG - Turnaround impact on BCF	3,000
Adults	Provider Market Failure leading to paying higher prices for care	1,000
Adults	Court of Appeal decision on treatment of Sleep ins as not being working time reversing a previous tribunal decision and HMRC guidance	150
Children	Opportunities or pressures associated with the occupancy levels of in-house children's homes, whether through new homes or existing.	125
Education	Possible demand and cost pressures in Home School Transport beyond those being reported	300
Education	Possible write-off of Children's Centre, Early Years or Childcare deficits or redundancy costs as a consequence of management of change processes or through an acceptance that deficits had got to a stage where it was infeasible for the school to be able to pay it off within a reasonable time-frame. Moreover, there may be some contributory elements of individual schools' deficits which were beyond their control which the LA might wish to acknowledge.	900
Education	Write-off of deficits at two academising schools: Badocks Wood and Ashton Park.	1,080
Education	Possible write-off of other school deficits eg if DfE direct the school to become a sponsored Academy or in circumstances where it was infeasible for the school to be able to pay it off within a reasonable time-frame.	500
Total		**7,055**

d: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£32.9m	**£30.8m**	**£9.6m**	**£28.0m**	**(£2.8m)**
		31% of budget 34% of forecast	91% of budget	

Gross expenditure by Programme		Current Year (FY2018)				Performance to budget	
		Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
		£000s				%	
Adults, Children and Education							
PE01	School Organisation/ Children's Services Capital Programme	22,871	9,053	21,458	**(1,413)**	*40%*	*94%*
PE02	Schools Organisation/ SEN Investment Programme	0	0	0	**0**		
PE03	Schools Devolved Capital Programme	2,000	0	900	**(1,100)**	*0%*	*45%*
PE04	Non Schools Capital Programme	995	108	995	**0**	*11%*	*100%*
PE05	Children & Families - Aids and Adaptations	583	48	330	**(253)**	*8%*	*57%*
PE06	Adult & Children's Social Care Services	1,300	0	1,300	**0**	*0%*	*100%*
PE07	Extra care Housing	1,624	31	1,624	**0**	*2%*	*100%*
PE08	Care Management/Care Services	231	80	380	**149**	*35%*	*165%*
PE09	Strengthening Families Programme	1,217	328	1,015	**(202)**	*27%*	*83%*
Total Adults, Children and Education		**30,821**	**9,648**	**28,002**	**(2,819)**	***31%***	***91%***

Key Messages

PE06 & PE07, there is slippage on the delivery of the extra care housing schemes, where planned spend is due to be incurred toward the end of the financial year and continue into 2019/20. On that basis the budget profile will be adjusted to reflect current and forecast expenditure plans.