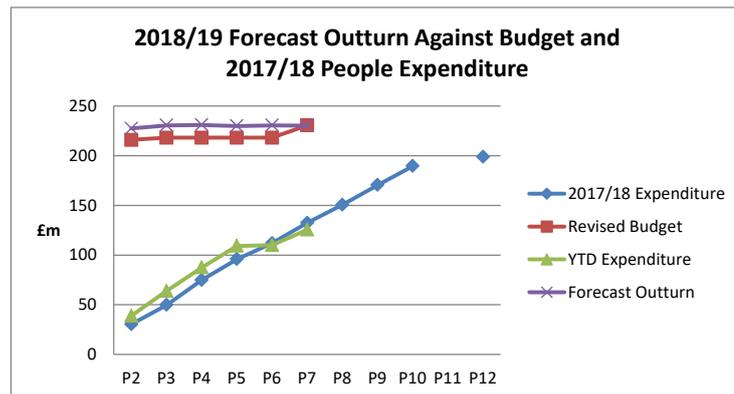


a: 2018/19 Summary Headlines

Revised Budget P6 £218.2m P7 £230.6m	Forecast Outturn P6 £230.6m £230.3m	Outturn Variance P6 £12.3m (£0.3m)	Movement from P6 Revised Budget £12.3m Forecast Outturn (£0.3m)
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b: Budget Monitor

1. Overall Position and Movement

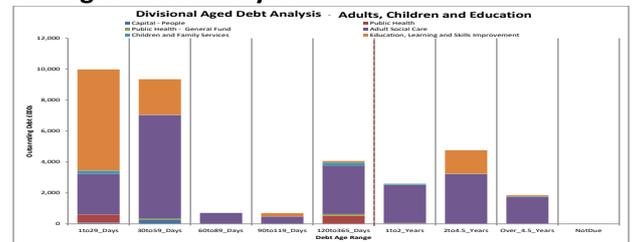


Forecast Outturn Variance 2018/19											
£000											
Revised budget	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
£230.6m	11.4	13.0	11.7	11.7	12.3	(0.3)					
	▲	▲	▼	▼	▲	▼					

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	149.7	149.7	(0.0)
Children and Family Services	60.3	60.3	60.3	0.0
Education, Learning and Skills Improvement	12.6	18.8	18.5	(0.3)
Public Health - General Fund	2.0	1.8	1.8	0.0
Total	205.5	230.6	230.3	(0.3)

3. Aged Debt Analysis



Overall position in Education

The General Fund position for Education is showing a forecast underspend of (£0.3m), an improvement of (£1.3m) since Period 6 (£1.6m due to increased budget through a Supplementary Estimate agreed at Cabinet and (£0.3m) improvement attributable to Special Educational Needs). The Supplementary Estimate addressed budget pressures arising 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 partly offset by vacancies in Early Years, a budget saving in SEND and Employment and Skills and lower pension commitments due to having slightly fewer beneficiaries.

Table: Education and Skills Service budget components, forecast at Period 7 2018/19

Service	Component	Revised budget	Period 7 Forecast	Period 7 Variance	Period 6 Variance	Movement
Early Years Learning	Children's Centres (net)	3,071	3,071	0		
Early Years Learning	Other GF Early Years	693	694	1	(54)	1
School Partnerships	School Improvement	123	123	0	4	(4)
School Partnerships	Education Welfare	335	335	0		
Education Management	School Pensions	4,258	4,236	(22)	(213)	(22)
Education Management	Team costs	730	718	(12)	120	(12)
Education Management	Grant contributions	(1,067)	(1,067)	0		
Education Management	Unallocated savings from ESG	0		0	786	
Education Management	Overheads charged to TWS / DSG	(983)	(983)	0	28	
Additional Learning Needs	Home to School Transport	5,509	5,493	(16)	760	(16)
Additional Learning Needs	SEND support	1,712	1,416	(296)	25	(295)
Employment, Learning & Skills	Team costs	680	710	30	(30)	30
Trading with Schools	Service cost	(395)	(395)	0	178	
Schools PFI	Contribution to DSG	4,100	4,126	26		26
TOTAL		18,766	18,477	(289)	1,604	(292)

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 further £0.8m loss in 2019/20 is part of the MTFP currently. 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 Director has commissioned work to assist in drawing conclusions about the future configuration of the Education Service which will contribute to the budget and service planning for 2019/20.

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. 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 now on budget.

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.

An improvement of (£0.3m) has been recorded for Period 7 arising from a regularisation of the arrangements for the SEN Reform Grant: there had been some discussion around whether the expenditure on the grant was represented in the base budget or not. This has now been resolved.

Overall the Supplementary Estimate addresses the 2018/19 pressures, but there remain issues to resolve for 2019/20.

Adult Social Care

At Period 7 (October 2018) the forecast is a balanced budget on the revised net revenue budget of £149.7m due to the supplementary estimate addition of £11.1m budget offsetting the pressures in the following areas:

- Older People
 - Adverse variance of £7.8m 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 led to forecast gross expenditure being lower than 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 (DTC) 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 DTC performance across the winter and will not cause cost pressures on the already overspent social care budgets.
- Working Age Adults
 - Adverse variance of £9.7m, 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 22 service users who are supported in residential placements at an average cost of £3,170 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 £4.6m
 - Service user income is expected to be £2.0m higher than budget reflecting the higher costs in long term older people placements and S117 income from the CCG is also expected to be £2.6m 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 £4.8m
 - This comprises use of the balance of iBCF after programme costs of £3.4m, use of the one-off social care grant for 2018/19 of £1.3m and underspends on staffing and other costs of £0.1m.

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 forecast assumes that there will be a reduction in placements of (£157k) between now and end of financial year, this reduction in placement numbers would need to be achieved if the forecast position is to be delivered.

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.

Placement Category	Cost Centre name	AVERAGE APR TO OCT	ANNUAL BUDGET £000	ANNUAL FORECAST £000	FORECAST VARIATION £000	ACTUAL AVERAGE WEEKLY COST
Bristol Residential	Inhouse Supported Accom - (Pre 18)	6	85	200	115	125
	Inhouse Supported Accom - (Post 18)	25				
	Childrens Residential Homes (FTE based on number of nights occupied)	11	3,037	2,621	(416)	4,674
Bristol Residential Total		42	3,122	2,821	(301)	4,798
Foster Care	In house Foster care (Pre 18)	398	6,091	6,107	16	267
	In house Foster care - (Post 18)	43				
	Independent Fostering Agencies (Pre 18)	158	7,072	6,505	(567)	679
	Independent Fostering Agencies (Post 18)	26				
	Adoption - Looked after (pre 18)	66	651	498	(154)	135
	Adoption (Post 18)	5				
Foster Care Total		695	13,814	13,109	(705)	1,081
Non-Bristol Residential	Out of Authority	37	5,345	5,415	70	2,836
	Parent & Baby Unit	6	704	638	(66)	2,044
	ESA - Looked after (Pre 18)	7	750	1,224	474	2,459
	ESA - (Post 18)	2				
Non-Bristol Residential Total		52	6,798	7,277	478	7,340
Other	Secure Unit	1	160	249	89	4,194
Other Total		1	160	249	89	4,194
Permanency	SGO/RO/CAO - (Pre 18)	518	3,628	4,684	1,057	173
	RO/SGO/CAO (Post 18)	2				
Permanency Total		520	3,628	4,684	1,057	173
Grand Total of all placements		1,311	27,523	28,141	618	17,587
Total for Teams and Other Services			32,778	32,190	(587)	
Children's Totals			60,300	60,331	31	

Public Health (GF)

The forecast position variance for the GF element of the Public Health budget is that it will be to budget. The previously reported forecast underspend was incorporated as part of the supplementary estimate adjustment.

c: Risks and Opportunities

4. Savings Delivery RAG Status

18/19 ACE Directorate Savings Target (£'000s):				16,462			
		This month			Top 5 largest savings at risk in 18/19 (ordered by size of saving at risk)		
		18/19 - Total value of savings (£'000s)	18/19 - Value at risk (£'000s)	Proportion at risk	ID	Name of Proposal	
18/19 Savings						Value at Risk in 18/19 (£'000)	
No - savings are at risk		6,943	6,943	100%	FP33	Introduce Better Lives Programme (Improving outcomes for adults in Bristol)	6221
Yes - savings are safe		6,934	0	0%	FP05	Reduced education services grant	497
SAVING CLOSED - CONFIRMED AS SECURED & DELIVERED		2,585	0	0%	FP18-2	*17/18 rollover* More efficient home to school travel	225
NO RAG PROVIDED		0	0	n/a			
Grand Total		16,462	6,943	42%			
n/a - represents one off savings or mitigations in previous year		-4,942	0	0%	Mitigated 17/18 savings that remain 'due' for delivery in 18/19 (£'000)		
WRITTEN OFF		0	0	n/a	Amount due from 17/18:		4942
Grand Total		11,520	6,943	60%	Amount reported at risk:		225

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 e.g. 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	£27.5m	£11.8m	£27.5m	£0.0m
		43% of budget 43% of forecast	100% 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	21,428	11,047	21,428	(0)	52%	100%
PE02	Schools Organisation/ SEN Investment Programme	0	0	0	0		
PE03	Schools Devolved Capital Programme	900	0	900	0	0%	100%
PE04	Non Schools Capital Programme	795	161	795	0	20%	100%
PE05	Children & Families - Aids and Adaptations	330	51	330	0	16%	100%
PE06	Adult & Children's Social Care Services	1,148	0	1,148	0	0%	100%
PE07	Extra care Housing	1,624	42	1,624	0	3%	100%
PE08	Care Management/Care Services	230	80	230	0	35%	100%
PE09	Strengthening Families Programme	1,015	442	1,015	0	44%	100%
Total Adults, Children and Education		27,470	11,824	27,470	0	43%	100%

Key Messages

The capital budgets were reprofiled in P6 and the revised 2018/19 programme is anticipated to be delivered.