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DATE: 18 September 2012

To: Members of the
EDUCATION BUDGET SUB-COMMITTEE

Councillor Neil Reddin FCCA (Chairman)

Councillors Nicholas Bennett J.P., Lydia Buttinger, Nicky Dykes and David McBride

A meeting of the Education Budget Sub-Committee will be held at Bromley Civic Centre on **TUESDAY 25 SEPTEMBER 2012 AT 7.00 PM**

MARK BOWEN
Director of Resources

*Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings*

AGENDA

- 1 APPOINTMENT OF VICE-CHAIRMAN**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF INTEREST**
- 4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**
In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Wednesday 19th September.
- 5 MINUTES OF THE MEETING HELD ON 31ST JULY 2012 AND MATTERS ARISING**
(Pages 3 - 6)
- 6 EDUCATION PORTFOLIO BUDGET MONITORING REPORT 2012/13** (Pages 7 - 16)
- 7 CAPITAL PROGRAMME - 1ST QUARTER MONITORING 2012/13 & FINAL OUTTURN 2011/12** (Pages 17 - 22)
- 8 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2011/12** (Pages 23 - 40)

9 **SCHOOL FUNDING REFORM: ARRANGEMENTS FOR 2013/14** (Pages 41 - 62)

10 **CONSTITUTION OF THE SCHOOLS FORUM** (Pages 63 - 74)

11 **ANY OTHER BUSINESS**

12 **DATE OF NEXT MEETING**

13 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

Items of Business

Schedule 12A Description

14 **EXEMPT MINUTES OF THE MEETING HELD ON 31ST JULY 2012** (Pages 75 - 76)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 31 July 2012

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillors Nicholas Bennett J.P., Lydia Buttinger and
David McBride

Also Present:

David Bradshaw, Head of Education and Care Services Finance
Lesley Moore, Deputy Director of Finance

1 APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

RESOLVED that Councillor Neil Reddin be appointed Chairman for the 2012/13 municipal year, and that the appointment of Vice-Chairman be considered at the next meeting of the Education Budget Sub-Committee.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicky Dykes. Apologies for absence were also received from Councillor Stephen Wells, Portfolio Holder for Education.

3 DECLARATIONS OF INTEREST

The Chairman noted that the Declarations of Interest made by Members at the meeting of Education PDS Committee on 12th June 2012 were taken as read.

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

5 TERMS OF REFERENCE FOR THE EDUCATION BUDGET SUB COMMITTEE

Report ED12018

The Education Budget Sub-Committee agreed the draft Terms of Reference of the Sub-Committee subject to the Membership section being amended to read:

“The membership of the Education Budget Sub-Committee shall consist of five Councillors drawn from the membership of the Education Policy Development and Scrutiny Committee.”

RESOLVED that:

- 1) The draft Terms of Reference be agreed, subject to the above amendment; and,**
- 2) The draft Terms of Reference be referred to the next meeting of the Education Policy Development and Scrutiny Committee for endorsement.**

**6 EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2012/13**

Report ED12016

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of May 2012. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants, was forecast to spend in line with budget. The Non-Schools' Budget, funded from Council Tax, Revenue Support and specific grants was also forecast to spend in line with budget.

In considering the budget monitoring position, the Chairman queried what level of Dedicated Schools Grant was held in contingency by the Local Authority and whether this had been impacted by the move of a number of schools in the Borough to academy status. The Head of Education and Care Services Finance confirmed that approximately £1m was currently held in contingency. The Local Authority was responsible for distributing the Dedicated Schools Grant to Borough schools. This was allocated through a formula agreed in partnership with the Schools' Forum, and was decided on a number of factors including pupil numbers. The formula allowed a proportion of the Dedicated Schools Grant to be held centrally, which currently represented approximately £40m of £220m.

In response to a query from a Member around retaining more of the Dedicated Schools Grant, the Head of Education and Care Services Finance confirmed that funding was able to be allocated how the Council wished but that the Schools Forum would have to be in agreement with any funding changes if there was a disproportionate shift of funding away from schools to centrally retained funding. Funding for academy schools was also allocated via the formula, however this was top-sliced from the Dedicated Schools Grant by the Department for Education and provided to schools directly.

With regard to the future distribution of the Dedicated Schools Grant, the Head of Education and Care Services confirmed that the formula would be limited to around six determining factors from 2013/14, with pupil numbers remaining the biggest factor.

Members requested that a report on the new DSG formula arrangements be provided to the next meeting of the Education Budget Sub-Committee. Councillor Nicholas Bennett JP also requested that the Sub-Committee be provided with details of the total controllable budget for the Education Portfolio.

RESOLVED that:

- 1) The latest 2012/13 budget projection for the Education Portfolio be noted; and,**
- 2) The Education Portfolio Budget Monitoring Report 2012/13 be recommended to the Portfolio Holder for approval.**

7 CHILDREN AND YOUNG PEOPLE OUTTURN REPORT 2011/12

Report ED12017

The Sub-Committee considered a report outlining the final outturn position for the 2011/12 financial year. This showed an underspend of £751,000 against a budget of £31,549,000 for the controllable element of the Children and Young People budget, which represented a 2.4% variation. After allowing for the net £120,000 carry forward request agreed by the Executive on 20th June 2012, the final outturn position for 2011/12 was £631k.

In considering the final outturn position for 2011/12, the Chairman queried the overspend in SEN and Inclusion services which had been the result of pupil placements in both the Schools' Budget and the non-Schools' Budget. The Head of Education and Care Services Finance confirmed that children with disabilities may require both an education and social care element to their placement which would impact both budgets. A general moratorium had been introduced during the year on all non-essential running costs across these services, including recruitment to non-essential posts, which had realised savings of £300,000 to contribute towards the overspend. The Head of Education and Care Services Finance confirmed that where appropriate vacant posts had been deleted to support cost reduction. Councillor Nicholas Bennett JP outlined a recent SEN Transport Appeal which had been approved prior to the appeal being heard, and was concerned at the cost implications of any further appeals.

Another Member highlighted that the Total Non Controllable Budget for 2011/12 had increased from the original budget of £10,375,000 to £36,432,000 and queried the reason for this. The Deputy Director of Finance confirmed that this increase was as a result of changes made to the accounting rules on capital charges and had no affect on the budget. It was noted that the Executive were required to agree all budget variations.

RESOLVED that:

- 1) The underspend of £751,000 on controllable expenditure at the end of 2011/12 be noted;**
- 2) The net carry forwards totalling £120,000 agreed by the Executive on 20th June 2012 be noted; and,**
- 3) The Children and Young People Outturn Report 2011/12 be recommended to the Portfolio Holder for approval.**

8 ANY OTHER BUSINESS

In discussing future areas for the Education Budget Sub-Committee to consider, the Chairman requested that the draft budget for 2013/14 be provided to the next meeting of the Sub-Committee. Councillor Nicholas Bennett JP highlighted the need to look at the cost of Special Educational Needs services and, in considering the impact of small schools on Revenue Support Grant, requested that information be provided on primary schools across the Borough. Councillor David McBride also asked that information on external grants and shared funding arrangements for services in the Education Portfolio be provided to the Sub-Committee.

RESOLVED that the issues raised be noted.

9 DATE OF NEXT MEETING

The date of the next meeting of the Education Budget Sub-Committee would be confirmed shortly.

10 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the press and public be excluded during consideration of the items of business listed below as it was likely in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present, there would be disclosure to them of exempt information.

11 DETAILED EDUCATION PORTFOLIO BUDGET 2012/13

The Sub-Committee considered the report and supported the recommendations.

The Meeting ended at 8.25 pm

Chairman

Report No.
ED12048

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Education Budget Sub-Committee**

Date: **25 September 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

**TITLE: EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2012/13**

Contact Officer: David Bradshaw, Head of Education and Care Services Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Tessa Moore, Assistant Director of Education

Ward: Boroughwide

1. REASON FOR REPORT AND SUMMARY OF BUDGET POSITION

- 1.1 This report reviews budget monitoring based on spending to the end of July 2012.
- 1.2 The Schools' Budget is funded from Dedicated Schools' and specific grants and is forecast to spend in line with the budget.
- 1.3 The Non-Schools' Budget is funded from Council Tax, Revenue Support and specific grants and the controllable part of it is forecast to be in an underspend position of £575,000.

2. RECOMMENDATIONS

2.1 The Education PDS Budget Sub-Committee are invited to:

- (i) **consider the latest 2012/13 budget projection for the Education Portfolio;**
- (ii) **refer the report to the Portfolio Holder for approval.**

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People:
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: CYP Portfolio budgets
 4. Total current budget for this head: £21,398k
 5. Source of funding: RSG, Council Tax, DSG, other grants
-

Staff

1. Number of staff (current and additional): 1,920 Full Time Equivalent, of which 1,510 are based in schools.
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

The 2012/13 projected outturn for the Education Portfolio is detailed in Appendix 1A, broken down over each division within the service. Appendix 1B gives explanatory notes on the movements in each service.

The Schools' Budget

- 3.1 An element of the Education budget within Education and Care Services (ECS) department is classed as Schools budget and is funded by the Dedicated schools Grant (DSG) this is projected to spend as per budget. Legislation requires that any variance should be carried forward to the next financial year. Details are contained within Appendix 2.

The Non-Schools' Budget

- 3.2 An element of the Education budget within ECS is classed as Non Schools Budget and this is projected to underspend by £575,000. Details are contained within Appendix 2.
- 3.3 Costs attributable to individual services have been classified as "controllable" and "non-controllable" in Appendix 1. Budget holders have full responsibility for those budgets classified as "controllable" as any variations relate to those factors over which the budget holder has influence and control. "Non-controllable" budgets are those which are managed outside of individual budget holder's service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include for example cross departmental recharges and capital financing costs. This ensures clear accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the "controllable" budget variations relating to portfolios in considering financial performance.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2012/13 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2012/13 budget for the Education Portfolio is projected to be underspent by £575,000 at the year end based on the financial information as at 31 July 2012.
- 5.2 A detailed breakdown of the projected outturn by service is shown in Appendix 1A with explanatory notes in Appendix 1B. Appendix 2 shows the split between Schools Block and Local Authority Block. Appendix 3 gives the analysis of the latest approved budget.

Non-Applicable Sections:	Legal Implications, Personnel Implications
Background Documents: (Access via Contact Officer)	2012/13 Budget Monitoring files in ECS Finance Section

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2011/12 Actuals £	Division Service Areas	2012/13 Original Budget £	2012/13 Latest Approved £	2012/13 Projection £	Variation £	Notes	Variation Last Reported £	Full Year Effect £
1,904	Education Division Access	1,813	2,289	2,289	0	1	0	0
4,564	SEN and Inclusion	5,087	4,661	4,411	-250	2	0	0
0	Schools Budgets	0	0	0	0	3	0	0
1,845	Education Commissioning and Business Services	941	811	486	-325	4	0	-250
1,055	School Improvement	653	750	750	0		0	0
9,368		8,494	8,511	7,936	-575		0	-250
2,971	Children's Social Care Children's Centres	2,027	2,202	2,202	0	5	0	0
1,046	Bromley Youth Support Programme	2,322	2,322	2,322	0	5	0	0
4,017		4,349	4,524	4,524	0		0	0
-291	Adult Education Centres Adult Education Centres	-570	-570	-570	0		0	0
-291		-570	-570	-570	0		0	0
-11,001	Early Intervention Grant Early Intervention Grant	-12,010	-12,010	-12,010	0		0	0
-11,001		-12,010	-12,010	-12,010	0		0	0
2,093	TOTAL CONTROLLABLE FOR EDUCATION	263	455	-120	-575		0	-250
36,671	TOTAL NON CONTROLLABLE	16,344	16,344	16,344	0		0	0
4,102	TOTAL EXCLUDED RECHARGES	4,599	4,599	4,599	0		0	0
42,866	PORTFOLIO TOTAL	21,206	21,398	20,823	-575		0	-250
Memorandum Item								
	Sold Services							
	Education Development Centre (RSG Funded)	0	0	152	152	} 6		
	Education Development Centre (DSG Funded)	1,115	1,115	947	-168			
	Education Psychology Service (RSG Funded)	0	0	0	0			
	Education Welfare Service (RSG Funded)	0	0	0	0			
	Behaviour Support (Secondary) (DSG Funded)	57	57	57	0			
	Behaviour Support (Primary) (DSG Funded)	76	76	76	0			
	Free School Meals (RSG Funded)	0	0	0	0			
	Sub-total Sold Services	1,248	1,248	1,232	-16			

1. AccessEarly Years

No variations to report, Early Years is forecast to spend within budget, which is primarily DSG funded.

The budget includes an additional £400k drawn down from the contingency, which was approved by the Executive at their meeting on 25th July.

The funding relates to new government announcements concerning the delivery of free entitlement for two year old children specifically to enable additional places to be made available for disadvantaged two year olds. Members were informed that currently 101 places were being funded and with the release of the contingency amount, which had earlier been made available to the Council, it would support the development of new places for 2 year olds in preparation for this becoming a statutory requirement upon the Council in September 2013 when 900 places would need to be provided. The Council would be working with the private sector to help develop these places. The Dedicated Schools Grant will fund the payments after September 2013.

The budget also reflects the transfer of a post from Resources Portfolio.

2. SEN and Inclusion

Transport for children with special education needs is currently forecast to underspend by £250k, partly due to recoupment income being higher than anticipated (£85k). Contracts are currently going through a retendering process, which along with updated information on the number of pupils requiring the service in the autumn term, will provide an updated position when the September budget monitoring is carried out.

3. Schools Budgets

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. The final DSG figure will be confirmed by DfE in the summer and will be dependant on finalising pupil numbers and academy conversions. Any overspend or underspend must be carried forward to the following years Schools Budget. At present it is assumed that the use of DSG will be neutral and will come in on budget overall. Close monitoring is continuing to take place on the more volatile areas such as Special Education Needs placements.

4. Education Commissioning and Business Services

A underspend of £470k is forecast for the Education Development Centre (EDC), primarily due to 8 vacant posts not being filled. This is partially offset by a shortfall in budgeted income anticipated for the EDC Trading account resulting from the staff vacancies.

A review of the EDC is currently taking place which may lead to the service delivery being redesigned.

A small underspend of £7k has arisen on the Primary Business Partnerships budget due to a part-year saving on an apprentice post.

	Projected Variation £'000
Commissioning - EDC	-470
EDC Trading A/C - RSG	152
Primary Central Business Partnerships	<u>-7</u>
	<u>-325</u>

5. Children's Centres & Bromley Youth Support Programme

Although relating to Education, these budgets for Children's Centres, The Music Service and Youth Support, come under the management responsibility of the Assistant Director for Children's Social Care.

No issues or variations are reported for July

6. Sold Services

Services sold to schools have, for the first time in 2012/13, been separated out to provide clarity in terms of the services being provided and the income generated from those services. DSG funded services are ultimately funded from the ring fenced DSG grant if there is any shortfall. RSG funded services would have to be funded from core Bromley funding.

Work is being carried out with Budget Managers to minimise the risk of a financial shortfall in these areas. Additional funding streams are being explored/tapped into and costs are being reduced in order to stay with financial limits. Major reorganisations have been carried out in the Education Development Centre which will have an impact on sold services. Other areas such as Education Psychology, Education Welfare and Behaviour Support have made adjustments to their staffing, running costs and service offer to reduce costs and increase income potential.

Sold services will continue to be monitored closely throughout the year. Current projections show variations on the EDC trading account as shown in note 4 above, although there is still ongoing work. In most areas a shortfall in income will be offset by lower staffing costs.

Please see the Trading Accounts summary in appendix 3.

Request to the Executive for Draw Down of Grants - DID NOT GET INCLUDED PER PETE TURNER

SEND Pathfinder

There is £150k in the contingency for this grant which is for the development of the SEND Green Paper Pathfinder pilot project for 2012/13. A grant of £75k was received in 2011/12.

The purpose of the grant is to support local authorities, with their PCT and voluntary sector and parent/carer partners, in testing a range of proposals set out in the Government's Green Paper, *Support and aspiration: A new approach to special education needs*, designed to respond to the frustrations of children and young people, their families and the professionals who work with them.

The Executive is asked to approve the draw down of this grant.

Early Intervention Grant for the KS2 writing moderation work.

We have been advised a grant of £14k will be paid in the next instalment of Early Intervention Grant for the cost of delivering KS2 writing moderation.

The Executive is asked to approve the draw down of this grant.

Tackling Troubled Families Grants

The Children and Young People PDS committee received a briefing report on 20th March 2012, describing the Government programme "Tackling Troubled Families", which was announced in December 2011. The funding is made up of upfront funding and payment by results and will be paid over three years.

Under the programme, Local authorities are expected to work with local partners to focus on supporting households who meet the following criteria,

- Are involved in crime and anti-social behaviour
- Have children not in school, training or employment
- Have an adult on out of work benefits
- Cause high cost to the public purse

Preparation funding of £20k was received in February 2012 and at the end of May £435k was received for the 2012/13 anticipated expenditure on the programme and £100k towards coordination costs.

An update was provided to the Care Services PDS committee on 19th June by way of a briefing paper and it is anticipated that 490 families will be supported as part of the programme, 408 of which are eligible under the criteria.

Four new fixed-term posts will be created to enable the programme to be implemented. A Coordinator and three Family Support and Parenting Practitioners

The Executive is asked to approve the draw down of the two grants totalling £535k.

Contract Waivers

Two contract waivers were approved since the last budget monitoring report to the Executive relating to the placement of two children with complex disabilities, one for £162k p.a and one for £241k p.a.

Appendix 2

TABLE 1: SCHOOLS' BUDGET PART OF EACH SERVICE	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 July Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
Access	14,653	14,653	14,718	65		0	0
SEN and Inclusion	21,273	21,273	20,680	-593		0	0
Education Commissioning and Business Services	1,115	1,115	947	-168		0	0
School Improvement	80	80	80	0		0	0
Schools Budgets	95,118	95,118	95,814	696	3	0	0
Dedicated Schools Grant & Pupil Premium	-133,008	-133,008	-133,008	0	3	0	0
Care and Resources - CS Port	723	723	723	0		0	0
Bromley Youth Support Programme - CS Port	46	46	46	0		0	0
MET FROM COUNCIL BUDGET	0	0	0	0		0	0
TABLE 2: NON-SCHOOLS BUDGETS FOR EACH SERVICE	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 July Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
Education Division							
Access	1,813	2,289	2,289	0	1	0	0
SEN and Inclusion	5,087	4,661	4,411	-250	2	0	0
Education Commissioning and Business Services	941	812	487	-325	4	0	-250
School Improvement	653	749	749	0		0	0
Referral & Assessment - Children's Centres	2,027	2,202	2,202	0	5	0	0
Bromley Youth Support Programme	2,322	2,322	2,322	0	5	0	0
	12,843	13,035	12,460	-575		0	-250
Early Intervention Grant	-12,010	-12,010	-12,010	0		0	
ADULT EDUCATION	-570	-570	-570				
Total Education Controllable	263	455	-120	-575		0	-250
TOTAL NON CONTROLLABLE & EXCLUDED	20,943	20,943	20,943	0		0	
TOTAL NON-SCHOOLS BUDGET	21,206	21,398	20,823	-575		0	-250
TABLE 3: TOTAL FOR EACH SERVICE	2012/13 Original Budget	2012/13 Latest Approved	2012/13 July Projection	Variation £'000		Last Reported £'000	Full Year Effect £'000
Education Division							
Access	16,466	16,942	17,007	65		0	0
SEN and Inclusion	26,360	25,934	25,091	-843		0	0
Education Commissioning and Business Servs	2,056	1,927	1,434	-493		0	-250
School Improvement	733	829	829	0		0	0
Schools Budgets	95,118	95,118	95,814	696		0	0
Dedicated Schools Grant & Pupil Premium	-133,008	-133,008	-133,008	0		0	0
Early Intervention Grant	-12,010	-12,010	-12,010	0		0	0
Referral & Assessment	2,027	2,202	2,202	0		0	0
Bromley Youth Support Programme	2,322	2,322	2,322	0		0	0
TOTAL CONTROLLABLE FOR EDUCATION	64	256	-319	-575		0	-250
ADULT EDUCATION	-570	-570	-570	0			
TOTAL CONTROLLABLE FOR PORTFOLIO	-506	-314	-889	-575		0	-250
TOTAL NON CONTROLLABLE & EXCLUDED	20,943	20,943	20,943	0		0	0
DSG Funded - Care Services Portfolio	769	769	769	0		0	0
PORTFOLIO TOTAL	21,206	21,398	20,823	-575		0	-250

BUDGET VARIATIONS - ALLOCATIONS FOR 2012/13**Education Portfolio - July****Appendix 3**

	Table 1:	Table 2:	Table 3:
	Schools	Non-Schools	Total for
	Budget	Budget	Education
	£'000	£'000	Portfolio
			£'000
2012/13 Original Budget	-	21,199	21,199
Adult Education		7	7
	-	21,206	21,206
General			
Carry forward from 2011/12		120	120
Troubled Families Programme		17	17
Contribution from Earmarked Reserve (grant related expenditure)		-17	-17
Transfer costs for R Bollen (from Resources)		76	76
Restructure of Care Services Commissioning		6	6
Budget transfer to CSC for CDT direct payments		-410	-410
Draw down of Early Years funding		400	400
Latest Approved Budget	0	21,398	21,398

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Agenda Item 7

Report No.
RES12149

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EDUCATION PORTFOLIO HOLDER

**FOR PRE-DECISION SCRUTINY BY THE EDUCATION BUDGET
SUB-COMMITTEE ON 25TH SEPTEMBER 2012**

Date: Tuesday 25 September 2012

Decision Type: Non-Urgent Non-Executive Non-Key

Title: CAPITAL PROGRAMME - 1ST QUARTER MONITORING
2012/13 & FINAL OUTTURN 2011/12

Contact Officer: Martin Reeves, Principal Accountant
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

Chief Officer: Director of Resources

Ward: (All Wards);

1. Reason for report

On 25th July 2012, the Executive received the 1st quarterly capital monitoring report for 2012/13 and agreed a revised Capital Programme for the four year period 2012/13 to 2015/16. The report also covered any detailed issues relating to the 2011/12 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. This report highlights in paragraphs 3.1 to 3.3 changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio. The revised programme for this portfolio is set out in Appendix A.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to confirm the changes agreed by the Executive in July and agree that the following post-completion reports be received later in the year:

Bickley Primary School – expansion

Princes Plain Primary School - expansion

The Highway Primary School – partial rebuild

Hawes Down Co-Location

Priory School – Local Learning Centre

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services.
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: N/A (Capital Programme)
 4. Total current budget for this head: £23.9m for the Education Portfolio over four years 2012/13 to 2015/16
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

1. Number of staff (current and additional): 0.25 fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 25th July 2012

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2011/12 and a detailed monitoring exercise carried out after the 1st quarter of 2012/13. The base position was the revised programme approved by the Executive on 1st February 2012, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Education Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 and 3.3. The revised Programme for the Education Portfolio is attached as Appendix A.

Capital Expenditure	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
	£000	£000	£000	£000	£000	£000
Approved Capital Programme (01/02/12)	31,872	15,762	592	592	590	49,408
<u>Less: Scheme moved between portfolios</u>						
Children's Social Workers – mobile technology (to Care Services Portfolio)	-56	-	-	-	-	-56
Add: Schools Basic Need – 2012/13 grant allocation (para 3.2)	-	2,500	-	-	-	2,500
Net underspends in 11/12 rephased into 12/13 (para 3.3)	-3,873	3,873	-	-	-	-
Revised Education Programme	27,943	22,135	592	592	590	51,852

3.2 Schools Basic Need grant funding (addition of £2,500k in 2012/13)

The July Executive noted that the approved Capital Programme did not include the 2012/13 Department for Education Basic Need grant allocation of £2.5m, which had been notified recently, and approved the inclusion of this in the programme.

3.3 Scheme Rephasing

In reports to both the June and July meetings, the Executive was informed of the final outturn for capital expenditure in 2011/12 and noted that the overall level of slippage into later years (some £6.9m) was significantly lower than in previous years. Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that, following a review of the system for capital monitoring and for estimating the phasing of expenditure, carried out after the 2010/11 final outturn, a more realistic approach towards anticipating slippage was taken in setting the revised estimates in February. Some £3.9m of the overall slippage from 2011/12 into 2012/13 related to Education Portfolio schemes and this is analysed in Appendix B. At this early stage in the year, no further rephasing opportunities have been identified.

2011/12 Capital Programme outturn – other issues

3.4 Only one scheme was reported as overspent as at 31st March 2012, the Highway Primary School rebuild scheme. The former CYP PDS Committee and the Executive had previously been advised of contractual issues and an overspend position and had agreed to allocate £650k of Basic Need grant to support the scheme. The overspend as at 31st March 2012 (£141k) has been covered by this, with the remaining £509k being included in the scheme budget for 2012/13.

Post Completion Reviews

3.5 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. Following the major slippage of expenditure at the end of 2010/11, Members confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes should be submitted to the Education PDS Committee during 2012/13:

Bickley Primary School – expansion

Princes Plain Primary School - expansion

The Highway Primary School – partial rebuild

Hawes Down Co-Location

Priory School – Local Learning Centre

4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 25th July 2012. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns June 2012. Approved Capital Programme (Executive 1/2/12). Capital Programme Outturn 2011/12 report (Executive 20/6/12) and Q1 monitoring report (Executive 25/7/12).

EDUCATION PORTFOLIO - APPROVED CAPITAL PROGRAMME 25th JULY 2012								
Capital Scheme/Project	Total Approved Estimate	Actual to 31.3.12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Responsible Officer	Remarks
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's		
SECONDARY SCHOOLS								
14-19 Diploma SEN 2.3d - Secondary School Investment Strategy								
Newstead Wood	2500	2500	0				Rob Bollen	DSG £3,580k, Targeted Capital Grant £7,340k, S106 £500k
Darrick Wood	1700	1700	0				Rob Bollen	
Hayes	1500	1500	0				Rob Bollen	
Riverside	500	500	0				Rob Bollen	
Ravenswood	2500	2500	0				Rob Bollen	
St Olave's	500	500	0				Rob Bollen	
Bullers Wood	1700	341	1359				Rob Bollen	
Contingency	520	204	316				Rob Bollen	
	11420	9745	1675	0	0	0		
Langley Park Boys School - BSF (Building Schools for the future) 2.3b	37806	31238	6568				Rob Bollen	BSF One School Pathfinder; government grant £35,800; LBB contribution £2,006k re: enhanced performance space
TOTAL SECONDARY SCHOOLS	49226	40983	8243	0	0	0		
PRIMARY SCHOOLS								
Primary Capital Programme 2.7								
Bickley Primary - expansion	1469	1462	7				Rob Bollen	DCSF capital grant; £800k allocated to Riverside ASD scheme
Princes Plain Primary - expansion	1293	1268	25				Rob Bollen	£1,395k Primary Capital Programme (PCP) grant; £24k from Access initiative; £50k from extended services
The Highway Primary - partial rebuild #	5381	4872	509				Rob Bollen	£1,114k PCP, £250k S106 £71k t/f to Highway
Other schemes funded by Primary Capital Programme grant	3204	3183	21				Rob Bollen	£2,620k PCP, £500k Children & Family Centre grant, £300k Early Years, £600k planned maint; £93k schools capital maint in 11/12; £140k revenue cont in 11/12, £71k from Princes Plain; £407k from other PCP schemes; £650k from Basic Need. Balance of PCP grant after allocations to Bickley, Princes Plain, Highway and Riverside ASD; £100k from maintenance re Pickhurst Infants; £144k for Crofton Juniors from School kitchens funding; £407k t/f to Highway
	11347	10785	562	0	0	0		
Farnborough Primary School - 2 class extension	311	235	76				Rob Bollen	£150k suitability, £100k school, £50k maintenance, £11k seed challenge
TOTAL PRIMARY SCHOOLS	11658	11020	638	0	0	0		
SPECIAL SCHOOLS								
Provision for children with social, emotional & behavioural difficulties	250	0	250				Mark Jordan	Invest-to save: reduction in out of borough placements £800k in a full year; additional costs £290k in a fully year (funded from DSG)
Reconfiguration of Special Schools	5180	5062	118				Tessa Moore	Prudential borrowing (costs to be met from schools' budget); DSG contributions; £567k hydrotherapy pool approved by Executive 31/3/10
TOTAL SPECIAL SCHOOLS	5430	5062	368	0	0	0		
OTHER EDUCATION SCHEMES								
Formula Devolved Capital 2.1a	5348	3614	440	432	432	430	Mandy Russell	100% government grant; reduced allocation in 2011/12 settlement
Seed Challenge Fund	1264	1140	124				Rob Bollen	£300k "suitability" funding in 2011/12; £11k for Farnborough scheme
Schools Access Initiative	1390	542	398	150	150	150	Rob Bollen	DDA requirement; £150k p.a from schools' revenue budget; £24k to Bickley PCP
Security Works	620	474	146				Rob Bollen	£150k "suitability" funding in 2011/12
Children and Family Centres	6141	5942	199				Tessa Moore	100% DFES grant; £500k for Highway scheme, £750k for Hawes Down Co-location, grant cut by £802k
Suitability / Modernisation issues in schools - general 2.2	546	180	366				Rob Bollen	Now funded by 11/12 capital maintenance settlement; £46k from suitability surveys; £350k Farnborough
Capital maintenance in schools - 2011/12 settlement	7802	3692	4110				Rob Bollen	100% government grant - 2011/12 settlement; £300k to seed challenge; £150k to security works; £150k to suitability/modernisation settlement; £80k to Hawes Down Co-Location & £93k to The Highway in 11/12; £161k t/f from modernisation fund
Basic Need - 2011/12 settlement	7529	1095	6434				Rob Bollen	100% government grant - 2011/12 settlement; £300k to seed challenge; £150k to security works; £150k to suitability/modernisation settlement; £80k to Hawes Down Co-Location & £93k to The Highway in 11/12; £161k t/f from modernisation fund; additional grant £1,182k in 11/12; £650k to Highway PCP scheme
Extended Services 2.10	731	687	44				Tessa Moore	DCSF capital grant; £142k for Hawes Down; grant cut by £134k; £50k to Bickley PCP; £225k not required
Hawes Down Co-Location 2.16	1802	1431	371				Bob Garnett	Co-location grant £470k, Short breaks capital £220k, Children & Family Centres grant £750k, Early Years capital £70k, Extended Services £142k, school contribution £70k; £80k schools capital maint (roof) in 11/12
Feasibility Studies	40	0	10	10	10	10	Rob Bollen	
OTHER SCHEMES								
Phoenix Pre-School SEN service - Council contribution	300	92	208				Rob Bollen	Prudential borrowing - costs to be met from schools' budget.
Priory School - Local Learning Centre	333	333	0				Rob Bollen	Executive 16/6/10
Youth centres - Capital improvements	72	36	36				Paul King	Youth Capital Fund grant £72k
TOTAL OTHER EDUCATION SCHEMES	33918	19258	12886	592	592	590		
TOTAL EDUCATION PORTFOLIO	100232	76323	22135	592	592	590		

Scheme overspent by £141k as at 31/03/12 - early warnings previously given - contractual dispute. £650k approved from Basic Need to cover.

EDUCATION PORTFOLIO - SCHEME SLIPPAGE FROM 2011/12 INTO 2012/13

Scheme	2011/12 Budget (Feb '12)	2011/12 Outturn	2011/12 Under(-)/ Over(+) Spend	2012/13 Budget (Feb '12)	Slippage from 2011/12	Other changes	2012/13 Revised Budget
	£000	£000	£000	£000	£000	£000	£000
SECONDARY SCHOOLS							
14-19 Diploma SEN 2.3d - Secondary School Investment Strategy							
Newstead Wood	17	17	0				
Darrick Wood	0	0	0				
Hayes	0	0	0				
Riverside	0	0	0				
Ravenswood	1706	1706	0				
St Olave's	0	0	0				
Bullers Wood	582	323	-259	1100	259		1359
Contingency	0	0	0	316			316
	2305	2046	-259	1416	259	0	1675
Langley Park Boys School - BSF (Building Schools for the future) 2.3b	16506	15300	-1206	5362	1206		6568
TOTAL SECONDARY SCHOOLS	18811	17346	-1465	6778	1465	0	8243
PRIMARY SCHOOLS							
Primary Capital Programme 2.7							
Bickley Primary - expansion	102	95	-7	0	7		7
Princes Plain Primary - expansion	73	48	-25	0	25		25
The Highway Primary - partial rebuild #	2483	2624	141	0	-141	650	509
Other schemes funded by Primary Capital Programme grant	734	788	54	75	-54		21
	3392	3555	163	75	-163	650	562
Farnborough Primary School - 2 class extension	87	11	-76	0	76		76
TOTAL PRIMARY SCHOOLS	3479	3566	87	75	-87	650	638
SPECIAL SCHOOLS							
Provision for children with social, emotional & behavioural difficulties	50	0	-50	200	50		250
Reconfiguration of Special Schools	0	-18	-18	100	18		118
TOTAL SPECIAL SCHOOLS	50	-18	-68	300	68	0	368
OTHER EDUCATION SCHEMES							
Formula Devolved Capital 2.1a	651	643	-8	432	8		440
Seed Challenge Fund	350	226	-124	0	124		124
Schools Access Initiative	140	42	-98	300	98		398
Security Works	87	41	-46	100	46		146
Children and Family Centres	54	5	-49	150	49		199
Suitability / Modernisation issues in schools - general 2.2	220	204	-16	350	16		366
Capital maintenance in schools - 2011/12 settlement	4625	3692	-933	3177	933		4110
Basic Need - 2011/12 settlement @	1997	1095	-902	3682	902	1850	6434
Extended Services 2.10	50	6	-44	0	44		44
Hawes Down Co-Location 2.16	1026	855	-171	200	171		371
OTHER CHILDREN'S SERVICES SCHEMES							
Phoenix Pre-School SEN service - Council contribution	0	0	0	208			208
Priory School - Local Learning Centre	230	230	0	0			
Youth centres - Capital improvements	36	0	-36	0	36		36
Feasibility studies	10	10	0	10	0		10
TOTAL OTHER EDUCATION SCHEMES	9476	7049	-2427	8609	2427	1850	12886
TOTAL EDUCATION PORTFOLIO	31816	27943	-3873	15762	3873	2500	22135

The Highway - overspent by £141k as at 31/3/12; funded by transfer of £650k from Basic Need

@ Basic Need - £650k transferred to The Highway; £2,500k added re 2012/13 grant allocation

Report No.
ED12039

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Schools' Forum**

Date: **20 September 2012**

Decision Maker: **Education Budget Sub-Committee**

Date: **25 September 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2011/12

Contact Officer: Mandy Russell, Head of Schools' Finance Team
Tel: 020 8313 4806 E-mail: amanda.russell@bromley.gov.uk

Chief Officer: Tessa Moore, Assistant Director (Education)

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2012, and also provides a comparison to the balances held at the same time in the previous year.

2. **RECOMMENDATION(S)**

- 2.1 **The Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2011/12 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**

- 2.2 **The Schools' Forum is asked to note the balances for information.**

Corporate Policy

1. Policy Status: N/A
 2. BBB Priority: Children and Young People
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Dedicated Schools Grant 2011/12
 4. Total current budget for this head: £219,000k
 5. Source of funding:
-

Staff

1. Number of staff (current and additional) – N/A
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Legal Requirement: Non-statutory - Government guidance:
 2. Call in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 This report highlights the financial position of Primary Secondary and Special Maintained Schools as at 31 March 2012 the end of the 2011/12 financial year.
- 3.2 Balances are reported in accordance with the DCSF Consistent Financial Reporting (CFR) Regulations. This is a framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2012.
- 3.3 The CFR framework consists of six balances, which provide an overall picture of a school's resources available from one year to the next, and gives information on balances carried forward. The balances are categorised as follows:
- BO1 Committed Revenue Balances
 - BO2 Uncommitted Revenue Balances
 - BO3 Devolved Formula Capital Balances
 - BO5 Other Capital Balances
 - BO6 Community Focused Extended Schools Balances
- Nb BO4 Other Standard Fund Capital Balances has been deleted this year as standards funds no longer exist.
- 3.4 The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 5.35% of School Budget Shares compared to 5.20% at the end of 2010/11, which is an increase of 0.15%. Secondary school balances are -0.66% compared to 2.20% at the end of 2010/11; a reduction of 2.86%. These figures are distorted due to the fact that there are only two maintained Secondary schools included, one of which has a very high deficit.
- 3.5 Special School balances have increased to 7.28% compared to 3.62% the previous year; an increase of 3.66%.
- 3.6 A comparison of the levels of school balances as at 31 March 2012 to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
Revenue balances only as at: 31.03.12			
Committed Revenue Balances (BO1)	538 (0.77%)	81 (0.96%)	72 (0.81%)
Uncommitted Revenue Balances (BO2)	3,189 (4.58%)	-136 (-1.61%)	573 (6.47%)
	3,727 (5.35%)	55 (-0.66%)	645 (7.28%)
Revenue balances only as at: 31.03.11			
Committed Revenue Balances (BO1)	1,257 (1.89%)	201 (2.38%)	119 (1.19%)
Uncommitted Revenue Balances (BO2)	2,196 (3.32%)	-386 (-4.58%)	243 (2.43%)
	3,453 (5.20%)	-185 (-2.20%)	362 (3.62%)

- 3.7 In accordance with DCSF guidelines the Bromley Scheme for Financing Schools was updated in 2011 to remove the balance control mechanism. Previously this allowed local authorities to deduct any balances in BO2 (uncommitted revenue balances) in excess of 5% for secondary schools and 8% for primary and special schools from the following year's school budget share. All schools with balances in excess of 8% have been asked to complete a proforma detailing the reason for holding a high balance and their plans for reducing the balance in year. Details of this are included at **Appendix 2**.
- 3.8 The DfE has recently published a consultation focusing on schools with high balances and with deficits, to ensure that LAs are working closely with these schools. The consultation states that the DfE will focus particularly on schools with deficits of 2.5% or more and surplus balances in BO1 and BO2 of 15% or more. Schools that would fall into these categories have been highlighted on the table at **Appendix 1**.
- 3.9 Also, in previous years schools have used BO1 (committed revenue balances) to show unspent Standards Funds balances, however Standards Funds no longer exist which is why BO1 balances have decreased significantly.
- 3.10 This report also provides information on those schools with a deficit revenue balance. As at 31 March 2012, 10 primary schools and 1 secondary school have a deficit balance. The Schools' Finance Support Team will work with these schools to ensure that deficit recovery plans are agreed. Two primary schools are showing a capital deficit where they have spent in advance of their Devolved Formula Capital allocations.
- 3.11 **Appendix 2** shows a statement from each of the schools in deficit outlining the reasons for the deficit and the management action to be taken to recover the deficit.
- 3.12 The Assistant Director of Education and Care Services has reviewed the level of balances held by schools and is keen that as much attention is paid to schools with high balances as those with deficits. It is the role of the Senior Advisers within the Learning and Achievement team to be aware of schools' balances and for these to be taken into account when reviewing each school. However, whilst some balances may be considered to be quite high at present, five year budget plans that are being submitted by schools show a steady decline over the next few years, which is a direct result of the Government's funding directives whereby schools are receiving a decrease of 1.5% in their funding.

4. FINANCIAL IMPLICATIONS

- 4.1 Whilst this report provides details of school balances, there are no financial implications to be considered.

Non-Applicable Sections:	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	

APPENDIX 1

	2010/11				2011/12									
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2011	B02 Rev Bal as % of 2011/12	BO1 & B02 Rev Bal as % of 2011/12	School Budget Share 2011-2012	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2012	B02 Rev Bal as % of 2012/13	BO1 & B02 Rev Bal as % of 2012/13	School Budget Share 2012-13	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focused Ext Schools	Balance C/fwd as at 31/03/2012
Primary Schools			SBS	SBS				SBS	SBS					
Alexandra Infants	10830	56,885	7%	8%	839,237	35,500	34,136	4%	8%	921,388	28,888	0	0	98,524
Alexandra Junior	0	-10,913	-1%	-1%	833,535	0	21,287	3%	3%	810,730	22,746	0	0	44,033
Bickley Primary	23388	17,642	2%	4%	1,058,732	11,176	76,624	7%	8%	1,111,389	14,380	12,000	0	114,180
Blenheim Primary	0	40,611	5%	5%	804,587	0	-28,659	-3%	-3%	908,971	-739	0	0	-29,398
Bromley Road Infants	15928	63,597	7%	9%	866,002	0	93,202	11%	11%	877,725	23,569	11,500	0	128,271
Burnt Ash Primary	20000	141,319	8%	9%	1,797,571	44,760	92,462	5%	7%	1,882,001	11,777	0	0	148,999
Castlecombe Primary	10785	37,075	4%	5%	973,873	3,385	47,474	5%	5%	997,554	17,155	7,410	0	75,425
Chelsfield Primary	14851	36,904	7%	10%	506,495	0	102,904	20%	20%	509,402	7,736.46	0	0	110,640
Chislehurst C.E. Primary	3123	52,144	8%	8%	690,586	0	63,520	9%	9%	717,479	25,022	0	0	88,542
Churchfields Primary	19915	89,251	7%	8%	1,331,868	12,751	68,256	5%	6%	1,412,139	6,908	0	0	87,915
Clare House Primary	735	-79,044	-11%	-11%	739,129	0	-126,722	-16%	-16%	796,442	10,090	0	0	-116,632
Crofton Infants	15767	65,481	0%	4%	1,943,613	0	153,837	8%	8%	1,973,340	16,448	65,000	0	235,285
Cudham CE	3000	20,604	4%	5%	484,640	4,082	34,405	7%	8%	476,454	4,424	103,995	0	146,906
Darrick Wood Junior	0	26,660	2%	8%	1,432,289	20,653	-2,184	0%	1%	1,760,336	74,798	0	0	93,267
Dorset Road Primary	15516	24,156	7%	11%	357,614	4,691	10,088	3%	4%	395,030	31,885	19,241	1,363	67,267
Downe Primary	0	647	0%	0%	378,721	0	27,541	7%	7%	387,543	3,328	0	0	30,869
Edgebury Primary	28181	58,469	8%	11%	768,511	3,600	59,842	7%	8%	802,830	16,596	0	0	80,038
Farnborough Primary	7209	30,994	4%	5%	738,711	8,110	66,965	9%	10%	752,166	21,883	0	0	96,958
Grays Farm Primary	0	-24,919	-2%	-2%	1,490,632	4,990	56,434	4%	4%	1,549,513	10,864	0	0	72,288
Hawes Down Infants	1365	45,053	6%	6%	769,556	7,369	64,417	8%	9%	841,008	3,867	0	0	75,652
Hawes Down Juniors	4350	-9,383	-1%	-1%	956,417	0	-19,069	-2%	-2%	933,131	21,159	0	0	2,090

	2010/11				2011/12									
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2011	B02 Rev Bal as % of 2011/12	BO1 & B02 Rev Bal as % of 2011/12	School Budget Share 2011-2012	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2012	B02 Rev Bal as % of 2012/13	BO1 & B02 Rev Bal as % of 2012/13	School Budget Share 2012-13	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focused Ext Schools	Balance C/fwd as at 31/03/2012
Highfield Infants	27232	41,341	5%	8%	813,618	22,409	51,455	6%	9%	831,623	7,430	0	0	81,294
Highfield Junior	45974	61,599	6%	10%	1,103,439	16,492	87,897	8%	9%	1,122,037	0	54,268	0	158,657
Hillside Primary	0	-52,608	-4%	-4%	1,463,331	0	-95,524	-6%	-6%	1,484,029	25,681			-69,842
Holy Innocents RC Primary	2490	24,741	3%	4%	722,577	22,000	936	0%	3%	744,413	0	14,712	0	37,648
James Dixon Primary	23984	14,023	1%	2%	1,559,932	9,154	25,931	2%	2%	1,668,709	3,712	0	0	38,797
Keston CE	4500	24,170	3%	4%	745,617	0	48,022	6%	6%	789,472	73,608	0	0	121,631
Leesons Primary	25652	-38,778	-4%	-1%	942,792	5,186	-5,873	-1%	0%	1,071,425	6,041	0	0	5,354
Malcolm Primary	0	-15,813	-1%	-1%	1,143,398	9,500	9,743	1%	2%	1,278,766	0	0	0	19,243
Manor Oak Primary	161057	91,837	8%	23%	1,094,245	3,395	179,329	16%	17%	1,098,244	62,173	41,186	15,247	301,330
Marian Vian Primary	8123	82,319	4%	5%	1,947,800	19,425	114,285	6%	7%	1,951,885	40,324	0	8,208	182,242
Mead Road Infant	1750	27,578	7%	8%	388,538	0	27,576	7%	7%	403,069	3,256	3,952	0	34,784
Midfield Primary	30869	59,888	5%	7%	1,240,096	33,448	81,216	6%	9%	1,343,557	16,039	28,574	0	159,277
Mottingham Primary	25419	89,181	8%	10%	1,117,407	2,115	66,735	6%	6%	1,186,820	0	7,326	19,322	95,497
Oak Lodge Primary	0	44,436	2%	2%	2,052,098	0	43,778	2%	2%	2,065,750	3,389	42,439	0	89,606
Oakland Primary	5503	46,859	3%	4%	1,358,318	0	95,641	7%	7%	1,431,134	9,039	0	3,693	108,373
Parish C.E. Primary	20809	39,111	3%	4%	1,490,855	9,487	59,911	4%	4%	1,606,733	2,731	0	0	72,130
Perry Hall Primary	34326	44,725	3%	6%	1,324,406	47,098	72,824	5%	9%	1,394,305	0	0	4,635	124,556
Poverest Primary	104337	83,872	8%	18%	1,072,345	8,596	130,273	12%	13%	1,107,261	22,298	0	21,007	182,175
Pratts Bottom Primary	69836	33,098	8%	25%	410,280	26,225	67,653	16%	22%	419,792	47,585	0	0	141,463
Princes Plain Primary	30395	54,695	3%	4%	1,947,603	33,860	87,333	4%	6%	2,169,168	0	0	0	121,194
Raglan Primary	40568	54,295	3%	6%	1,668,988	0	55,074	3%	3%	1,639,801	8,847	110,212	0	174,133
Red Hill Primary	47042	109,140	5%	8%	2,064,705	0	176,388	8%	8%	2,232,668	29,145	0	0	205,534
Royston Primary	31997	3,600	0%	2%	1,687,379	0	85,063	5%	5%	1,832,219	11,943	0	0	97,006

	2010/11					2011/12								
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2011	B02 Rev Bal as % of 2011/12	BO1 & B02 Rev Bal as % of 2011/12	School Budget Share 2011-2012	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2012	B02 Rev Bal as % of 2012/13	BO1 & B02 Rev Bal as % of 2012/13	School Budget Share 2012-13	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focused Ext Schools	Balance C/fwd as at 31/03/2012
Scotts Park Primary	10641	86,823	7%	8%	1,263,232	12,702	99,274	7%	8%	1,333,885	13,825	0	0	125,802
Southborough Primary	11383	75,207	5%	6%	1,429,146	7,058	111,885	7%	8%	1,579,241	15,926	10,000	0	144,868
St Anthony's RC Primary	0	1,913	0%	0%	824,955	0	61,472	8%	8%	789,611	0	46,408.68	0	107,881
St George's CE (Bickley) Primary	0	-31,637	-3%	-3%	980,639	3,182	-51,356	-5%	-5%	1,066,463	2,268	0	0	-45,906
St James RC Primary	46135	46,890	7%	12%	714103.92	8,598	99,709	15%	16%	660,361	0	16,904	0	125,212
St John's CE Primary	54,827	83,851	7%	12%	1,164,870	0	137,255	12%	12%	1,168,120	0	17,598	0	154,852
St Josephs Primary	9,107	32,408	5%	6%	709,392	8,550	21,983	3%	4%	718,482	16,812	0	0	47,345
St Mark's CE Primary	35,076	15,320	1%	4%	1,331,411	13,685	49,517	4%	5%	1,366,902	51,270	4,000	0	118,472
St Mary Cray Primary	8,440	7,897	1%	3%	635,877	0	-19,883	-3%	-3%	689,089	16,523	0	0	-3,360
St. Mary's RC (Beckenham)	0	102,065	8%	8%	1,287,355	6,347	57,538	4%	5%	1,343,471	57,120	0	0	121,006
St Pauls Cray Primary	12,000	40,328	4%	5%	1,006,138	1,618	66,937	6%	6%	1,096,121	0	0	0	68,555
St Philomena's RC Primary	17,360	9,474	1%	4%	739,446	9,500	5,479	1%	2%	795,439	2,444	0	0	17,423
St Vincent's RC Primary	24,823	50,770	7%	11%	715,669	32,533	56,998	8%	12%	726,955	0	0	0	89,531
St Peter and St Pauls Primary	13,444	-88,743	-11%	-10%	783,250	4,044.38	-32,333	-4%	-4%	722,577	0	22,927	0	-5,362
The Highway Primary	611	427	0%	0%	689,382	1,299	-2,325	0%	0%	736,369	8,528	5,719	0	13,222
Unicorn Primary	0	63,271	6%	6%	985,104	0	79,437	8%	8%	1,058,101	19,441	0	0	98,878
Wickham Common Primary	18,709	53,547	4%	5%	1,316,917	0	9,275	1%	1%	1,376,564	-13,544	0	0	-4,269
Worsley Bridge Junior	57,276	40,181	6%	14%	721,701	0	75,908	11%	11%	712,967	18,521	0	0	94,429
Sub-total	1,256,638	2,196,535	3.32%	5.20%	66,420,671	538,574	3,189,199	4.58%	5.35%	69,630,170	955,161	645,370	73,475	5,401,778
Secondary Schools														

	2010/11					2011/12									
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2011	B02 Rev Bal as % of 2011/12	BO1 & B02 Rev Bal as % of 2011/12	School Budget Share 2011-2012	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/2012	B02 Rev Bal as % of 2012/13	BO1 & B02 Rev Bal as % of 2012/13	School Budget Share 2012-13	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focused Ext Schools	Balance C/fwd as at 31/03/2012	
St. Olave's	41,597	87,180	3%	5%	2,756,995	44,692	238,951	9%	10%	2774435	0	34,535	0	318,178	
The Priory	158,917	-473,302	-8%	-6%	5,672,197	36,190	-375,442	-7%	-6%	5682206	0	160,573	0	-178,679	
Sub-total	200,514	-386,121	-4.58	-2.20%	0	8,429,192	80,882	-136,491	-1.61%	-0.66%	8,456,642	0	195,107	0	139,499
Special Schools															
Burwood School	45,669	85,565	8%	12%	,1,129,434	14,492	84,949	8%	9%	1106899	35,337	0	8,723	143,500	
Glebe	0	22,678	1%	1%	2,434,012	0	173,893	7%	7%	2437394	62,646	0	149,117	385,657	
Marjorie McClure	73,491	16,686	1%	5%	1,960,925	57,221	60,477	3%	6%	1973001	0	47,219	0	164,917	
Riverside	0	118,463	3%	3%	4,484,893	0	253,999	8%	8%	3339297	0	0	24,188	278,187	
Sub-total	119,160	243,392	2.43%	3.62%	10,009,354	71,713	573,318	6.47%	7.28%	8,856,590	97,983	47,219	182,028	972,261	
TOTAL	1,576,312	2,053,806	2.42%	4.28%	84,859,217	691,169	3,626,026	4%	5.0%	86,943,402	1,053,143	887,696	255,503	6,513,537	

REVENUE/CAPITAL DEFICITS

PRIMARY SCHOOLS

Blenheim Primary	Revenue Deficit £28,659	-3%
	Capital Deficit £738	

Reason for Deficit

- Low pupil numbers in Key Stage 2
- Long term teaching absence.

Management Action to achieve Recovery Plan as agreed by School and LA

- Increase pupil numbers
- Careful staff management.
- Working closely with LA to achieve a recovery plan
- Contracts to be reviewed for best value.
- Staff financial awareness training

LA Comment

The school has signed up to the highest level of Service Level Agreement so will receive full support from the Schools' Finance Team to help achieve the recovery. The school also has a very small capital deficit which will be repaid in full from the 2012/13 Devolved Formula Capital allocation.

Clare House Primary	Deficit £126,722	-16%
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Reason for Deficit

- Historic deficit due to income accounted for incorrectly (doubled counted) and incorrect data entries.
- School layout makes it difficult to have additional pupils in Key Stage 2.
- Incorrect data resulted in underpayments to teachers which were paid in 2011/12.
- Failure to submit claim on insurance policy for long term sickness.
- High supply teacher costs.
- Settlement paid to previous caretaker and additional cost of relief caretaker.

Management Action to achieve Recovery Plan as agreed by School and LA

- To continue to work closely with the local Authority to find ways to recover deficit.
- Increasing the Reception pupil number with the view of looking to increase size of school.
- Reviewing existing Service Level Agreements.
- Restructuring and hiring new less expensive staff (NQT).
- Continue minimising cost on all possible aspects.

LA Comment

Although have worked closely with the LA, the school has not managed to achieve a deficit recovery plan. This situation will continue to be monitored and will be discussed with the Assistant Director for Education in the Autumn Term.

Darrick Wood Junior**Deficit £2,184****-0%**Reason for Deficit

- Unprecedented staff absences of 3 teachers and one TA leading to higher than anticipated supply costs.

Management Action to achieve Recovery Plan as agreed by School and LA

- Deficit to be fully repaid in 2012/13 as new budget healthier due to significant increase in pupil numbers.

LA Comment

The deficit was not anticipated during the year. The school is signed up for the Gold level SLA so will receive a high level of support from the Schools' Finance Team to help them ensure that the deficit is repaid in year.

Hawes Down Junior**Deficit £19,069****-2%**Reasons for Deficit

- Unexpected clawback of SEN matrix funding
- Unanticipated Upper Pay Scale claims from teaching staff.
- Gas leak in canteen which cost the school over £3,000
- Staff restructure in office
- Long term sickness absence

Management Action to achieve Recovery Plan as agreed by School and LA

- Increased pupil numbers 2012/13 onwards.
- Staff savings due to maternity leave of Deputy Head and Upper Pay Scale staff members.
- Newly qualified staff/ Graduate teacher placements planned to replace Upper Pay Scale staff
- Staffing restructure costs absorbed within budget.
- Bulge classes feeding through from Infant school.

LA Comment

The school is buying into the highest level of financial support and is aiming to significantly reduce the deficit in 2011/12.

Hillside Primary**Deficit £95,524****-6%**Reasons for Deficit

- Additional supply costs relating to Ofsted Plan not originally budgeted for.
- Additional building and ground maintenance costs.

Management Action to achieve Recovery Plan as agreed by School and LA

- The school is converting to academy status in September as a sponsored academy. As a result of this the deficit will return to the Local Authority.

LA Comments

The Head of Schools Finance Team is working closely with both the school and the Sponsoring Academy (Priory School) to ensure that the deficit which returns to the LA in September does not increase significantly. Funding has been identified within the Dedicated Schools Grant headroom to absorb this cost.

Leesons Primary**Deficit £5,873****-1%**Reason for Deficit

- Historic deficit brought forward from previous year.

Management Action to achieve Recovery Plan as agreed by School and LA

- School has exceeded its proposed recovery plan and is expected to fully recover the deficit in 2012/13.

LA Comment

The school has managed its funds effectively in 2011/12 to achieve a year end position which is significantly lower than the anticipated figure in the Recovery Plan. The school will continue to be supported through a Gold SLA to ensure it manages to fully recover the deficit in line with the revised deficit recovery plan.

St George's Primary**Deficit £51,356****-5%**Reasons for Deficit

- High number of staff on Upper Pay Scales.
- The building is old and expensive to maintain.
- Low pupil numbers in certain year groups which are currently working their way through the school.

Management Action to Achieve Recovery Plan as agreed by School and LA

- Cost savings agreed between Governing Body and Local Authority.
- Budget monitoring to be provided by Schools Finance Team to ensure that all savings are achieved.

LA Comment

The school has signed up to the Gold level Finance Service level Agreement and have demonstrated that they are keen to work with the Schools' Finance Team to achieve a workable Deficit Recovery Plan.

St Mary Cray Primary**Deficit £19,883****-3%**Reasons for Deficit

- Low pupil numbers.

Management Action to Achieve Recovery Plan as agreed by School and LA

- Continue to develop the confidence of the local community to increase pupil numbers.

LA Comment

The school has signed up to the Gold Finance Service level Agreement and have demonstrated that they are keen to work with the Schools' Finance Team to achieve a workable Deficit Recovery Plan.

St Peter and St Paul's Primary**Deficit £32,333****-4%**Reasons for Deficit

- This was accumulated over time and exacerbated by buy-out of photocopier lease in 2009/10.

Management Action to achieve Recovery Plan as agreed by School and LA

- Ensure pupil numbers are maximised.
- Careful monitoring of spend.
- Staffing costs carefully allocated and rationalised.
- Maximise use of capital and transferred standards fund grants.

LA Comment

The school is buying into the Gold Service Level Agreement for finance and is on target to achieve its Deficit Recovery Plan.

The Highway Primary

Deficit £2,324

-0%

Reason for Deficit

- Broadband costs originally charged to capital at the start of the year but moved revenue at year in line with advice from the LA..

Management Action to achieve Recovery Plan as agreed by School and LA

- Budget set for 2012/13 to allow for deficit to be fully repaid in year.

LA Comment

The school is buying into the Gold Service Level Agreement for finance and is on target to ensure that the deficit is repaid in 2012/13.

Wickham Common Primary

Capital Deficit £13,544

-0%

Reason for Deficit

- Key Stage 2 building extension completed in October 2011. The school has accounted for the full cost of the building works, however some costs have been queried and possibly may be reduced.

Management Action to achieve Recovery Plan as agreed by School and LA

- The deficit may reduce when final costs/fees agreed. However should this not materialise it will be repaid from 2012/13 Devolved Formula Capital.

LA Comment

The Deficit Recovery Plan will be agreed with the school to show the capital deficit being fully repaid in year.

SECONDARY SCHOOLS

The Priory School

Deficit £375,441

-7%

Reasons for Deficit

- Pupil number drop higher than expected including 6th Form.
- Previous discrepancy in Sports Partnership funding accounting.
- Higher charges for services and site due to fuel increase and overhead charges
- No additional staff movement as anticipated.
- £ Full time staff on unexpected long term sick leave.

Management Action to achieve Recovery Plan as agreed by School and LA

- Full year effect of redundancies made in 2011.
- Natural staff movement.

LA Comments

The school will convert to Academy status on 1 May as a convertor academy. At the end of the three month consolidation period, the final deficit will be fully repaid to the LA and the school will agree a Repayment Plan with the YPLA.

Schools with Uncommitted Revenue Balances of 8% or More

Primary Schools

Bromley Road Infant School **Uncommitted Revenue Surplus £93,202 11%**

Reasons for High Balances

- Planned office refurbishment delayed by Building Regulations
- Unspent 2010/11 Standards Fund balances not fully allocated in 2011/12 budget.

Management Action to reduce balances with detailed costings

• New Office project to go ahead in year	£11,500
• New school gates around children's playground	£10,000
• New Projector for Hall	£5,000
Total	£26,500

LA Comments

Planned expenditure will reduce uncommitted revenue balances by 3%.

Chelsfield Primary School **Uncommitted Revenue Surplus £102,904 20%**

Reasons for High Balances

- When the new Head teacher joined the school there was a planned project to update the IT resources. This was delayed while waiting for broadband connection.
- Extensive building maintenance planned for 2012/13

Management Action to reduce balances with detailed costings

• New work room	£12,000
• Flat roof and kitchen store work	£6,000
• Replacement of office windows	£8,000
• Work to gazebo roof	£6,000
• Playground resurfacing	£3,000
• Update staffroom and staff toilets	£10,000
• New whiteboards	£8,000
• New IT support package including new server and software	£8,500
• New computers for office	£8,000
Total	£69,500

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 6.5%.

Chislehurst (St Nicholas) CE Primary School

Uncommitted Revenue Surplus £63,520 9%

Reasons for High Balances

- The school reduced staff costs in 2010/11 and 2011/12 in line with expected reductions in funding.
- School has held back on building development due to possible relocation.
- Uncertainty regarding funding due to lack of 3 year budgets.

Management Action to reduce balances with detailed costings

• Revised staff structure	£10,000
• ICT costs increased	£7,000
• Building costs	£6,000
Total	£23,000

LA Comments

Although the government no longer provides 3 year budgets for schools, the LA offers all schools access to a budget planning tool which would enable them to effectively plan future income and expenditure over a five year period. Chislehurst Primary do not use this facility.

Farnborough Primary School

Uncommitted Revenue Surplus £66,965 9%

Reasons for High Balances

- Building project rolled over two financial years
- Changes to staffing / maternity leave

Management Action to reduce balances with detailed costings

• Learning resources for new classroom block	£8,000
• Grounds refurbishment	£15,000
• Library refurbishment	£24,000
• Classroom/Library furniture	£15,000
Total	£62,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances.

Manor Oak Primary School

Uncommitted Revenue Surplus £179,329 16%

Reasons for High Balances (info not yet received)

Poverest Primary School

Uncommitted Revenue Surplus £130.273 12 %

Reasons for High Balances

Management Action to reduce balances with detailed costings

• Recruitment of additional school leadership/quality teaching	£28,058
• Development and training of staff	£10,000
• One-to-one tuition – agency staff	£12,080
• Other intervention – agency staff	£10,000
Total	£60,138

LA Comments

Planned expenditure will reduce uncommitted revenue balances.

Pratts Bottom Primary School **Uncommitted Revenue Surplus £67,653 16%**

Reasons for High Balances

- The carry forward has been high to allow the new Head Teacher to fully assess the needs of the school and how this funding can be best used to support this
- The pupil numbers have been increasing in recent years which has resulted in increased funding
- Funding was originally budgeted to renovate the windows – work was then funded from LA planned maintenance budget
- Staff absences have been covered from within the school without the need to pay for supply staff

Management Action to reduce balances with detailed costings

• Additional class teacher appointed to support school reorganisation	£40,000
• Update/expansion of ICT suite	£9,000
• Purchase of outdoor shelter and storytelling chair	£8,000
Total	£57,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 3%

St John's CE Primary School **Uncommitted Revenue Surplus £67,653 16%**

Reasons for High Balances

- The balance has been built up over a number of years and the new Head Teacher wanted to fully understand the needs of the school before committing to spend the surplus.

Management Action to reduce balances with detailed costings

• Increased spending on building including renovations and redecoration	£20,000
• Increased spending on staff development to improve teaching and learning	£10,000
• Increased spending on learning resources to develop the curriculum	£60,000
Total	£90,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 4%.

Reasons for High Balances

- Due to falling rolls, the revenue balances will be used to support the budget for next year. The 2012/13 budget is expected to show an in year overspend of around £60,000.
- The Governing Body are currently considering the possibility of becoming an all-through 2 form entry primary school which would provide more consistency in terms of pupil numbers.

Management Action to reduce balances with detailed costings

- | | |
|-----------------------------|---------|
| • To support 2011/12 Budget | £60,000 |
| Total | £60,000 |

LA Comments

Ongoing expenditure will reduce uncommitted revenue balances to around 2-3%.

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Report No.
ED12049

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Education Budget Sub-Committee**

Date: **25 September 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: SCHOOL FUNDING REFORM : ARRANGEMENTS FOR 2013/14

Contact Officer: Amanda Russell, Head of Schools' Finance Team
Tel: 020 8313 4806 E-mail: amanda.russell@bromley.gov.uk

Chief Officer: Tessa Moore, Assistant Director of Education

Ward: Boroughwide

1. REASON FOR REPORT

- 1.1 This report provides details of the Government's proposals for School Funding Reform arrangements for 2013/14.

2. RECOMMENDATIONS

- 2.1 **The Education Budget Sub-Committee are asked to note the proposed changes as detailed by DfE and the Local Authority's progress to date in implementing these changes.**

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People:
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 During 2012 the DfE has published a number of documents outlining their plans for School Funding Reform. This is the first step towards the introduction of a new national funding formula during the next spending review period which will ensure that similar pupils will attract similar levels of funding no matter where they go to school in the country. In preparation for this the DfE aims to simplify the local funding arrangements for 2013-14 and to introduce a new approach to high needs funding that will help to improve transparency, quality and choice for young people and their families.
- 3.2 The proposed timeframe for this is as follows:
- During the summer a revised funding formula needs to be produced by the local authority working with its Schools Forum, Schools and Academies.
 - By the end of October 2012 every local authority to submit is revised formula, set out on a prescribed pro-forma, to the Education Funding Agency with all the key parameters of the revised formula fixed, but with the possibility of later amendments to the values if the results of the October pupil count warrant it.
 - By the 18 January 2013 to submit a final proforma taking account of any changes driven by the data coming out of the October pupil census.
 - In parallel there will be significant work to be done on the high needs reform.
- 3.3 The first impact of these changes is that the Dedicated Schools Grant (DSG) will be divided into three separate blocks; the Early Years Block, the Schools Block and the High Needs Block. The amount of funding allocated to each of these blocks will be based on the local authorities Section 251 Budget statement for 2012/13. Funding for the three blocks will be separately identified, but will not be ring fenced allowing local authorities to move funding between blocks, with the agreement of the Schools Forum, to meet any additional funding pressures in each area.
- 3.4 Within the Schools Block, local authorities will be required to revise their funding formula to include only a limited number of factors as prescribed by the DfE. Details of the allowable factors can be seen at paragraph 3 of the LA guidance notes at **Appendix 1**. It is anticipated that moving to the new formula will inevitably cause some considerable turbulence to a number of schools, with some schools being very big winners or losers. However, this will be mitigated during 2013/14 and 2014/15 by the Minimum Funding Guarantee which will effectively prevent any school from losing by more than -1.5% per pupil.
- 3.5 Several budget items which can currently be retained centrally will have to be delegated through the formula from 2013/14. This will include items such as allocation of contingencies, staff supply costs (e.g. for maternity, trade union duties and jury services) and behaviour support services.
- 3.6 Once the costs of these services have been delegated to schools, maintained schools within each relevant phase will be able to decide whether they would prefer for these services to be retained centrally. The decision regarding this would be made by the Schools Forum representatives for each relevant sector and will then apply to all the schools in that sector.
- 3.7 Within the High Needs Block Authorities will need to determine the number of places in maintained special schools, in special units in maintained mainstream schools and to rework the budgets to be based on £10,000 base funding per place plus top up funding which will relate to individual pupils needs rather than conventional formula funding.

- 3.8 There are no major changes proposed with regard to the Early Years Block and most authorities Early Years Single Funding Formula (EYSFF) has only been in place for a couple of years. However, with regard to the Early Funding within the DSG, whereas previously authorities have received funding for 90% of early year's pupils regardless of actual numbers, this will reduce to either 85% or actual take up, whichever is the highest.
- 3.9 There will be some changes to the Schools Forum Regulations to look at the size and constitution of Forums to ensure that they are able to carry out their role in an effective and transparent way.
- 3.10 Bromley has already made some progress in addressing all of these issues. With regard to the review of funding, early consultation was carried out with all schools at the end of the summer term which included briefing sessions for Finance Officers, Head Teachers and Governors. The early formal consultation process has enabled officers to make some judgements with regard to the new funding formula and to carry out modelling on this basis. Full details of the early models will be presented to the Schools Forum and their meeting in September and will then be released to Head Teachers and Governors to enable the Schools Forum to make their final recommendations to the Portfolio Holder for the final decision by the end of October.

Non-Applicable Sections:	Financial Implications Policy Implications Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	None

Reformed funding system

Operational implications guidance for Local Authorities

REFORMED FUNDING SYSTEM: OPERATIONAL IMPLICATIONS GUIDANCE FOR LOCAL AUTHORITIES

1. This guidance is to assist local authorities and their schools forums in planning the local implementation of the reformed funding system for 2013-14. It is essential that work on this starts now so that we can collectively achieve the benefits of issuing earlier budgets.

Creating the new, simpler formula

2. Authorities need to decide what factors they wish to include in the new simplified primary and secondary formula from 2013-14 (the arrangements for high needs, including special schools, will be very different and are covered at paragraphs 32 to 46. Arrangements for early years are mentioned in paragraph 47). A useful first step may be to **identify all factors in their current formula which are not compliant** with those allowed under the new system. They will need to **determine how to allocate all funding through factors which are allowable** and plan the balance between those factors. They should keep a clear record of how any changes have been made, showing any movement within the total ISB between factors and phases.
3. The list of allowable factors is:
 - a. A basic per-pupil entitlement – there will be a single unit for primary aged pupils and either a single unit for secondary pupils or a single unit for each of key stage 3 and key stage 4, so authorities may wish to plan for both scenarios.
 - b. Deprivation, measured by Free School Meals (FSM) and/or IDACI
 - c. Looked after children
 - d. Prior attainment as a proxy measure for SEN (notional SEN budgets can still also include funding allocated through pupil numbers and deprivation; see paragraph 33)
 - e. English as an additional language, for a maximum of 3 years after the pupil enters the school system
 - f. A standard lump sum for each school, with an upper limit between £100,000 and £150,000
 - g. Split sites
 - h. Rates, which may be at actual cost
 - i. Private finance initiative (PFI) contracts
 - j. For the 5 local authorities¹ who have some but not all of their schools within the London fringe area, an uplift to enable higher teacher pay scales in those schools to be reflected

¹ The 5 local authorities are Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex

4. **Deprivation** - We have identified Free School Meal Eligibility and IDACI (with the option for banding) as the two deprivation indicators. This data can be found on the School Census at pupil level. We will be providing school level data relating to maintained schools and recouplement Academies to local authorities at the end of April in order that they can model the new approach locally.
5. **Looked After Children** - We are aware that not all local authorities know how many looked after children they have in their schools that have been placed there by other authorities. To overcome this data issue we will be providing data collected from the SSDA903 mapped to schools at the end of April. This will enable local authorities and the EFA to identify the number of looked after children in each school/academy.
6. **English as an Additional Language** - We are aware that local authorities and the EFA may not be able to easily identify pupils with EAL who have only been in the maintained system for up to 3 years. We will therefore provide EAL data for pupils who have been in the system for 1, 2 or 3 years to local authorities. This will be calculated using the National Pupil Database (NPD) and will be aggregated to school level and also provided as a percentage. This data will be available at the end of April.
7. **Low cost, high incidence SEN** - We have agreed that local authorities can use Early Years Foundation Stage Profile (EYFSP) results and Key Stage 2 as a proxy for low cost SEN. For primary schools, funding can be targeted at pupils who achieve fewer than 78 points on the current EYFSP and are therefore not considered to be developing well. For secondary schools, funding can be targeted at pupils who achieve a Level 3 or below in English and mathematics. We are aware that local authorities may not have prior attainment data for pupils who have transferred from other local authorities; therefore we will make this data available at the end of April. The data will be based on the latest EYFSP and KS2 assessments.
8. We will be issuing, before the end of April, a tool to assist authorities in modelling a new formula, together with detailed datasets for maintained schools and Academies in their area. This will include further technical guidance on the definitions.
9. There will be a process for authorities to request additional factors for exceptional circumstances connected with premises (see paragraph 15), but the scope of this will be very restricted.
10. It is a requirement under the current system for local authorities to have formula factors for new, reorganised and closing schools. In the reformed system, such additional funding will not form part of the formula because these situations are infrequent and best calculated on

a case by case basis. Instead, funding can be held within contingencies for maintained schools.

New delegation

11. Several budget items which can currently be retained centrally will have to be delegated through the formula from 2013-14. Authorities will, therefore, for each of these **need to identify how funding will be delegated through allowable factors**. To ensure that an accurate baseline for the MFG can be calculated, **the total of additional delegation and how it is to be distributed** (for example, £50 per pupil plus £100 for each FSM pupil) will need to be clearly identified.
12. The section 251 budget lines which will now have to form part of the school formula if they are currently funded centrally are:
 - Funding threshold and performance pay;
 - 14-16 practical learning options;
 - School meals (primary/special; secondary is already delegated);
 - Support for schools in financial difficulties;
 - Allocation of contingencies;
 - Free school meals eligibility;
 - Insurance;
 - Licences/subscriptions;
 - Staff costs - supply cover (long-term sickness, maternity, trade union and public duties);
 - Support for minority ethnic pupils or underachieving groups;
 - Behaviour support services;
 - Library and museum services
13. Some of these budgets could subsequently be retained centrally on behalf of maintained schools if they so choose (see paragraph 26), but must initially be in the formula calculation. They will form part of Academies' delegated budgets from the outset and so there will be no need for a schools budget LACSEG calculation.
14. Authorities in conjunction with their schools forums will need to decide for themselves whether or not to undertake a **full review** of their formula or just review those factors which will not be allowed in the new system (paragraph 2) and those central budgets which must be added to the formula (paragraph 12). We are aware that a number of authorities have recently developed "needs-led" or "activity-led formulae" and may only want to take an incremental approach to this. A more fundamental review may however be more appropriate where:
 - there have been no significant changes to the formula for a number of years
 - allocations are still being made on the basis of how grants were

distributed historically

- a large proportion of the budget is allocated through factors which will no longer be allowable
- a large amount of expenditure on central budgets must now be included in the formula.

Requesting exceptional factors

15. There will be a process by which authorities can request the inclusion of additional factors in their formula for exceptional circumstances. The regulations will restrict the additional factors which may be approved: we are intending that they will only apply to cases where the nature of the school premises gives rise to a significant additional cost greater than 1% of the school's budget, and where such costs affect fewer than 5% of the schools in the authority (including Academies).
16. On this basis, Authorities will need to decide **whether there are any exceptional formula factors where they would wish to put a case to the Education Funding Agency (EFA)**. If other cost pressures emerge, then we would expect this to be dealt with in the short term through the MFG or the usual arrangements authorities have with their schools – such as internal loan schemes. Academies in financial difficulty would continue to contact the EFA.

Pupil-led funding

17. We have asked in the consultation whether we should apply a minimum percentage (60%) to be allocated through age-weighted funding or a minimum percentage (80%) to be allocated through all pupil-led factors. **Authorities will therefore need to calculate the proportions of the formula allocated through age-weighted funding and all pupil-led factors.**

Primary/secondary ratio

18. We are not at this stage prescribing constraints on the primary/secondary ratio, but authorities should be aware of where they are within the range in case we limit the ratio from 2014-15. **Authorities will therefore need to calculate the primary/secondary ratio, using the total budgets for all maintained schools and Academies divided by the total number of pupils in each phase.** We would expect middle school budgets to be apportioned between the phases.

Modelling protections and limits to gains

19. The Minimum Funding Guarantee (MFG) will continue to be set at minus 1.5% per pupil in 2013-14 and 2014-15. We will, however, be substantially simplifying the calculation. We will only exclude factors from the MFG where not doing so would result in excessive protection or not be consistent with other policies.
20. As set out in the next steps document, the only factors which will automatically be excluded from the MFG are:
 - post-16 funding;
 - allocations from the High Needs Block, including those for named pupils with SEN and special units; and
 - the lump sum.

All other funding will be in the MFG baseline and there will be no other adjustments as there are at the moment for non pupil-led funding (80% for primary schools, 87.5% for secondary schools) or small schools.

Authorities need to model the new formula using the MFG of - 1.5% per pupil, with the exceptions shown in this paragraph.

21. Where a service was previously centrally funded and is being delegated to maintained schools in 2013-14, then this additional funding will need to be excluded from the MFG. This is so that the MFG is calculated on a like for like comparison, and that schools see the benefit of the additional funding. **Authorities need to ensure that new delegation is excluded from the MFG calculation in 2013-14.** We would exceptionally consider applications not to do so if this would otherwise have the effect of continuing very high levels of protection.
22. In the case of Academies, the additional delegation will replace Schools Budget LACSEG. The EFA will calculate a baseline including Schools Budget LACSEG for Academies' MFG. For the purposes of recoument in 2013-14, authorities should exclude this new delegation when calculating the MFG Academies would have received as a maintained school.
23. As we said in the next steps document, we will consider exceptional requests to disapply the MFG only if there is a significant change in a school's circumstances or pupil numbers. So, in the case of rates, for example, this could only be considered if there was a rating revaluation or there was a significant change as the result of a change of status. In the case of PFI schools, there is generally little variation in the unitary charge once the school is up and running, so there is only a case for excluding the factor if it is being introduced for the first time or there is a substantive change in the contractual amount due as a result, say, of an extension. This would then enable increased allocations through these factors to benefit the schools rather than be absorbed within the protected amount where the schools receive MFG. The EFA on behalf of the Secretary of State will consider such **exceptional** requests.

Authorities will need to consider whether to submit requests to disapply the MFG for specific factors or schools; we will clarify when we are able to start considering applications.

24. As school budgets will in future be based on the October pupil count, the MFG will need to reflect this date as well instead of the January count as at present. There will therefore need to be a rebasing of the school's 2012-13 budget so that this is divided by its October 2011 pupil numbers to form the baseline against which its 2013-14 budget is compared.
25. As there could be significant amounts of protection required in some areas as a result of the formula simplification, we will be allowing overall gains for individual schools to be capped or scaled back to make it easier to run the formula. At present, there can only be transitional arrangements for changes to individual factors rather than the whole formula. **Authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains.**

Optional de-delegation for maintained schools

26. There are some services where maintained schools will be able to decide that some funding should be retained centrally rather than delegated. These are:
 - Contingencies (including support for schools in financial difficulties and to support basic need pupil growth);
 - Free school meals (FSM) eligibility;
 - Insurance;
 - Licences/subscriptions;
 - Staff costs - supply cover (long-term sickness, maternity, trade union and public duties);
 - Support for minority ethnic pupils or underachieving groups;
 - Behaviour support services;
 - Library and museum services
27. For each of these, it would be for the schools forum members in the relevant phase (primary or secondary), to decide whether that service should be retained centrally. The decision would apply to all maintained schools in that phase and would mean that the funding for these services was removed from the formula before school budgets were issued. **Authorities will, therefore, need to discuss with forum members representing maintained schools, whether there are any services in paragraph 26 which the schools wish to be retained centrally.** Academies would of course be free to buy back into local authority services, as is the case for maintained schools where funding remains delegated.

28. **For each service retained centrally, authorities will need to make a clear statement of how the funding is being taken out of the formula** (for example – primary insurance £20 per pupil, secondary behaviour support services £30 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated. Academies will continue to receive a share of funding for these services in their delegated budget.
29. Where there has been agreement that a school is entitled to a contingency allocation, that agreement should be honoured if it converts to an Academy. We may take such decisions into account in making recoument adjustments.
30. Many local authorities are experiencing significant increases in primary pupil numbers, which are sufficient to require schools to take on additional classes. Given that authorities have a duty to secure sufficient school places, we will be allowing them, with the agreement of the schools forum, to retain funding centrally through contingencies for additional maintained primary school places. The EFA will make separate arrangements for Academies facing increased costs due to pupil growth, and local authorities are not expected to provide contingency for this purpose.
31. Special schools will not in future have delegated budgets on the same basis as primary and secondary schools. They will get £10,000 per place, plus top-up funding for each pupil they have, from the commissioner to make up the rest of their budget. The principle of the new system for high needs pupils is to make costs comparable between schools so that they don't distort placements, so de-delegation is not consistent with this framework.

SEN, learning difficulty and disabilities (LDD) and alternative provision (AP)

SEN as part of mainstream funding formula

32. We have set out in the next steps document that lower needs SEN will continue to be funded from schools' delegated budgets. There is, however, a variety of practice between authorities on the level of SEN delegation. Future decisions will need to be consistent with the proposals set out for funding from the High Needs Block. **Authorities will therefore need to decide on the maximum level of funding to be provided by mainstream schools above which pupils will get support from the High Needs Block. Our recommendation is £6,000 for each pupil.** Consistency between authorities in this respect will improve the experience of pupils with SEN who transfer between areas.

33. Mainstream schools will continue to have a “notional SEN budget” and this will be linked to the local offer. The way in which this is derived may need to be reviewed to be consistent with the new limitations on formula factors. The “notional SEN budget” may include some age-weighted and deprivation funding, together with any specific SEN factors based on prior attainment. **Authorities will, therefore, need to define the “notional SEN budget” as part of their wider mainstream formula review.**
34. There may be some cases where the formula does not adequately reflect the number or needs of SEN pupils in mainstream schools. This may happen particularly where a school develops a good reputation for SEN and attracts many SEN pupils, but this is hard to reflect in the formula. The circumstances in which local authorities may provide such additional funding should be defined locally as part of the work on defining a local offer of SEN and LDD provision. **Authorities should therefore consider whether they need arrangements for providing additional funding to some mainstream schools or Academies from their High Needs Block.**
35. All the arrangements set out above will form part of the “local offer” for SEN and LDD and will, therefore **need the agreement of local schools, Academies and post-16 providers** to ensure that high needs pupils and students, including those with SEN or LDD, and their parents are treated properly and consistently. As part of this, there will need to be clarity on what should be supported from mainstream schools’ “notional SEN budget”. This discussion may well need to go beyond schools, colleges and the Schools Forum to include representatives of parents and local charities and voluntary organisations.

High needs SEN pre-16

36. As part of authorities’ work with the EFA on calculating the baseline for the high needs block (see paragraph 60), **authorities will need to determine the number of places in maintained special schools and in special units or specially resourced provision in maintained mainstream schools that they intend to fund in 2013-14.** In the reformed funding system, each agreed place will attract a base level of funding of £10,000, and therefore we will need to reflect this in the baselines so that the EFA and local authorities can pay the providers for whom they are responsible.
37. Funding beyond this will take the form of top-ups for individual pupils rather than of a conventional funding formula. It will, therefore, be necessary for each authority to review the funding for its maintained special schools, and its special units or specially resourced provision in maintained mainstream schools to take account of the new arrangements of £10,000 base funding and top-up funding.

Authorities should look at the 2012-13 budgets of their maintained special schools, special units and specially resourced provision, rework them as £10,000 base funding plus top-up funding so as to determine required top-up levels for each type of place, and discuss them with the providers. While there will not be a MFG as such for special schools and units, there will be a requirement that top-ups are set at such a level that, if all the places were filled and the pupils came from the maintaining authority, the school's budget would reduce by no more than 1.5% in cash.

38. As special Academies and Academies with special units or specially resourced provision will be funded on the same basis, **authorities should also work with those Academies that it formerly maintained to help them determine the new funding rates.**
39. The reformed system means that inter-authority recoupment will be replaced by direct funding relationships between the commissioner and the provider. **Authorities should therefore work with providers and neighbouring LAs on the transition from recoupment to direct commissioning payments.** It will be particularly important for providers not using the local authority's bank account to have assurances of prompt payment so that they can manage their cashflow. Authorities will want to make accurate assessments of accruals for outstanding recoupment payments at the end of 2012-13.

Alternative Provision

40. As with High Needs SEN, **authorities will need to determine the number of places** in maintained and funded AP to report to the EFA. Each agreed place will attract a base level of funding of £8,000.
41. Pupil referral units (PRUs) will be receiving delegated budgets for the first time in 2013-14, so in many areas there may not be a clear budget funding them. The level of budget they will need will include all services delegated to other schools; the services will include finance, payroll, HR and ICT which may be only notionally allocated as recharges at present, as well as those set out in paragraph 12. **Authorities will, therefore, need to identify the funding needed for PRUs to operate delegated budgets in 2013-14 then rework them as £8,000 base funding per place plus per-pupil top-up funding so as to determine appropriate top-up levels in consultation with the PRUs.**
42. **Authorities will need to undertake the same exercise of calculating the appropriate top-up for and with other maintained alternative provision.**

High needs SEN and LDD post-16

43. As part of the baseline reporting to the EFA, **authorities will need to**

determine the number of high needs pupils placed in maintained mainstream school sixth forms and the number of 16-19 places funded in maintained special schools or special units and specially resourced provision in maintained mainstream schools that may be funded at present through the 16-18 SEN Block Grant.

44. Authorities will take on greater responsibility for funding post-16 provision for high needs pupils and students from the 2013/14 academic year. As such, **authorities will need to work with providers, other local authorities that commission provision from the same providers, and the EFA to calculate appropriate future levels of top-up funding.**
45. Furthermore, as local authorities become more active commissioners of post-16 high needs education provision, **authorities will also need to review existing systems and processes for arranging post-16 provision for high needs pupils and students**, including through discussions with providers, other local authority commissioners, and the EFA, so as to ensure that these arrangements are proportionate, do not create unnecessary administrative burdens for providers, do not duplicate processes that are carried out by other bodies, and secure the most efficient use of public funds.

Banded funding frameworks

46. As we have set out in *School Funding Reform: Next steps towards a fairer system*, we think a key role will be played by banded funding frameworks with local tariffs in the effective operation of the place-plus funding approach. As such, **authorities should work with maintained and state-funded providers, as well as with other authorities that commission provision from the same settings, to develop effective, transparent banded funding frameworks with local tariffs.** Many local authorities operate local banding frameworks in relation to high-level SEN provision in schools, but authorities will also need to develop local banding frameworks in areas such as AP and LDD.

Early Years

47. We are not proposing major changes to the main elements of the Early Years Single Funding Formula (EYSFF). We will continue to allow different base rates for different types of provision, and will continue to allow specific early years factors for quality, flexibility and sufficiency. There will continue to be a mandatory deprivation supplement in the EYSFF, and we will continue to allow flexibility in the indicators used, except that we will **require that it must be based on child level definitions of eligibility**, rather than operating a supplement based on the characteristics at setting level. In line with the main formula, we will

be constraining other factors, such as those relating to premises. **Authorities should therefore review their early years formula and remove factors which are no longer allowed.** We will consider requests to retain **other factors for the early years formula** only if this causes significant problems.

Ensuring schools forums are properly constituted

48. We are continuing the requirement in the schools forum regulations that maintained primary schools, maintained secondary schools and Academies should have broadly proportionate representation according to the pupil numbers in each category. We are concerned, however, that the composition of some schools forums has not changed quickly enough to reflect the increased number of Academies. We appreciate that members have been elected to terms of office of a particular length, and that it can be disruptive to be continually re-electing members. Nevertheless, it is imperative that the forums which consider the simplified 2013-14 formulae are properly representative. **Authorities should, therefore, ensure that the composition of their schools forum is compliant with the regulations and reflects the pupil numbers expected to be in each category at 1 September 2012. Any required elections should take place before the end of the summer term.**

Changes to schools forums

49. We have set out in the next steps document that for 2013-14 that we will make some amendments to the Schools Forums Regulations. It is our intention that these should come into force in September 2012 in time for the final forum discussions relating to the 2013-14 formula. In terms of membership and participation, we intend to:
- a) Remove the requirement to have a minimum of 15 people on a Forum;
 - b) Restrict other local authority attendees from participating in meetings unless they are a Lead Member, DCS, DCS representative or are providing specific financial or technical advice (including presenting a paper to the Forum);
 - c) Restrict the voting arrangements by allowing only schools members and the PVI members to vote on the funding formulae;
50. On the first of these, **smaller authorities in particular may therefore wish to review the total size of their forum and decide whether to reduce the number of members below 15.**
51. The other two changes relate to participation in meetings and voting so **authorities will need to review their forum procedures or standing**

orders to ensure consistency with the regulations.

52. We have also said that we will give the EFA observer status at School Forum meetings to support the local process and to provide a national perspective if members thought it helpful or if there were any concerns about the running of the Forum.

Transparency of schools forums

53. We have also said that we need to ensure that forum meetings are more transparent. We know that many authorities run effective forums , but are aware that in some areas there is not such good practice and that schools have found it difficult to find out what is going to be, or has been, discussed. We will therefore amend the regulations as well to:
- (a) Require local authorities to publish Forum papers, minutes and decisions promptly in a public area of their websites; and,
 - (b) Require Forums to hold public meetings – as is the case with other Council Committees

Authorities should, therefore, take immediate steps to ensure that access to, and details of, meetings from now on are compliant with the new regulations. Any regular communications from the authority to schools should also draw attention to forthcoming schools forum meetings and agendas, and the minutes of forum discussions.

54. It is also incumbent on each group of schools forum members – whether, for example, maintained primary school governors, Academy or early years PVI members, to ensure that they communicate with the people or organisations they represent at least before debating major issues and again afterwards. Authorities may be able to facilitate such communication, for example through early years networks or governor newsletters, where such channels do not currently exist. **Authorities and schools forum members should consider whether communication within the groups represented can be improved.**

Consulting on the new formula

55. Regulations currently require only the schools forum to be consulted on the formula and yet all maintained schools have to be consulted on changes to the scheme for financing schools. We know that most authorities consult much more widely on formula changes. We believe that all maintained schools and Academies should be consulted on formula changes (and all early years providers as well in relation to the Early Years Single Funding Formula), and any consultation should include a demonstration of the effect of modelling such changes

(including and excluding the MFG) on individual maintained schools, Academies and early years providers. **Authorities should, therefore, ensure that they communicate proposed formula changes to all bodies affected by the changes.**

Completing the proforma

56. Having agreed the formula, **authorities should submit the proforma containing information about their simplified formula to the EFA** by 31 October 2012. This will then be checked for compliance with the regulations and there may then need to be a further dialogue between authority and EFA. **The authority will need to send any changes to the EFA** by mid January 2013 once the October pupil numbers are confirmed and the DSG settlement announced. The only changes between the provisional and final versions should be for the unit values, not the factors used.

DSG allocations – checking the baselines

57. As noted in the next steps document, we will be separating the DSG into three notional unringfenced blocks in order to speed up the process of calculating budgets. The notional blocks for high needs and early years will be based on the authority's section 251 statement for 2012-13, with the balance forming the schools block and totalling back to the final DSG allocation for the year. We will also be adding in some post-school high needs funding currently held by the EFA.
58. The starting 2012-13 baselines will be calculated from the following section 251 lines in the LA table and columns in the schools table:

High Needs Block

- Delegated budgets of special schools
- Centrally funded provision for individual pupils
- SEN support services
- Support for inclusion
- Independent special school fees
- Inter-authority recoupment
- Pupil referral units
- Education out of school
- Delegated allocations relating to individual pupils – Individually Assigned Resources
- Delegated allocations relating to special units and specially resourced provision in mainstream schools
- SEN transport (where charged to the schools budget)
- Other central budgets relating to special schools

- Post-16 SEN expenditure
- Adjustments will be made for base funding of high needs places in provision not maintained by the authority, but to which it sends pupils
- Additions will be made for budgeted spend on high needs students aged 16-25 in further education (FE) providers and independent specialist providers (ISPs) held by the Young People's Learning Agency (the top-up element)

Early Years Block

- Provision for three and four year olds in delegated budgets – the total in the Early Years Single Funding Formula
- Early years contingency
- Central expenditure on under 5s
- May exclude High Needs Pupil funding where this has been shown in the above lines

Authorities should, therefore, ensure that their section 251 budget statement for 2012-13 is completed accurately and should pay particular attention to these headings

59. Once we have collected section 251 statements, we will issue each authority with what we believe is their baseline for each of the notional blocks. **Authorities should at that point check their figures and there will be opportunity for a dialogue with the EFA if they disagree with them.**
60. We will also be carrying out a separate data collection for the number of funded places in special schools and units, and in alternative provision. This information will be used to calculate the base element within the notional high needs block. We will provide further guidance on this in due course. **Authorities should therefore prepare to calculate the number of funded places in high needs provision (see also paragraphs 36, 40 and 43).**

In-year adjustments

61. Some formula factors (for example, rates and PFI) may be based on actual cost and these costs can change after budgets have been determined. In these situations, the adjustments relating to that year would be made retrospectively to the following year's budget rather than changing the budgets once they were issued. Authorities would need to notify the EFA of any changes relating to Academies so that they can apply similar adjustments.
62. Where a local authority makes additional funding available to its schools during the course of the year – for example, to settle equal pay

liabilities – it must notify the EFA of the method it has used to allocate the additional funding within the regulations.

Support for implementation

63. As this represents a significant change to the local operation of school funding, we are aware that we need to provide support to authorities as they move to implementation.

64. Questions about the detail and practical implications of implementation should be sent to:

reform.schoolfunding@education.gsi.gov.uk

Any formal responses to the consultation should be sent to:

schoolfunding.consultation@education.gsi.gov.uk

65. As noted in paragraph 8, we will be making available in the next few weeks a tool and relevant datasets to assist authorities in their modelling.

66. We think the regional meetings of local authority finance officers are a valuable opportunity to discuss practical issues further. We have been in touch to ensure the regional groups meet as soon as possible in April or May, where they were not already doing so, and we undertake to send an official to each meeting. Please make every effort to attend one of the meetings.

67. We will be also providing workshops at the Fair Funding Conference on 23 May in Reading.

68. We will confirm the outstanding decisions on issues such as separate rates for Key Stage Three and Four, and whether we will be requiring minimum percentages allocated through age-weighted or pupil-led funding, as soon as possible after this consultation closes on 21 May.

Summary Timetable

69. To conclude, it might be helpful to set out the key points in the timetable leading through to next year's budgets:

Mar-Apr:	LAs complete section 251 budget statements
Apr-Jun:	LAs undertake detailed modelling of new formula in conjunction with schools forums
May-Sep:	LAs able to requests exceptional factors and MFG exclusions to EFA
Jun- Oct:	Consultation with all schools and Academies on new formula
By Jul:	Reconstitution of schools forums where necessary
To Sep:	EFA will confirm baselines with LAs once section 251 statements have been submitted
End of Oct:	LAs submit pro-forma to EFA
Dec:	Census data and schools/high needs blocks confirmed
Mid Jan:	LAs submit any final changes to pro-forma to EFA

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This document/publication is also available on our website at <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding>

Any enquiries regarding this document/publication should be sent to us at reform.schoolfunding@education.gsi.gov.uk

Report No.
ED12047

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Education Budget Sub- Committee**

Date: **25 September 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: CONSTITUTION OF THE SCHOOLS FORUM

Contact Officer: David Bradshaw, Head of Education and Care Services Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Tessa Moore, Assistant Director of Education

Ward: Boroughwide

1. REASON FOR REPORT AND SUMMARY OF BUDGET POSITION

- 1.1 This report provides an overview of the constitutional changes that are being proposed by the Local Authority to the Schools Forum following recent Government legislation.

2. RECOMMENDATIONS

- 2.1 **The Sub- Committee are invited to comment on the proposed Forum constitution changes and refer the report to the Portfolio Holder for information.**

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People:
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 On the 26th March 2012 the Secretary of State published a consultation document called 'School Funding Reform: next steps towards a fairer system' which the Schools' Forum responded to. In the report in Section 1.6 the consultation referred to changes being proposed to the Schools Forum and therefore its constitution.
- 3.2 This will mean that the current regulations Schools Forums (England) Regulations 2010 will be revoked and will be replaced by the Schools Forums (England) Regulations 2012. The new regulations will come into effect from October 2012 and Forums will need to be compliant with the regulations laid out.
- 3.3 Below are the main changes to the regulations and how it affects the current Bromley constitution.

Main changes to the Regulations

- 3.4 Change 1 – Removal of the requirement to have a minimum of 15 people on a Forum

Effect on Bromley – None, Bromley's current membership is above this level and there are no proposals to decrease membership.

Change 2 – Restriction on local authority attendees from participating in meetings unless they are a :-

- a) Relevant Lead Member
- b) Director of Children's Services (or their representative)
- c) Chief Financial Officer (or their representative)
- d) Officer providing specific financial or technical advice (including presenting a paper to the Forum)

Effect on Bromley – None, this was in effect already in place. The wording in the terms of reference will be amended to more accurately reflect the wording above.

Change 3 – Restricting the voting arrangements by allowing only schools and Academy members (and the private, voluntary and independent sector - PVI members) to vote on the funding formulae.

Effect on Bromley – The terms of reference will be amended to reflect this change.

Change 4 – The new regulations allow for de-delegation of funding. These will be specified in the finance regulations and only the relevant maintained school members of the Forum will be able to vote.

Effect on Bromley – The terms of reference will be amended to reflect this change.

Change 5 – Local Authorities will have to publish Forum papers, minutes and decisions on their websites

Effect on Bromley – None, the papers are now on line.

Change 6 – Forums are to hold public meetings, as is the case with other Council Committees.

Effect on Bromley – None, meetings are already open to the public.

Change 7 – EFA to be given Observer Status on the Forum.

Effect on Bromley – The terms of reference will be amended to reflect this change.

Change 8 – Pupil Referral Units will be reflected as a separate group to reflect their receipt of delegated budgets from April 2013.

Effect on Bromley – The constitution and terms of reference will be amended to reflect this change.

Change 9 – Remove the requirement for local authorities to consult Schools Forums annually about arrangements for free school meals and insurance as these are to be allocated through the formula in future.

Effect on Bromley – The terms of reference will be amended to reflect this change.

Membership of the Forum

3.5 Current Membership

SCHOOLS

Special school representative governor/head (non academy)	1
Primary Academy head representative	1
Primary Academy governor representative	1
Primary head representative (non academy)	2
Primary governor representative (non academy)	2
Secondary head/governor representative (non academy)	1
Secondary Academy head representative	2
Secondary Academy governor representative	2
	<u>12</u>

NON SCHOOLS

14-19 partnership	1
Early year provider (PVI)	1
Diocese CofE	1
Diocese Catholic	1
Joint Teacher Liaison	1
Parent Partnership Representative	1
	<u>6</u>

NON- VOTING ATTENDEES

Portfolio Holder/Portfolio Holder Assistant (regular attendee)	1
Assistant Director of Education/Schools (regular attendee)	1
Head of Finance (regular attendee)	1
Head of Schools Finance Support (regular attendee)	1
Admin Officer (regular attendee)	1
	<u>5</u>

Proposed membership

- 3.6 Current pupils numbers in each individual area have changed but not significantly enough to warrant any changes between primary/secondary or within maintained/academy. Current pupil numbers and Forum membership of the schools element is attached in Appendix 1.
- 3.7 Due to the changes in the legislation it is proposed to increase the Schools Membership by one to thirteen to include a PRU representative. Restricting the Schools Membership to twelve in this instance would lead to undue turbulence and would mean a reduction in the current membership of one place from either maintained primary, academy primary or secondary academy. This would lead to an unnecessary imbalance.
- 3.8 Therefore it is proposed to keep the current membership within the schools area static (apart from the addition described in paragraph 3.6 above).
- 3.9 Non schools membership would remain the same as last year.
- 3.10 The proposed membership would be as follows:-

SCHOOLS

Special school representative governor/head (non academy)	1
PRU representative head/governor (non academy)	1
Primary Academy head representative	1
Primary Academy governor representative	1
Primary head representative (non academy)	2
Primary governor representative (non academy)	2
Secondary head/governor representative (non academy)	1
Secondary Academy head representative	2
Secondary Academy governor representative	2
	<u>13</u>

NON SCHOOLS

Early year provider (PVI)	1
14-19 partnership**	1
Diocese CofE**	1
Diocese Catholic**	1
Joint Teacher Liaison**	1
Parent Partnership Representative**	1
	<u>6</u>

OTHER NON- VOTING ATTENDEES

Portfolio Holder/Portfolio Holder Assistant	1
Assistant Director of Education/Schools	1
Head of Finance	1
Head of Schools Finance Support	1
Clerk of the Forum	1
	<u>5</u>

Those members of the Forum marked with an asterisk (**) cannot vote on matters relating to the funding formulae to be used by the Local Authority.

3.11 Appendix 2 contains the new detailed draft terms of reference and constitution for comment.

Non-Applicable Sections:	Policy Implications Financial Implications Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	N/A

BREAKDOWN OF NUMBERS FOR SCHOOLS FORUM CONSTITUTION

Appendix 1

AVAILABLE PLACES

13 SCHOOLS MEMBERSHIP

	<u>NUMBER</u>	<u>%</u>	<u>PLACES</u>		
TOTAL IN MAINTAINED SCHOOLS	17,969	43%	6		
TOTAL IN ACADEMY SCHOOLS	23,690	57%	7		
	41,659	100%	13		
	<u>NUMBER</u>	<u>%</u>	<u>EXACT PLACES</u>	<u>EXACT MAINTAINED</u>	<u>EXACT ACADEMY</u>
PRIMARY MAINTAINED	16,608	40%	5.18	5.18	
PRIMARY ACADEMY	7,249	17%	2.26		2.26
SECONDARY MAINTAINED	593	1%	0.19	0.19	
SECONDARY ACADEMY	16,441	39%	5.13		5.13
SPECIAL MAINTAINED	495	1%	0.15	0.15	
SPECIAL ACADEMY	0	0%	0.00		0.00
PRU'S MAINTAINED (incl Respite)	273	1%	0.09	0.09	
PRU'S ACADEMY	0	0%	0.00		0.00
	41,659	100%	13.0	5.61	7.39

CAVEATS

IF THERE ARE SPECIAL SCHOOLS HAVE TO HAVE AT LEAST ONE REPRESENTATIVE SHOULD BE REPRESENTATION OF MAINTAINED SECONDARY IF THERE CONTINUES TO BE ONE IN THE BOROUGH
 PRU'S HAVE TO HAVE AT LAST ONE REPRESENTATIVE IF THERE IS ONE IN THE BOROUGH

	<u>NUMBER</u>	<u>MAINTAINED</u>	<u>ACADEMY</u>
PRIMARY MAINTAINED	4	4	
PRIMARY ACADEMY	2		2
SECONDARY MAINTAINED	1	1	
SECONDARY ACADEMY	4		4
SPECIAL MAINTAINED	1	1	
SPECIAL ACADEMY	0		0
PRU'S MAINTAINED	1	1	
PRU'S ACADEMY			
	<u>13</u>	<u>7</u>	<u>6</u>

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BROMLEY SCHOOLS FORUM

CONSTITUTION AND TERMS OF REFERENCE

1. Membership

SCHOOLS

Special school representative governor/head (non academy)	1
PRU representative head/governor (non academy)	1
Primary Academy head representative	1
Primary Academy governor representative	1
Primary head representative (non academy)	2
Primary governor representative (non academy)	2
Secondary head/governor representative (non academy)	1
Secondary Academy head representative	2
Secondary Academy governor representative	2
	<u>13</u>

NON SCHOOLS

Early year provider (PVI)	1
14-19 partnership**	1
Diocese CofE**	1
Diocese Catholic**	1
Joint Teacher Liaison**	1
Parent Partnership Representative**	1
	<u>6</u>

OTHER NON- VOTING ATTENDEES

Portfolio Holder/Portfolio Holder Assistant	1
Assistant Director of Education/Schools	1
Head of Finance	1
Head of Schools Finance Support	1
Clerk of the Forum	1
	<u>5</u>

- 1.1 Those members of the forum marked with an asterisk (**) cannot vote on matters relating to the funding formulae to be used by the Local Authority.
- 1.2 On the matter of de-delegation only the relevant maintained school members of the forum will be able to vote.
- 1.3 The Education Funding Agency (EFA) are granted observer status at forum meetings with the right to participate in discussions.
- 1.4 Other non voting attendees will attend as and when required or be part of working groups. Examples would be officers from primary, secondary, special and inclusion areas.
- 1.5 Schools membership is determined by pupil numbers. Nursery, Special, Academy, Primary, Secondary and Pupil Referral Units (PRU's) shall be represented proportionally with there being at least one representative in each of the Nursery, Special and Academy areas (assuming that they are represented in the borough).
- 1.6 Pupil number variations between each sector will be reviewed annually (before September of each academic year). Any pupil number variations can then be reviewed. Elections can then be held to rebalance the position in time for the new academic year in September/October.

- 1.7 If this results in a change to the formulation of the forum and a reduction in membership in a particular sector, then the member with the shortest length of membership should be removed from office at the last meeting of the academic year. If there are two members with equal length of membership then the Local Authority (LA) will decide.
- 1.8 School membership will be formulated by ballots in each specific area. The winner of the ballot will become the main representative of the forum.
- 1.9 Non school membership cannot exceed one third of the total membership.
- 1.10 From the schools membership, no two forum members can be from the same School.
- 1.11 From the schools membership, alternate members will be nominated by the elected members in each area who can attend and vote in their absence. The Chair must be notified if an alternate is attending in place of an elected member.
- 1.12 The Local Authority (LA) will nominate alternate members for the non school membership
- 1.13 Observers have no voting rights but attend on behalf on the EFA to advise and guide where appropriate
- 1.14 LA Officers attendance is limited to a relevant Lead Member, Director of Children's Services (or their representative), Chief Finance Officer (or their representative), or if an officer is providing specific financial or technical advice (including presenting a paper to the Forum). Officers have no voting rights.

2. Alternate Members

- 2.1 Alternate members may attend and vote on behalf of members that cannot attend the forum meeting.
- 2.2 A nominated alternate may only replace their nominated forum member.
- 2.3 Alternate members may regularly attend meetings as observers if they wish to.
- 2.4 Alternate members will receive the same documentation as the main nominated forum member.

3. Term of Office

- 3.1 The members of the forum shall serve for 3 years from September 2011. Other members shall serve for 3 years from their date of appointment. However membership can be terminated by the LA using paragraphs 1.5 and 1.6 above.
- 3.2 Members who have reached the end of their term of office shall be eligible for re-appointment.

4. Vacancies

- 4.1 When a vacancy occurs, self nomination shall be sought from the representative sector, e.g. if the vacancy is for a primary governor, nominations shall be sought from primary school governors.
- 4.2 If there is more than one nomination, an election shall be held with those in the representative sector being able to vote.
- 4.3 The exceptions to 4.2 is the Secondary non academy representative. This member could be a head or a governor. Elections should be held by each group. The LA will then choose between the two the main representatives as to who is to be the initial main representative. This will then alternate on an annual basis as the main and the alternate representative or this can be decided on a meeting by meeting basis. There is a requirement that each of them must attend for a minimum of 33% of the meetings during their term of office.

5. Functions

- 5.1 The Authority will consult the forum annually on the funding formula by:-
- Approving any proposed changes to the schools' funding formula and the financial effect of any such change. (Consultation shall take place in sufficient time to allow the views expressed to be taken into account in the determination of the authority's formula and in the initial determination of schools' budget shares before the beginning of the financial year).
 - Approving changes to the LMS formula.
 - Agreeing which data elements within the LMS formula should be updated during a multi-year budget period.
 - Agreeing arrangements for multi-year budgets.
 - Whether or not to allow breaches of the Central Expenditure Limit (CEL) limit.
- 5.2 The LA shall consult the forum on the terms of any proposed contract for supplies or services to schools. (Consultation shall take place at least one month prior to the issue of any invitations to tender).
- 5.3 The LA shall consult the forum annually in respect of the Authority's functions relating to the schools budget in connection with the following:
- The arrangements to be made for the education of pupils with special educational needs
 - Arrangements for the use of pupil referral units and the education of children otherwise than at school
 - Arrangements for early years education
 - Administrative arrangements for the allocation of central government grants paid to schools via the relevant authority
- 5.4 The LA may consult the forum on such other matters concerning the funding of schools as it sees fit.

6. Conduct of Meetings

- 6.1 Meetings will be held at least four times a year.
- 6.2 The chair and vice chair will be elected at the first meeting in the autumn term.
- 6.3 The vice chair will act in the absence of the chair. The vice chair will have the same powers as the chair in relation to the organisation and running of the meetings
- 6.4 Decisions are taken via a majority vote. In the event of a tie the chair will have the casting vote.
- 6.5 Each member is entitled to 1 vote (subject to paragraphs 1.1 and 1.2 above). Alternate members may vote in the place of the specific forum member that they are replacing at a schools forum meeting.
- 6.6 Alternate members attending meetings as observers may not vote
- 6.7 The quorum is 40%. The meeting can continue if inquorate but any advice given to the LA as a result of such a meeting would not have to be taken into account by the Authority.

- 6.8 The forum may have working groups but any advice formally passed to the LA must be approved by the forum as a whole.
- 6.9 Members of the forum must make declarations of interest when relevant, for example, when the forum is considering matters relating to service contracts.

7. Working Groups

- 7.1 The forum will make use of working groups when carrying out its business. Working groups will identify and discuss matters that need to be taken to the forum for a decision.
- 7.2 The working groups will be formulated as required and will consist of a mixture of main forum, alternative forum, observers LA representatives and other specific experts.
- 7.3 The working groups will have no voting rights or decision making powers, but will provide an advisory role to the main body of the forum.

8. Confidentiality

- 8.1 Confidential items, such as commercially sensitive information regarding contracts or personal information, should normally be discussed by forum members only.

9. Attendance

- 9.1 If a member of the forum or their nominated alternative member has not attended for two consecutive meetings the clerk shall contact those members. If their reason for non-attendance is deemed inadequate by the chair then an election should be arranged to replace them.

10. Administration

- 10.1 The LA will provide a clerk for the meetings of the forum.
- 10.2 Papers for meetings of the forum will be circulated to members during the week before a meeting, preferably at least 5 working days in advance.
- 10.3 All papers will be sent electronically by email.
- 10.4 The minutes and relevant papers of meetings (unless confidential) of the forum will be made available on the Council website.
- 10.5 The LA will pay the reasonable expenses of members of the forum.

11. Training

- 11.1 Any new forum members must receive training from the local authority on finance matters within two months of taking up the position. Regular attendance at other updates will be required. Further updates will be offered by the LA when appropriate. This applies to the main forum members as well as the alternative members.

12. Statutory Instrument

- 12.1 The constitution and terms of reference should be read in conjunction with the Statutory Instrument number xxx (The Schools Forums (England) Regulations 2012).

Agenda Item 14

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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