



THE LONDON BOROUGH
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To: Members of the
SCHOOLS' FORUM

Primary Maintained School Head Teachers: Patrick Foley and Fiona Mills

Secondary Maintained Head Teacher or Governor Vacancy

Secondary Academy Head Teacher: Karen Raven

Primary Maintained Governors: Geoff Boyd and Angela Chapman

Primary Academy Governor: Colin Ashford

Primary Academy Head teacher: Mr Richard Sammonds

Secondary Academy Governors: Andrew Downes and David Wilcox

Special Head Teacher/Governor: Keith Seed

Non-School Representatives: David Bridger (Church of England), Neil Proudfoot (Joint Teacher Liaison Committee), Alison Regester (Early Years) and Anna Boshier (Catholic).

A meeting of the **Schools' Forum** will be held at **Education Development Centre** on **THURSDAY 15 MARCH 2012 AT 4.30 PM** *

*** PLEASE NOTE STARTING TIME AND VENUE**

MARK BOWEN
Director of Resources

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **MINUTES OF THE MEETING HELD ON 12TH JANUARY AND 9TH FEBRUARY 2012**
To Follow
- 4 **UPDATE ON CURRENT INVEST TO SAVE PROPOSAL (Pages 3 - 8)**
- 5 **THE SCHOOL FUNDING SETTLEMENT FOR 2012/13 DEDICATED SCHOOLS GRANT (Pages 9 - 20)**
- 6 **ANY OTHER BUSINESS**
- 7 **DATES OF NEXT MEETINGS**
New Dates need to be set please bring your diaries

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Report No.
DCYP12043

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Schools Forum

Date: 15 March 2012

Title: UPDATE ON CURRENT INVEST TO SAVE PROPOSAL

Contact Officer: Jo Twine, Consultant
Tel: 020 8313 4747 E-mail: jo.twine@bromley.gov.uk

Chief Officer: Director, Children and Young People Services

Ward: Boroughwide

1. Reason for report

1.1 This report provides an update on the current invest to save proposal.

2. **RECOMMENDATION(S)**

2.1 **The Schools Forum is asked to discuss and comment on the proposal.**

3. COMMENTARY

3.1 Increase in children with ASD

There is a growing need for additional, in-borough provision for secondary aged pupils with Autistic Spectrum Disorder (ASD). The trend of increasing demand present in all age groups has been well rehearsed: In Bromley 50% of Reception age children with statements in 2011 present with ASD compared to an average of 33% over the years 2005-2009. This is against a back drop of increased population (20% increase over last 7 years) and a growing proportion of that population having SEN. (In 2001 5% of premature babies survived and now 90% survive, but often with SEN).

Currently there are 30 children of secondary age with ASD who are placed in non-maintained day settings at an average cost of £35k compared to the cost of a day place at Riverside of £21k. With a significant increase in the number of primary age children with ASD and a limited amount of secondary places available, the total cost of non-maintained placements will increase over time. There is also a gender imbalance of maintained provision with both Burwood Behavioural, Emotional and Social Difficulties (BESD) School and Langley Park Boys' Asperger's Unit not admitting girls.

3.2 Objectives of Project

- Reducing revenue costs of secondary SEN (ASD) provision.
- Improving the experience of our young people with SEN (ASD).
- Reducing reliance on out-Borough placements.
- Increasing parental confidence and reducing tribunals.
- Increasing provision in Bromley for targeted secondary (ASD) groups.
- Increasing provision for short breaks (respite) for secondary age children.

3.3 ASD Pupil Place Planning Projections

Extensive analysis of historic data and trends and a range of modelling approaches to project the needs of children in 10 years' time have led to the conclusion that a new 3FE (3 classes of 8 children over 5 years, years 7-11 = 120) and post 16 provision (at 75% stay on rate) for 36 children ASD specific secondary provision is required to meet the demand, in addition to the existing provisions.

The needs of this cohort are also changing and becoming more complex, severe and profound, reflecting the use of Pupil Resource Agreements for more moderate or medical needs rather than statements. There is also a wide range of attainment standards within this cohort of children, with some performing at high mainstream standards and some widely outside of age related expectations.

3.4 Financial Model

The financial model has been constructed to calculate the impact of developing new ASD provision on both the Revenue Support Grant (RSG) and the Dedicated Schools Grant (DSG). The cost of placements to non[Bromley]-maintained settings (Out-Borough) is met from the DSG and the cost of transport and Short Breaks are met from the Revenue Support Grant.

3.4.1 Do Nothing Option

Currently there are 30 children in non-maintained settings at an annual cost of just over £1M. If no action is taken, the cost of providing non-maintained (Out-Borough) placements for this growing cohort with increasingly severe and profound ASD will grow each year by £350k resulting in a cumulative total of £26.25M by 2020/21. The total DSG budget is circa £220M and a growing proportion of this is transferred directly to Academies. Currently DSG funds £19.3M of all types of SEN placements but there will come a point when no further funding can be secured from DSG and any shortfall would require cuts to other DSG funded services or to the grant that goes directly to schools. An extract from the financial model is set out below to show the costs of the Do Nothing Option. This represents the projected increased cost to DSG of non-[Bromley] maintained (Out-Borough) placements over the next 10 years.

Placement	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Pupils	30	40	50	60	70	80	90	100	110	120
DSG	1,050,000	1,400,000	1,750,000	2,100,000	2,450,000	2,800,000	3,150,000	3,500,000	3,850,000	4,200,000
26,250,000	1,050,000	1,400,000	1,750,000	2,100,000	2,450,000	2,800,000	3,150,000	3,500,000	3,850,000	4,200,000

From the RSG budget, the current cost of transport for these 30 children is £169k and this will rise to £675k each year to a cumulative total of £5.6M by 2022/23. An extract from the financial model is set out below to show the transport costs of the Do Nothing Option. This represents the projected increased cost to RSG of transport to non-[Bromley] maintained (Out-Borough) placements over the next 10 years.

Transport	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Pupils	30	40	50	60	70	80	90	100	110	120
	168,840	225,120	281,400	337,680	393,960	450,240	506,520	562,800	619,080	675,360
4,221,000	168,840	225,120	281,400	337,680	393,960	450,240	506,520	562,800	619,080	675,360

3.4.2 Proposal to Build New Provision

In light of the increasing cost of non-maintained (out-Borough) placements, the Business Case considers whether the cost of building new maintained provision within the Borough will mitigate this increase in cost. If 3FE of additional provision could be created in Bromley, this would avoid the need for the growing cohort of children to require non-[Bromley] maintained placements at a higher cost to DSG and at a higher transport cost from RSG. No new provision will reduce the cost of provision from current levels, but will mitigate the projected increase in these costs.

The following proposals are being considered in more detail to establish their total cost (land and construction). Currently a range of potential capital costs have been modelled in advance of detailed design and costing work to show the lower and upper limits of anticipated capital cost. The financial model needs to take account of the full cost of creating new provision to evaluate whether it offers a net saving to DSG/RSG.

- Expand Riverside by 1FE including Post 16 provision from 2012/13
- Expand Glebe to host a 2FE ASD school by September 2014

The extract from the financial model below shows the impact on DSG of the Build New Provision option. Currently there are 30 children in non-maintained settings at an annual cost of just over £1M. If new provision is built, less DSG will be required over the next 10 years than if it is not, to a cumulative value of £9.5M. The extract below shows the status quo in year 2011/12. In 2012/13 it shows the impact of expanding Riverside by 1FE to stop these additional children from requiring non-maintained settings at a higher cost to DSG. It does not assume that children who are currently in non-maintained settings will return. From 2013/14 onwards it assumes that all new children can be accommodated within Bromley maintained provision, although there will still be some children who will not have left their non-maintained settings until 2015/16. While there will be adequate capacity in the Bromley provision from 2013/14 onwards for the number of children, there are likely to be a few children whose specific and complex needs may still be better met from non-maintained provision Out-Borough or this may be sought through the Tribunal process.

Placements	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Pupils	30	40	50	60	70	80	90	100	110	120	
In-Borough	0	420,000	1,050,000	1,260,000	1,470,000	1,680,000	1,890,000	2,100,000	2,310,000	2,520,000	
Out-Borough	1,050,000	700,000	0	0	0	0	0	0	0	0	
	16,730,000	1,050,000	1,120,000	1,050,000	1,260,000	1,470,000	1,680,000	1,890,000	2,100,000	2,310,000	2,520,000

An extract from the financial model is set out below to show the transport costs of the Build New Provision option. This represents the projected increased cost to RSG of transport to over the next 10 years. By implementing the build new provision option, the increasing cost of transport to the RSG budget for the growing number of children can be mitigated by a cumulative total of £1.4M over 10 years.

Transport	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Pupils	30	40	50	60	70	80	90	100	110	120	
In-Borough	0	70,140	140,280	192,885	227,955	280,560	315,630	350,700	385,770	420,840	
Out-Borough	168,840	112,560	56,280	28,140	28,140	0	0	0	0	0	
	3,577,980	168,840	182,700	196,560	221,025	256,095	280,560	315,630	350,700	385,770	420,840

3.4.3 Capital from the Reserves

If Capital is provided from the Council's reserves, this will result in a mitigation of the rise of cost to DSG and so while this will mitigate the impact on the Council from the risk of needing to withdraw DSG from schools for SEN placements, it will not replenish the reserves. As it is DSG that will benefit from any Council investment, it is proposed that an annual contribution from the Schools Forum is sought to replenish the Council's reserves.

Accordingly the extract from the financial model below shows a range of capital cost options in respect of the reserves from the best case of £4M (£3M Glebe and £1M Riverside) to a worst case of £8M (£7M Glebe and £1M Riverside). The extract below also shows the notional 'pay back' period of the capital, if the capital were to be funded from the same fund (in this case Council reserves) as the cost of placements (in this case DSG). In this case, the cost of placements is funded from DSG and the Capital from Council reserves are separate funds and cannot actually be linked as is shown here. Notwithstanding this, it is important to show the impact of the capital expenditure against revenue funding to prove the spend to save case. The only way of 'paying back' Council reserves is to secure contributions to capital from other sources as reserves will not be replenished by 'savings' from DSG.

This paper explores various options as to how a new provision might be funded.

Options

	Capital cost	Revenue Cost of placements	Net impact saving to 2020/21	Pay back period on investment years
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
1 Do nothing	0	26,250	0	n/a
2 £8m capital build (including £1m Riverside)	8,000	16,730	1,520	7
3 £6m capital build (including £1m Riverside)	6,000	16,730	3,520	5
4 £4m capital build (including £1m Riverside)	4,000	16,730	5,520	4

Transport

1 Do nothing	0	4,221	0	n/a
2 Build	0	2,779	1,442	0

3.5 Extended Short breaks provision

Of the non-maintained (out-Borough) placements the most expensive are non-maintained residential placements. Making additional provision for extended short breaks for young people with ASD is an important factor in reducing the cases of parents seeking expensive out-Borough (non-maintained) residential placements. Currently short breaks are provided through Hollybanks and provide up to say 4 nights per month to give parents a break and to provide social experiences and life skills to young people. If parents can secure access to the extended short breaks provision, which may be for say 3 nights per week, this will reduce the likelihood of parents seeking residential placements. Further work is currently being undertaken to develop this business case and to show the potential benefits of creating extended short breaks provision.

3.6 Process to Progress the Business Case

An interim paper is being submitted to the Council's Executive on the 11 April to seek an 'in-principle' decision on the Spend to Save Business Case. Any 'in-principle' decision made by the Schools Forum will be reflected in this paper and is likely to be the deciding factor for the Council's Executive. If an 'in-principle' approval is secured from the Council's Executive then a multi-disciplinary design team and cost consultant will be appointed to undertake a detailed design and costing exercise to confirm the actual construction cost of the proposed new provision. This would be completed by the end of July 2012 to allow the Full Business Case to be completed and decisions to be made by Schools Forum and the Council's Executive.

3.7 Conclusions

The spend to save case proves that if maintained (in-Borough) specialist ASD provision were built in Bromley then the increasing number of children could have their needs met at a unit cost of £21k rather than £35k. This represents a mitigation of the increase in DSG required to 2023/24 from £26.25M to £16.73M – a difference of £9.5M. The cumulative saving to the RSG budget over the period to 2022/23 arising from transport is £1.4M. The extract from the financial model below shows the difference between the Do Nothing Option and the Build New Provision Option on an annual basis. For example, the cost of placements to DSG in 2012/13 will rise to £1.4Mpa if no action is taken compared with £1.12Mpa if Riverside is expanded by 1FE. By 2022/23 the cost of placements to DSG will have risen to £4.2Mpa if no action is taken compared to £2.52Mpa if new provision is built.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£	£	£	£	£
Do nothing	1,050,000	1,400,000	1,750,000	2,100,000	2,450,000	2,800,000	3,150,000	3,500,000	3,850,000	4,200,000
Action taken	1,050,000	1,120,000	1,190,000	1,330,000	1,540,000	1,680,000	1,890,000	2,100,000	2,310,000	2,520,000
Difference (saving)	<u>0</u>	<u>-280,000</u>	<u>-560,000</u>	<u>-770,000</u>	<u>-910,000</u>	<u>1,120,000</u>	<u>1,260,000</u>	<u>1,400,000</u>	<u>1,540,000</u>	<u>1,680,000</u>

Model Parameters

Start date is 2011/12

End date is 2022/23

No cost of finance has yet been included

No inflation has yet been included

The inputs to the financial model are:

The number of pupils each year with ASD who cannot be accommodated in existing Special School provision – currently 30 and rising by 10 each year until plateau at 120 every year.

Average cost of a maintained place £21k.

Average cost of a non-maintained place £35k.

Construction cost of new provision.

Average cost of transport to maintained placement £3,507.

Average cost of transport to non-maintained placement £5,628.

This paper is seeking views/comments from the Schools Forum as to whether it would support the proposal make an annual contribution of £800k pa for up to 9 years in order to replenish Council reserves that are proposed to have been deployed to fund the new ASD provision.

Report No.
DCYP12044

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker **Schools Forum**

Date: **15 March 2012**

Title: **THE SCHOOL FUNDING SETTLEMENT FOR 2012/13
DEDICATED SCHOOLS' GRANT**

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

Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides updated information on the final estimated School Funding Settlement for 2012/13 Dedicated Schools' Grant.
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2. **RECOMMENDATION(S)**

- 2.1 **The Schools Forum is asked to discuss the proposals and provide any comment and consideration for the consultation process.**

3. COMMENTARY

3.1 Background

- 3.1.1 As set out in the 'Consultation on School Funding Reform', issued by the Government in July, it was agreed that the current funding methodology for 2011/12 should continue for 2012/13 through the Dedicated Schools Grant (DSG).
- 3.1.2 As part of the spending review announcement in December 2011, the Government announced that the overall settlement for schools would be maintained at 'flat cash' per pupil throughout the period, which means that it will rise in line with pupil numbers.
- 3.1.3 In line with the previous years settlement it was also announced that the pupil premium will be in addition to this settlement. Total funding for the pupil premium will be £1.25bn in 2012/13 and will be built up over time amounting to £2.5bn a year by 2014/15. Full details relating to this have been provided in earlier reports.

3.2 The Pupil Premium

- 3.2.1 Details of indicative Pupil Premium allocations have already been provided. These estimates were based on January 2011 pupil data. Full guidance has now been provided to the Local Authority and to all schools to allow them to allow schools and LAs to estimate how much Pupil Premium Funding they will be allocated for budget planning purposes; and to allow schools and LAs to effectively target the funding they are allocated at the pupils who are eligible for the Pupil Premium.

3.3 Minimum Funding Guarantee (MFG)

- 3.3.1 The Government has decided to continue with the Minimum Funding Guarantee arrangement for schools. The Minimum Funding Guarantee ensures that, whatever decisions local authorities take, all schools receive a minimum level of funding per pupil in relation to the previous year.
- 3.3.2 The Minimum Funding Guarantee remains the same for 2012/13, ensuring that no school will have its budget reduced by more than 1.5% per pupil, before the pupil premium is added. This is in line with 2011/12, whereas in previous years the MFG has provided a minimum increase.
- 3.3.3 Not all School funding is eligible for MFG, some elements such as Rates, YPLA, and matrix funding are excluded from the calculations. This is dealt with as part of the local formula funding arrangements.
- 3.3.4 As in previous years, authorities are expected to prepare their own calculations on their level of DSG funding. The final announcement on the level of grant funding is not made until the summer of 2012 after the start of the new financial year.
- 3.3.5 The School Finance (England) Regulations 2012 provides specific guidance as to where a local authority may vary the MFG calculation and where specific approval needs to be sought from the Secretary of State. Appendix 1 provides details of schools where the MFG is higher than the LA formula calculation and where an application has been made to the Secretary of State.

3.4 The Dedicated Schools Grant – 2012/13

- 3.4.1 The Government has announced that it will continue to operate in 2012/13 the current methodology for allocating the Dedicated Schools Grant (DSG) to local authorities. This is based on an amount per pupil on a spend plus basis. The Guaranteed Unit of Funding for Bromley is £4,944.33 per pupil for 2012/13 which remains the same as 2011/12 funding levels.
- 3.4.2 To protect local authorities with falling pupil numbers the Government will continue with arrangements to ensure that no authority loses more than 2% of its budget in cash terms. Bromley is unlikely to find itself in this position.
- 3.4.3 Government has consulted over the summer on proposals for future funding in 2013/14. Further proposals are being worked on in light of the responses given to the consultation and arrangements are likely to include both national and local formulae and the need for careful transitional arrangements. Currently there is no indication of the future funding levels for 2013/14 for Bromley. These are expected in the spring/summer of 2012.
- 3.4.4 The Dedicated Schools Grant is calculated using a Guaranteed per pupil Unit of Funding (GUF) for each Local Authority and the full time equivalent pupil numbers from the Schools, Early Years and Alternative Provision Censuses. The GUF has been derived from the 2011/12 level as the level of GUF has remained static for 2012/13 at £4,944.33 per pupil. This has now been updated to reflect the January 2012 Census data and the estimated Dedicated Schools Grant is shown below:

Original Calculation of Estimated Dedicated Schools Grant 2012/13			£m
Guaranteed Unit of Funding (£)	(A)	4,944.33	
Estimated Pupil Numbers	(B)	44,388	
2012/13 Estimated DSG (A) x (B)			<u>219.469</u>
Final Calculation of Estimated Dedicated Schools Grant 2012/13			£m
Guaranteed Unit of Funding (£)	(A)	4,944.33	
Estimated Pupil Numbers	(B)	44,589	
2012/13 Estimated DSG (A) x (B)			<u>220.463</u>

- 3.4.5 **Appendix 2** identifies the final proposed use of the Dedicated Schools' Grant for release for consultation:
- 3.4.6 **Appendix 3 and 4** provides information on the final proposed individual elements in Appendix 1 of the use of the DSG.

4. POLICY IMPLICATIONS

- 4.1 These proposals support the delivery of priorities identified in "Securing the best possible future for all children and young people in Bromley", the Children and Young People's Plan 2011-2012.

5. FINANCIAL IMPLICATIONS

5.1 These are included in the body of this report.

6. LEGAL IMPLICATIONS

6.1 The Local Authority is obliged to account for and distribute funding received from central government, for the purposes of education in accordance with the relevant legislative accounting provisions.

6.2 Where the Local Authority seeks to exercise any discretion that it may have on the distribution of funding that is received, it is prudent to consult on the outcomes with all relevant stakeholders.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	

PROPOSED MINIMUM FUNDING GUARANTEE ADJUSTMENTS

2012-13

	Additional MFG Funding	Amount to be removed	Proposed Adjustment as % of SBS	Comments
Chelsfield Primary	25,000	12,500	3%	small school
Cudham C.E Primary	43,000	21,500	5%	small school
Dorset Road Infants	18,500	9,250	2%	small school
Downe Primary	5,000	2,500	1%	changes to staffing
Malcolm Primary	72,000	36,000	3%	Expanding school
Manor Oak	44,000	22,000	2%	small school
Pratts Bottom	35,800	17,900	5%	small school
	243,300	121,650		
Bishop Justus	102,000	102,000	2%	add funding to be removed
Harris Beckenham	80,000	80,000	2%	changes to staffing
	182,000	182,000		

- Additional MFG - Bishop Justus School (Academy)
Up to 2010/11 the school was still considered to be an opening school and was in receipt of additional funding generated by the MFG. It was agreed with the Schools Forum that this funding should be phased out once the school was fully open so that the school would be funded on the basis of the formula funding only to bring it in line with other schools. Funding was being phased out in 2009/10 and 2010/11 with the final amount of £200k to be removed in 2011/12, in full agreement of the school. In 2011/12 Schools Forum was no longer allowed to agree this adjustment so application was made to the Secretary of State. This was refused on the grounds that this would have a serious impact on the school concerned.

The LA is requesting that this being given serious consideration again this year on the basis that the school should be funded in line with other schools, and that this would release a large amount of funding which could then be used to benefit all schools.

- Small/Growing Schools
These are all small schools where increases in pupil numbers over the last few years have resulted in the MFG increasing at a disproportionate rate to the funding formula each year, with these increases being compounded year upon year. This has also resulted in most of these schools building up significant balances. However, as the LA recognises that the full amount could be too much for a school to lose in any one year, we are proposing to make a 50% adjustment in 2012/13 and again in the following year, if this fits in with the government's new proposals.
- Changes to Staffing
Relates to a real reduction in actual staff on upper pay scales which are funded through the Formula

USE OF DEDICATED SCHOOLS GRANT 2012/13

	As at 12th Jan £'000		£'000
Estimated DSG figure (to be confirmed)	219,469		220,463
Estimated future LACSEG Adjustment	-250		-500
Available DSG	219,219		219,963
Central Schools Budget	35,064		35,064
Delegated Budgets			
Primary	69,387	71,000	
MFG		120	
Secondary	8,174	8,331	
Special	9,939	10,210	
	87,500		89,661
Academy Recoupment			
SBS Primary	17,860	17,046	
MFG		180	
SBS Secondary	73,858	71,310	
	91,718		88,536
LACSEG Primary	335	331	
LACSEG Secondary	884	884	
	1,219		1,215
Contingency		1,000	1,937
Behaviour service - income target		-400	-400
FLAG - removal		-400	-400
Other staff costs - reduction		-300	-300
Allocated DSG	215,401		215,313
Unallocated DSG	3,818		4,650
Items for Consideration for unallocated DSG			
Floor area costs - CFC	50	100	
Funding for bulge classes	150	0	(included in schools budgets above)
SEN	2,200	2,200	See Appendix 5
Increased Carbon Reduction Contributions	150	150	
EBD Provision for Primary Girls	290	290	
Home and Hospital Education	100	100	
Add Funding for Early Years	470	470	
Special School Meal Contract	40	40	
Invest to save	0	800	
EY Deprivation support		390	
PRU		110	
Balance	368	0	
	3,818		4,650

FURTHER INFORMATION ON THE USE OF THE DEDICATED SCHOOLS GRANT

Estimated Future LACSEG Reduction

Funding for the schools budget portion of LACSEG will be recovered from LAs' DSG allocations in 2012/13 through recoupment the current methodology including the additional element regarding contingency. This amount allows for future in year academy conversions

Central Schools Budget

This provides for the centrally retained elements of the Schools Budget not delegated to schools. It includes Special Educational Needs, the Behaviour Service, payments to Early Years providers and capital expenditure financed by revenue.

Delegated Budgets Minimum Funding Guarantee

This relates to all maintained schools. The Minimum Funding Guarantee has been adjusted to ensure that no school will have its budget reduced by more than 1.5% per pupil, before the pupil premium is added.

Academy Recoupment

This is the amount top sliced from Bromley's DSG which is given to the YPLA to fund Academies. This assumes two Secondaries and three Primaries converting in 2012/13.

Contingency

It is prudent to keep an amount in contingency to cover any unforeseen eventualities and to avoid unnecessary turbulence. Notionally £250k is being set aside for redundancy and retirement costs (as per 2011/12). S251 returns require this to sit in contingency. A further £750k is set aside for final adjustments to DSG once the final pupil numbers are known. Any unused allocation could be used for other purposes.

Behaviour Service – Income Target

The behaviour service has been given an income target to sell services to academies. This was not in the budget in 2011/12

Flexible Learning Advisory Group (FLAG)

This expenditure was ceased in the summer of 2011. Therefore the funding available for this activity is released.

Other Staff Cost Reductions

Reduction in costs of supply cover costs due to academy conversions. The funding is released.

Floor Area Costs

Additional floor area costs in schools with children and family centres attached which will now be run by the school.

Funding for Bulge Classes

Funding for bulge classes in Primary Schools that will start in September 2012 and will otherwise go unfunded as they will not be picked up in the January 2012 count

Special Education Needs

See Appendix 5.

Carbon Reduction Commitment

The Carbon Reduction Commitment (CRC) scheme imposes a statutory duty on the Council to take certain actions in relation to purchasing carbon allowances and reporting on emissions associated with energy use in buildings. The Council is required to bear the cost of administering the CRC scheme and to purchase carbon allowances on behalf of schools. 2011/12 data shows that additional funding will be required to cover the full costs.

EBD Provision for Primary

Provision for primary aged EBD children. This provision has been agreed by the executive working group as an invest to save.

Home and Hospital Education

Increased provision and costs in this area.

Early Years Funding

Statutory entitlement to provide sufficient places for all three and four year olds. Predicted increase in costs and entitlement over current budget levels.

Special School Meal Contract

Schools meal contract retendered. Additional costs incurred for special schools. Funding needed to meet new contract.

Contribution to Capital/Invest to Save

Potential for an invest to save project for Secondary ASD provision. Potential for Government grant to offset some of the build costs. Remaining costs may have to be funded from DSG. This may not take effect from 2012/13. However this would need to be built into the budgets in the medium term. In the interim the funding could be allocated to Basic Need projects which would benefit all schools including Academies.

Has the potential to help negate ongoing pressures in SEN by diverting costly out of borough placements into in borough provision.

Balance Over Allocated

This would need to be balanced off to get DSG expenditure in line with the overall allocation.

FINAL PROPOSALS FOR USE OF DEDICATED SCHOOLS GRANT

As at the date of the last meeting of the Schools Forum, the indicative figures were showing a potential overspend of £305k in the Dedicated Schools Grant. Additional funding has now been identified relating to pupils that had not been included in the original DSG calculations and subsequently the DSG has now increased from £219,469k to £220,463 which is an increase of £994k.

It is proposed that this funding should be allocated as follows:

Pupil Referral Unit	£110k
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Over the last 3 years there had been a decrease in the number of Permanent Exclusions due to proactive work in conjunction with the schools by the Behaviour Service. However, the number of pupils in the PRU on census date has increased from 57 to 79. This increase of 22 pupils will generate around £110k of additional DSG funding. The increase in pupil numbers which can be seen as a direct result of the increase in permanent exclusions, mainly in secondary schools. This is expected to increase further in 2012/13. Simultaneously the needs and complexity of issues of these students have increased significantly. Many of these students need to be taught in small groups of 6 or 7 or 1:1 teaching due to either behaviour, learning or safeguarding needs. Following discussion with the Head of Service it has been identified that there are significant pressures on the PRU budget and on the service that is being provided.

The PRU budget is operated centrally and does not have a delegated budget and therefore the increase funding does not automatically follow the pupils in the same way. It is proposed that the additional funding should be allocated to the PRU to enable them to provide extra staffing/resources to support the additional pupils. The PRU is currently operated as a central budget however from 2013/14 the Government have indicated that all PRUs will be required to have their own delegated budget.

It is proposed that the additional funding should be allocated to the PRU to enable them to provide extra staffing/resources to support the additional pupils. This will allow the Head of the Unit to look at the staff numbers and to establish a teaching structure that is appropriate to the needs of the pupils.

The Local Authority has put in place a protocol asking all academies to sign up to a formal agreement which will allow the AWPU funding relating to excluded pupils to be recouped by the LA. This funding comes back into the Dedicated Schools Grant and is included in the final reconciliation at the end of the year.

Early Years Funding – Deprivation	£390k
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At the last meeting of the Schools Forum there was some debate around the perception that in Bromley the results in Early Years/ Foundation stage are not above the national average as they are in Key Stage 1 and above. It was therefore proposed that any additional funding that was available within the DSG should be targeted at early years as this would be to the benefit of all schools. It was proposed that this funding should be targeted through the supplements within the Early Years funding formula rather than simply adding it to the core funding. One suggestion at the Schools Forum meeting was that this funding should be allocated through the SEN supplement, by lowering the threshold at which Early Years settings would be eligible for this funding. Currently settings with more than 20% of pupils with Special Educational Needs are eligible for this supplement 2 maintained schools and 4 PVI settings currently receive this funding.

However, when this proposal was discussed with the Early Years Manager at the LA, there were concerns that even if the threshold was reduced to 15% the funding would still only be received by a very limited number of settings. Children with high level needs in Early Years provision already receive support via the Pre-school Specialist Support and Disability Service who are also responsible for verifying the claims for the SEN supplement to ensure eligibility. Any increase in the numbers of eligible settings would increase the reliance on this service at a time when budgets are stretched.

It is accepted within schools funding that there is a direct relationship between deprivation and low achievement/low level special educational needs and this is also the case within Early Years. It is therefore proposed that funding should be targeted through the deprivation supplement. In recent years the government has been targeting money at deprivation in schools through the pupil premium. However the pupil premium is only paid for pupils aged 5 and above so Early Years settings have not been able to benefit from this funding as it is based on free school meal entitlement. The EY deprivation supplement is targeted at settings with high levels of pupils from post codes identified within the IDACI (Income Deprivation Affecting Children Index). The supplement is currently paid at one level of 0.18p per hour for all pupils. It is proposed that this be extended on a banded basis ranging from 20p through to 60p for those settings with the highest level of deprivation. This would bring the highest level in line with the amount of funding that schools will receive through the pupil premium. The revised funding would benefit 68 PVI settings and all of the 11 maintained nurseries.

Estimated Future LACSEG Adjustment	£250k
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Originally this was set at £250k based on the estimated number of academy conversions. It has now been identified that one primary school with a deficit will be converting as a sponsored academy and therefore the deficit will revert to the LA. It is therefore proposed that the provision be increased to allow for this and any other further conversions.

Contingency	£937k
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Originally it was estimated that £1million should be kept in contingency to cover Early Retirement and Redundancy Costs (£250k) and the remainder to cover any potential adjustments to the DSG and any other unforeseen expenditure during the year. However, as DfE are now including this code in the recoupment calculation, then the LA needs to allow for additional funding to cover this.

GROWTH BID FOR SEN RELATED AREAS USING DSG

Item for Growth	Funded Pupil Numbers or Places	Budget for 2011/12 £	Budget you are anticipating for 2012/13 £	Funded Pupil Numbers or Places	Growth Bid Required £
Transport contractors -DSG (Riverside Beck and Hayes DSG)		90,000	320,000		230,000
SEN Matrix	915.6	7,253,985	7,831,449	1,014	577,464
SEN Independent Day	112.0	3,866,300	4,573,158	130	706,858
SEN Independent Boarding	84.3	5,823,680	5,637,759	83	-185,921
Alternative Provision	79.9	600,520	740,378	83	139,858
Maintained Day	50.5	1,125,720	1,228,809	57	103,089
Maintained Boarding	13.2	599,610	713,470	16	113,860
Support in Mainstream	124.3	1,056,350	957,033	111	-99,317
Equipment		14,000	14,000		0
Contingency added to Budget		500,000	0		-500,000
Development of 8 Key Stage 1 Placements (Crofton) 7/12 only		0	63,467		63,467
Development of 6 Key Stage 2 Placements (Riverside) 7/12 only		0	77,000		77,000
Increase of place led funding for unit provisions (complexity of need)		0	50,000		50,000
Grovelands Development		0	70,000		70,000
Sub Total		20,930,165	22,276,523		1,346,358
Primary provision for children with complex needs		0	200,000		200,000
Speech and Language Contracts		65,160	311,166		246,006
Health Needs without Recourse to statements		181,000	346,000		165,000
Sub Total		246,160	857,166		611,006
Pupil Resource Agreements		130,000	286,000		156,000
Transition for PRA		0	80,000		80,000
Sub Total		130,000	366,000		236,000
Total		21,306,325	23,499,689		2,193,364

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