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BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333 CONTACT: Helen Long  
*helen.long@bromley.gov.uk*

DIRECT LINE: 020 8313 4595  
FAX: 020 8290 0608 DATE: 3 January 2012

To: Members of the  
**SCHOOLS' FORUM**

**Primary Maintained School Head Teachers:** Patrick Foley and Fiona Mills

**Secondary Maintained Head Teacher or Governor**

**Secondary Academy Head Teacher:** Karen Raven

**Primary Maintained Governors:** Geoff Boyd and Angela Chapman

**Primary Academy Governor:** Colin Ashford

**Secondary Academy Governors:** Andrew Downes and David Wilcox Fiet

**Special Head Teacher/Governor:** Keith Seed

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

A meeting of the **Schools' Forum** will be held at **Education Development Centre** on **THURSDAY 12 JANUARY 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 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN**
- 4 MINUTES OF THE MEETING HELD ON 24TH NOVEMBER 2011 (Pages 3 - 6)**
- 5 THE SCHOOL FUNDING SETTLEMENT FOR 2012/13 THE PUPIL PREMIUM AND DEDICATED SCHOOLS GRANT (Pages 7 - 20)**
- 6 DRAFT 2012/13 BUDGET (Pages 21 - 32)**
- 7 UP DATE ON 2011/12 CONTINGENCY (Pages 33 - 34)**
- 8 ANY OTHER BUSINESS**

**9 DATE OF NEXT MEETING**

**All meetings are at the EDC unless otherwise stated.**

**Thursday 9<sup>th</sup> February 2012**

**Thursday 15<sup>th</sup> March 2012**

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# Agenda Item 4

## SCHOOLS FORUM

Minutes of the meeting held 24<sup>th</sup> November 2011

### Present:

Primary School Head Teachers:	Patrick Foley and Yvonne Marsh
Secondary Head Teachers:	Nick Ware
Primary Governors:	Geoff Boyd, Angela Chapman and Norrine Redfern
Secondary Governors:	Andrew Downes (Chairman), Janet Bell and Christopher Davies.
Special Head Teacher/Governor	Denise James-Mason
Non-School Representatives:	David Bridger (Vice-Chairman) (Church of England), Anna Bosher (Catholic) and Neil Proudfoot (Joint Teacher Liaison Committee)
Early Years:	Alison Regester

### Also present

David Bradshaw (Head of CYP Finance)  
Mandy Russell (CYP Finance Group)  
Helen Long (Democratic Services)

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Hilary Ryder, Karen Raven and Sue Meckiff. Meryl Davies had resigned as Head teacher at Cator Park so was no longer eligible to sit on the Forum.

#### 2. DECLARATIONS OF INTEREST

Alison Regester declared an interest as a pre-school provider.

#### 3. MINUTES OF THE MEETINGS HELD ON 19<sup>th</sup> May 2011 AND 22<sup>ND</sup> SEPTEMBER AND MATTERS ARISING.

##### 19<sup>th</sup> May 2011 – Matters arising

It had been agreed that the principles of standards fund final distribution for 2010/11 would be considered at the next meeting of the forum. As this had not been on the agenda for the 22<sup>nd</sup> September meeting it was agreed that this would be considered at the next meeting.

The minutes of the meeting held on 19<sup>th</sup> May 2011 were agreed subject to the addition of Andrew Downes to the list of apologies received and Geoff Boyd to the list of attendees.

## **22<sup>nd</sup> September 2011 – Matters arising**

**Minute 4. Final DSG budget 2011/12** – It was agreed that members would register any comments on how to use the under spend and ideas would be considered at the next meeting. As this had not been included on the agenda it was agreed it would be considered at the next meeting.

**RESOLVED that the minutes of the meetings held on 19<sup>th</sup> May and 22<sup>nd</sup> September are agreed.**

### **4. REPORT BACK ON THE CONSITUTION (VERBAL UPDATE)**

Officers had circulated the report that had been present to the Portfolio Holder and the pupil numbers on which the Forum Membership had been calculated.

The Forum was concerned that there was disparity in the numbers of Maintained Primary Heads and Academy Heads on the represented on the Forum compared with the numbers of Secondary Heads on the Forum. Officers explained that this was based purely on the numbers of pupils in each sector. However the Primary representatives maintained that they felt that Primary Academies were over represented. In addition they were concerned that the Primary Schools that were now Academies were larger schools and so it also meant that smaller Primaries were underrepresented.

The Chairman pointed out that this make up had been approved by councillors and it was not within the power of the Forum to change this. No doubt the points made would be noted by officers for when the make up of schools' membership of the Forum was next considered using later pupil numbers

One member pointed out that membership on the forum was not for each representative to protect their sectorial interests but to work as a group for the interests of all children in education settings.

Members highlighted the point that in the past the views of the Forum had been sort BEFORE decisions were made but this had not happened in this case.

Officers then highlighted the nominations that had been received in each sector. There were two sectors where an election would be needed and this would be arranged by the clerk. There were complaints that the circular had not been received by some members of the Forum so therefore they had missed the opportunity to apply. One of these areas was for a Maintained Secondary Governor or Head Teacher. However as this post was vacant the members were told to apply. It was proposed that the letter written by the Chair to Councillor Noad on this matter dated 26 October 2011 expressing concerns on the Authority's attitude to proper consultation should be endorsed by the whole School Forum and that this letter and Councillor

Noad's reply of 4 November 2011 should be appended to the minutes of this meeting of the Schools Forum. This proposal was adopted unanimously.

**RESOLVED that the report is noted.**

**5. REPORT BACK ON THE CONSULTATION ON SCHOOLS FUNDING REFORM (VERBAL UPDATE)**

The Chairman explained that, as agreed at the last meeting, he had received 4 or 5 responses. He and the vice-chair had put these together as comments on the consultation and had asked if Bromley would submit them jointly with the comments made by Bromley as tabled at the last Forum's meeting. This request was refused. The comments were then forwarded by Bromley officers to the maintained schools who raised concerns. The Chairman asked for a copy of these responses and the request was refused.

The comments as put together by the Chair and Vice-Chair were accordingly submitted separately to the Department of Education.

There were a number of detailed responses received from the academies. When the consolidated responses were submitted it was made clear that both the Chairman and Vice-Chairman were governors of academies. They were careful not to say that the views expressed were those of the Forum as a whole.

**6. RENEWAL OF LONG TERM SICKNESS SCHEME**

Members considered a report which provided details of the proposal to renew the Long term Sickness Scheme for another 3 years.

Officers reported that there had been 46 positive responses to the consultation but they felt that was a good indication that the scheme would be accepted.

**RESOLVED that the report is noted.**

**7. SCHOOLS FINANCIAL VALUE STANDARD (SFVS)**

Members considered a report which provided details of the Schools Financial Value Standard (SFVS) which had been introduced by the DfE as a replacement for the Financial Management Standard in Schools (FMiS)

Officers explained that schools would need to go through a self assessment but there would be no follow up external assessment. This would need to be undertaken by March 2013 but schools were advised to start considering the process from March 2012 as they may need to do some groundwork in advance of the 2013 deadline.

**8. ANY OTHER BUSINESS**

None

**9. DATES OF NEXT MEETING**

**All meetings will be at the EDC unless highlighted below:**

**Thursday 12<sup>th</sup> January 2012**

**Thursday 9<sup>th</sup> February 2012**

**Thursday 15<sup>th</sup> March 2012**

Chairman

The meeting started at 4:30 pm and finished at 5.45pm

Report No.  
DCYP12005

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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Decision Maker: **Schools Forum**

Date: **12 January 2012**

**TITLE: THE SCHOOL FUNDING SETTLEMENT FOR 2012/13  
THE PUPIL PREMIUM AND 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

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1. Reason for report

- 1.1 This report provides information on the School Funding Settlement for 2012/13 covering the Pupil Premium and 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.

## 3.2 The Pupil Premium

- 3.2.1 The pupil premium was introduced in April 2011, paid to schools through local authorities by means of a specific grant. It is designed to help meet the needs of deprived pupils in years Reception to Year 11. The 2012/13 allocation will be based on School Census day information taken on the 19 January 2012.
- 3.2.2 The indicator used to reflect deprivation for 2012/13 will be those pupils qualifying under the 'Ever six Free School Meals' criteria. This means that children who have been eligible for Free School Meals (FSM) at any point in the last six years will receive the Pupil Premium Grant. This extends eligibility by another half a million pupils nationally.
- 3.2.3 The pupil premium will be £600 for every deprived child in maintained schools and academies in the country for 2012/13.
- 3.2.4 In addition, deprived pupils in non-mainstream settings who are publicly funded - Special Schools, Non-Maintained Special Schools, Independent Schools, Not in School, Hospital Schools, Pupil Referral Units and 14-15 year olds in Further Education (FE) colleges - will also attract the premium.
- 3.2.5 Children who have been looked after continuously for more than six months will also attract the pupil premium.
- 3.2.6 The premium for children whose parents are in the armed forces (service children) will continue. For 2012/13 this premium will have been set at £250.
- 3.2.7 An illustrative estimate of the Pupil Premium per Bromley School taken from government calculations based on January 2011 census data and FSM history since 2006 is shown in **Appendix 1**.
- 3.2.8 The pupil premium is not ringfenced at school level. However, the Government has made available advice on the activities, interventions and strategies that can raise the attainment of disadvantaged pupils which it would expect to be covered by the pupil premium.
- 3.2.9 The Government intends to hold schools accountable for how they use the premium in a number of ways.
- Schools will have to publish details of their Pupil Premium allocation and plans to spend in the current year
- 3.2.10 For the previous year schools will also have to produce a statement confirming their allocation, how the money was spent, and the impact that this had on educational attainment.

## 3.3 The Dedicated Schools Grant – 2012/13

- 3.3.1 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.
- 3.3.2 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.



3.3.3 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.

Minimum Funding Guarantee (MFG)

- 3.3.4 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.
- 3.3.5 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.
- 3.3.6 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.
- 3.3.7 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.
- 3.3.8 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.

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

- 3.3.9 **Appendix 2** identifies the proposed use of the Dedicated Schools' Grant for release for consultation:
  - 3.3.10 **Appendix 3** provides information on the individual elements in Appendix 2 of the use of the DSG. **Appendix 4** provides information on the service pressures relating to Special Educational Needs.
- 3.4 **Academy Funding in 2012/13**
- 3.4.1 The Department for Education (DfE) has consulted local authorities, academies, schools representatives and other partners on academy funding for 2012/13 and the recoupment from Local Authorities of Local Authority Central Spend Equivalent Grant (LACSEG) from both DSG and RSG.

- 3.4.2 The DfE decided to retain for 2012/13 the current methodology for allocating the Dedicated Schools Grant. Therefore, they will retain the replication methodology for calculating academy budgets for a further year.
- 3.4.3 In the longer term, the intention is to develop a simpler and more transparent funding system which will help to reduce the funding differences between similar schools in different areas. The Government has stated that becoming an academy should not bring about a financial advantage or disadvantage to a school but rather, enable academies to have greater freedom over how they use their budgets. It is hoped that proposals will be announced in the summer of 2012.
- 3.4.4 Academies continue to be funded through the Young People's Learning Agency (YPLA) on an academic year basis using the Authority's formula for the previous financial year on a lagged basis i.e. for 2012/13 they will replicate local formula of the school's budget share for 2011/12.
- 3.4.5 Local Authorities will continue to calculate the budget for a school that is an academy as part of their budget setting process for 2012/13. Bromley will then notify the DfE of this budget through its section 251 statement and the DfE will deduct the relevant proportion from Bromley's final DSG allocation.
- 3.4.6 Local Authorities will also be asked to calculate the LACSEG for the Academy converters. This is based on calculations from certain lines on the S251 statement. This will be added to the budget share reduction to produce a total DSG deduction for 2012/13. This deduction has changed slightly since 2011/12. On the 5 October DfE circulated changes to the DSG LACSEG calculation to included elements held in contingency in the DSG budgets. This will mean that from 2012/13 any budgets held in contingency will be subject to LACSEG reduction. Therefore it is proposed that only a minimum amount is held in contingency in 2012/13 in order to avoid this reduction.
- 3.4.7 The government also consulted on the LACSEG reduction from the Revenue Support Grant (RSG). As part of the Local Government Finance Settlement, the government outlined proposals as to what they were minded to do in terms of LACSEG reductions in 2011/12 and 2012/13. Initial proposals first announced in the summer of 2011 could have lead to reductions of up to £6.25m of RSG. This was a marked difference from the £1.4m being taken over two financial years (£800k in 2011/12 and £646k in 2012/13).

Bromley made strong representations to Government on the initial consultation suggesting that Bromley was being perversely affected by being in the forefront of the Academy agenda. The Government responded positively to these arguments and responded to the consultations as follows:-

- (1) 2011/12 - no additional reduction of grant as this would cause too much uncertainty and turbulence.
- (2) 2012/13 – no additional reduction for Bromley. DfE will work out a LACSEG figure using the 2011/12 S251 returns that all authorities complete and derive a LACSEG top-slice figure. However Authorities will be capped at a maximum of the original top slice in the formula grant for 2012/13. Authorities whose top slice is above the LACSEG calculation will be refunded. This means that Bromley's top slice will be limited to the £1.4m already planned for in the previous finance settlement.

- 3.4.8 However it has been made clear that this situation cannot continue into the medium term and that changes must be made to mitigate what the government sees as double funding of authorities. This arrangement is transitional. For 2013/14 the government is exploring removing the funding for LACSEG relevant services from formula grant into a DfE budget as part of the Local Government Resource Review. Grant would then be administered to authorities and academies proportionate to the number of pupils and at a national rate.
- 3.4.9 As there are no details of how this is going to be administered, the impact on Bromley is unknown. However it must be acknowledged that the government appear to have listened to Bromley and realised the need for stability and certainty during these difficult financial times. Government will consult in 2012 on new proposals to take affect in 2013/14.
- 3.4.10 Therefore a risk remains for all services of further top slices from 2013/14. The threat of the larger reduction first discussed by Government appears to have diminished but there continues to be a risk of further reductions in the medium term although it is anticipated that these will be less severe than once thought.
- 3.4.11 LACSEG is linked to the number of schools that convert to Academy status. Most secondary and some primary have already converted. The more that do convert, the more LACSEG will be taken from Authorities in terms of RSG and DSG. This will continue to put pressure on budget in CYP and other service departments.

#### **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 2009-2011.

#### **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.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	

**ILLUSTRATIVE PUPIL PREMIUM ALLOCATIONS  
FOR BROMLEY FOR 2012/13**

<u>School</u>	<u>Pupil Numbers</u>	<u>Allocation £</u>
Alexandra Infant School	36	21,600
Alexandra Junior School	64	38,400
Balgowan Primary School	47	28,200
Beaverwood School for Girls	276	165,600
Bickley Primary School	22	13,200
Biggin Hill Primary School	56	33,600
Bishop Justus CofE School	204	122,400
Blenheim Primary School and Nursery	76	45,600
Bromley Road Infant School	70	42,000
Bullers Wood School	198	118,800
Burnt Ash Primary School	162	97,200
Castlecombe Primary School	87	52,200
Cator Park School	412	247,200
Charles Darwin School	226	135,600
Chelsfield Primary School	20	12,000
Chislehurst (St Nicholas) CofE Voluntary Aided Primary School	5	3,000
Churchfields Primary School	67	40,200
Clare House Primary School	13	7,800
Coopers Technology College	379	227,400
Crofton Infant School	63	37,800
Crofton Junior School	78	46,800
Cudham Church of England Primary School	9	5,400
Darrick Wood Infant School	23	13,800
Darrick Wood Junior School	41	24,600
Darrick Wood School	140	84,000
Dorset Road Infant School	8	4,800
Downe Primary School	7	4,200
Edgebury Primary School	24	14,400
Farnborough Primary School	20	12,000
Gray's Farm Primary School	129	77,400
Green Street Green Primary School	36	21,600
Hawes Down Infant School	7	4,200
Hawes Down Junior School	23	13,800
Hayes Primary School	44	26,400
Hayes School	107	64,200
Highfield Infants' School	8	4,800
Highfield Junior School	20	12,000
Hillside Primary School	205	123,000
Holy Innocents Catholic Primary School	18	10,800
James Dixon Primary School	129	77,400
Kelsey Park Sports College	337	202,200
Kemnal Technology College	273	163,800
Keston Church of England Primary School	20	12,000
Langley Park School for Boys	64	38,400
Langley Park School for Girls	89	53,400
Leesons Primary School	92	55,200
Malcolm Primary School	115	69,000
Manor Oak Primary School	89	53,400
Marian Vian Primary School	94	56,400
Mead Road Infant School	7	4,200

<u>School</u>	<u>Pupil Numbers</u>	<u>Allocation £</u>
Midfield Primary School	109	65,400
Mottingham Primary School	154	92,400
Newstead Wood School for Girls	15	9,000
Oak Lodge Primary School	40	24,000
Oaklands Primary School	54	32,400
Parish Church of England Primary School	75	45,000
Perry Hall Primary School	63	37,800
Pickhurst Infant School	28	16,800
Pickhurst Junior School	54	32,400
Poverest Primary School	85	51,000
Pratts Bottom Primary School	11	6,600
Princes Plain Primary School	162	97,200
Raglan Primary School	30	18,000
Ravens Wood School	129	77,400
Red Hill Primary School	261	156,600
Royston Primary School	237	142,200
Scotts Park Primary School	50	30,000
Southborough Primary School	93	55,800
St Anthony's Roman Catholic Primary School	99	59,400
St George's, Bickley, Church of England Primary School	50	30,000
St James' Roman Catholic Primary School	6	3,600
St John's Church of England Primary School	58	34,800
St Joseph's Catholic Primary School	15	9,000
St Mark's Church of England Primary School	31	18,600
St Mary Cray Primary School	68	40,800
St Mary's Catholic Primary School, Beckenham	13	7,800
St Olave's and St Saviour's Grammar School	14	8,400
St Paul's Cray Church of England Primary School	99	59,400
St Peter and St Paul Catholic Primary School	61	36,600
St Philomena's Roman Catholic Primary School	37	22,200
St Vincent's Catholic Primary School	37	22,200
Stewart Fleming Primary School	104	62,400
The Highway Primary School	26	15,600
The Priory School	401	240,600
The Ravensbourne School	379	227,400
Tubbenden Primary School	53	31,800
Unicorn Primary School	12	7,200
Valley Primary School	106	63,600
Warren Road Primary School	51	30,600
Wickham Common Primary School	45	27,000
Worsley Bridge Junior School	76	45,600
Special Schools and PRU's	310	186,000
Service level children	19	4,750
Looked after children	171	102,600
Total Pupil Premium Funding	<b>8,730</b>	<b>5,231,350</b>

## USE OF DEDICATED SCHOOLS GRANT 2012/2013

	£'000	£'000	
<b>Estimated DSG figure ( to be confirmed)</b>		<b>219,469</b>	
Estimated future LACSEG Adjustment		-250	See Note 1
<b>Available DSG</b>		<b>219,219</b>	
Central Schools Budget		35,064	
<b>Delegated Budgets (MFG)</b>			
Primary	69,387		
Secondary	8,174		
Special	9,939		
		87,500	
<b>Academy Recoupment</b>			
SBS Primary	17,860		
SBS Secondary	73,858		
		91,719	
LACSEG Primary	335		
LACSEG Secondary	884		
		1,219	
Contingency		1,000	
Behaviour service - income target		-400	
FLAG - removal		-400	
Other staff costs – reduction in supply cover		-300	
<b>Allocated DSG</b>		<b>215,402</b>	
<b>Unallocated DSG</b>		<b>3,817</b>	
<b>Items for Consideration for unallocated DSG</b>			
Floor area costs - CFC		50	
Funding for bulge classes		150	
SEN		2,200	See Appx 4
Increased Carbon Reduction Contributions		150	
EBD Provision for Primary		290	
Home and Hospital Education		100	
Funding for Early Years PVI payments		470	
Special School Meal Contract		40	
Balance unallocated		367	
		<b>3,817</b>	

**Note 1**

This amount would be held as part of the contingency to mitigate any in year adjustments for further conversions to academies during 2012/13.

## 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 4.

### **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 Girls**

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.

**Balance**

As yet unallocated.



## ADDITIONAL INFORMATION ON SPECIAL EDUCATIONAL NEEDS

Pressures on the Special Educational Needs and Disabilities budget arise from the remarkable advances in medical science of the last decade resulting in more children with the most serious and multiple disabilities surviving birth and living longer. Thus the resource requirements for complex special educational needs require growth to meet the special educational needs, health and social needs of the child and his/her family. This trend is demonstrated locally (see Pre-School Specialist Support Audit).

Special Educational Needs and Disability Service spend has increased due to the numbers of children with severe and complex special educational needs entering the statutory school system. Increase in spend can be identified in independent day placements, increase costs of matrix and costs of alternative programmes (reduction in funded pupil numbers and increase in unit cost). There is also an increase in the volume of statements of SEN in 2012 compared to 2011. This bid for an increase in budget aims to identify and take action to address this demand and meet needs within borough wherever possible.

Children born and surviving with a greater level of complex needs have increased nationally and locally and are entering the education system. (Pre-school Specialist Support Services Audit p4) highlights this increase in volume (from 2005-2011) of an extra 89 children with highly complex SEN have been identified in the London Borough of Bromley. Educational placement for these children is predicted to be costly due to the need for smaller class ratios and/or small group or 1:1 intervention required to meet needs. This is reflected in the higher level of matrix spend in primary provision and increase in specialist places.

Whilst the new Riverside, Beckenham ASD Provision has helped to alleviate the pressure on pupils with ASD requiring out of borough provision, there is still a need for provision for secondary school pupils with severe social communication difficulties (ASD/Aspergers) and those with Social and Emotional Behaviour Difficulties (SEBD) where the local authority often have to resort to expensive out-borough placements, when mainstream options are not appropriate to meet needs. The Member Officer Working Party for SEN is currently considering the development of in-borough provision to meet this demand.

### Management Controls - Statutory Assessment of SEN

There continues to be stringent control mechanisms in place to ensure that schools utilise the resources they have available to them both from within their own budgets. Scrutiny of interventions at school level are undertaken regularly and skilled outreach support professionals are used to challenge and support schools in meeting needs. All schools and settings are expected to follow the 4 stage process laid out in the Department for Education (DfE) guidelines – “The SEN Code of Practice.” Bromley SEN Services have written guidelines/thresholds for all schools and settings. Thresholds are monitored through an annual audit of all special schools and specialist provisions.

When a school or parent/carer request that the local authority makes a statutory assessment the Local Authority Moderating Panel (consisting of professionals from a range of agencies ensuring a check and balance and consistency across the local authority) assess the level of difficulty a child may have. They also ensure interventions have taken place by the school, assess whether the school have exhausted the use of additional local resources and whether the child meets the threshold for a statutory assessment (as laid out in the SEN Code of Practice). This ensures consistency of decision-making.

Equally additional support without recourse to a statement has a robust system of interrogation and is subject to agreement by the multi-agency Specialist Support and Disability Panel chaired by the Head of Service. It is only agreed for a limited period subject to a review. This process provides carefully planned resource without the bureaucracy of a statement and is reviewed regularly in a formal manner allowing changes to be made to the provision without having to change the contents of a Statement. Thus not obliging the LA to be tied in to what is sometimes support for the duration of the child's schooling. Also it ensures that the resource is provided when it is needed and not four to six months after identifying the needs as is the case for a Statement of SEN.

If a residential placement is felt to be needed to due to very complex needs/circumstances this is subject to the approval of both the Assistant Director for Social Care and Safeguarding and the Assistant Director Access and Inclusion via a Complex Case Panel. Independent day placements in out of borough schools require the approval of the Interim Assistant Director Education.

## PRE-SCHOOL SPECIALIST SUPPORT SERVICES AUDIT AUTUMN 2011

<b>Children with Profound Severe or Very Complex Needs</b>	<b>Destinations</b>	<b>2005</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Profound and multiple learning difficulties including complex medical needs (PMLD)	Riverside/Orpington	28	24	36	39
Severe learning difficulties (SLD)	Riverside/Orpington/ units attached to mainstream	38	43	46	45
Sensory support (SS)	HIU Unit (Darrick Wood)or mainstream with support	20	35	40	41
Severe or profound social communication difficulties/ASD (SSCD)	Riverside Orpington/ Beckenham/units attached to mainstream	55	68	87	84
Speech and language difficulties (SpALD)	Language Units (Green Street Green/Raglan) or mainstream with support	78	69	70	95
Physical difficulties (PD)	Marjorie McClure or mainstream with support	22	17	20	18
Behaviour, emotional and social difficulties (BESD)	M/S with support/Nuture Provision Manor Oak	5	14	10	13
<b>Subtotal</b>		<b>246</b>	<b>270</b>	<b>309</b>	<b>335</b>

The table above shows the growth of numbers of children with complex special educational needs between 2005-2011. Between 2010-2011, there has been an increase of 26 children at pre school level identified with complex and enduring needs who require specialist provision.

## 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		577,464
SEN Independent Day	112.0	3,866,300	4,573,158		706,858
SEN Independent Boarding	84.3	5,823,680	5,637,759		-185,921
Alternative Provision	79.9	600,520	740,378		139,858
Maintained Day	50.5	1,125,720	1,228,809		103,089
Maintained Boarding	13.2	599,610	713,470		113,860
Support in Mainstream	124.3	1,056,350	957,033		-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

PART 1 - PUBLIC

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Decision Maker: **Schools Forum**

Date: **12 January 2012**

TITLE: **DRAFT 2012/13 BUDGET**

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

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1. Reason for report

- 1.1 This report outlines the proposed growth and savings to the 2012/13 CYP budget to incorporate cost pressures and additional savings options.
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2. **RECOMMENDATION(S)**

2.1 **The Schools Forum are requested to:**

- (a) **discuss the proposed savings and to provide any comments for consideration as part of the full consultation process.**

3. **COMMENTARY**

**Approach to the Budget**

- 3.1 Forward financial planning and financial management is a key strength at Bromley and this has been recognised previously by our external auditors. The Executive report on the 11th January 2012 set out the financial forecast for the next 4 years but with some caution around projections for the 3rd and 4th year of the Comprehensive Spending Review period (2013/14 and 2014/15) as well as the year following the 4-year Comprehensive Spending Review period (2015/16). There are significant changes which can impact on the Council's finances from 2013/14 arising from the final outcome of the Local Government Resources review which includes the localisation of business rates and council tax benefit.
- 3.2 The Budget Strategy has to be set within the context of a reducing resource base – the need to reduce the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further. The overall updated strategy has to be set in the context of the national state of public finances, unprecedented in recent times, and the high expectation from the Government that services should be reformed and redesigned.

There is also a need to consider “front loading” savings to ensure difficult decisions are taken early in the budgetary cycle, provide some investment in specific priorities and to support invest to save opportunities which provide a more sustainable financial position in the longer term, ensuring stewardship of the Council’s resources . Any budget decisions will need to consider the finalisation of the 2012/13 Budget but also consider the longer time frame where it is now clear that a longer period of austerity beyond 2015/16 is inevitable. Members will need to consider decisions now that can have a significant impact on the future year’s financial position which ultimately will help to protect key services. Further details of the Council’s approach to budgeting were included in the “Update on Council’s Financial Strategy 2012/13 to 2015/16” considered by Executive on 7th September 2011.

### **Changes that could impact on longer term financial projections**

3.3 In considering the next four years there remain many variables which will impact on any final outcome, these include:-

The number of schools transferring to Academies will result in further “top slicing” in formula grant funding to the Council. An estimated additional £3 million per annum from 2013/14 has been assumed in the forecast, at this stage.

Income from interest on balances included in the 2011/12 Council Tax report assumed that interest rates will increase to 4.25% by 2014/15. The latest forecast assumes a revised level of 2.0% by 2014/15. Recent indications are that interest rates will remain low in the medium term which was confirmed in the recent downward projections on interest rates included in the Bank of England Inflation Report (November 2011). The credit rating agencies and the market in general continue to be extremely nervous about the financial climate resulting in recent downgrades to UK banks and building societies, primarily Barclays, Santander and Nationwide which will result in reductions to the total value and duration of such investments. This will undoubtedly lead to greater reliance on money market funds, which pay considerably lower rates in exchange for instant access to cash. The recent changes will impact on the Council’s ability to earn interest on investments in 2012/13 and 2013/14 and potentially later years.

There will be a review of local government finance and the initial proposals include the review of Formula Grant and allowing local authorities to retain business rates. Although Bromley would be a net gainer, in reality there would be a business rate equalisation scheme to support low revenue raising authorities which may offset any gains. Other Government grants will still reduce in future years to reflect planned reductions in public spending. No changes to the financial forecast have been made at this stage. There are planned 10% reductions in Council Tax Benefit Subsidy from 2013/14 which the projections assume will be cost neutral (i.e. offset by a corresponding reduction in payments). These proposals result in a significant risk transfer from central government to local government. Government currently manages the increasing costs of council tax benefit and the risks relating to variations in business rates. These risks will be managed by the Council from April 2013. Finally more detail of the options for “community budgets” will be produced from the local government finance review.

The coalition Government will introduce many changes in its first term including, for example, changes to health (including transfer of funding for public health from 2013/14), welfare benefits, localism (including new powers of competence for Councils to act in the interest of their communities), which have been assumed as cost neutral in the projections at this stage.

There will be many other variables as the forecast is based on predicting the next four years; the longer the timescale the greater the uncertainty. Many of the national issues outlined above, makes accurate forecasting post April 2013 virtually impossible. However, it is clear that a significant “budget gap” will continue.

### Latest Financial Forecast

3.4 A summary of the latest budget projections including further savings

3.5 required to balance the budget for 2012/13 to 2015/16 are summarised below:

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
<b>Cost Pressures</b>				
Inflation	8.10	15.70	23.40	31.10
Interest on Balances	0.00	0.00	-0.50	-1.00
Grant loss	7.30	11.80	20.10	27.90
Real changes	1.50	3.30	5.70	9.60
Provision for risk	2.00	1.50	1.50	1.50
Loss of grant funding (LACSEG)	0.00	3.00	3.00	3.00
	<u>18.90</u>	<u>35.30</u>	<u>53.20</u>	<u>72.10</u>
<b>Income/Savings</b>				
2.5% increase in Council Tax (assumes freeze at this stage for 2012/13)	0	-3.3	-6.7	-10.1
Savings approved by Executive February	-10.6	-9.7	-9.7	-9.8
Further savings identified	-13.8	-23.9	-23.9	-23.9
	<u>-24.4</u>	<u>-36.9</u>	<u>-40.3</u>	<u>-43.8</u>
Invest to Save (one-off)	3.00	0.00	0.00	0.00
Council Tax Freeze grant	-3.00	0.00	0.00	0.00
Contribution to Glades	0.90	0.00	0.00	0.00
Increase in Council Tax base	-0.50	-0.50	-0.50	-0.50
New Homes Bonus – transfer to earmarked reserve	2.00	2.30	2.50	2.70
Increase in New Homes Bonus	-1.30	-1.50	-1.80	-2.00
Infrastructure Fund (one off funding)	4.40	1.30		
	<u>5.50</u>	<u>1.60</u>	<u>0.20</u>	<u>0.20</u>
<b>Remaining "Budget Gap"</b>	<b>0.00</b>	<b>0.00</b>	<b>13.10</b>	<b>28.50</b>

The above table shows, for illustrative purposes the impact of a council tax freeze in 2012/13. If Members agree a council tax increase of 2.5% in 2012/13 the medium term “budget gap” reduces by £3.3m. Each 1% council tax increase generates ongoing annual income of £1.3m.

## Growth Pressures

- 3.6 A breakdown of growth pressures over the next four years is included in Appendix 3 of the Executive report of 11 January 2012. The growth for CYP Portfolio is shown in the table below:-

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Children's Placements/additional referrals	500	500	500	500
Additional Pressures (SEN Transport - Exec January 2011)	150	150	150	150
New Growth Pressures – children's placements	100	100	100	100
New Growth Pressures – children with disabilities	605	605	605	605
	1,355	1,355	1,355	1,355

## Saving Options

- 3.7 A summary of the savings options relating to the Children and Young People Services Portfolio is shown in the table below, and in Appendix 1a, 1b and 1c of this report:-

	2012/13 £'000	2013/14 £'000
Section 1 Budget options	1,082	1,182
CYP full year effect savings from 2011/12 for 2013/14	0	770
CYP Additional budget options	960	1,476
	2,042	3,428

## 4. CHIEF OFFICER COMMENTS

The Director for Children & Young People Services (CYP) has highlighted a range of key issues that need to be taken into full account in shaping the 2012/13 budget arrangements for children's services.

### 4.1 Service Volumes and Associated Costs

Demands on services for children continue to increase, particularly in statutory service responsibilities including: Children's Social Care, placement and support costs for children with Special Education Needs (SEN) and children with disabilities. This is a direct consequence of increasing volumes of children, the complexity of their needs and the associated costs. The service activity trends and costs are monitored closely by the Executive Working Parties: SEN and Safeguarding & Corporate Parenting with regular reports throughout the cycle of meetings for the CYP PDS Committee and that of the Portfolio Holder CYP. These reports have also outlined the strong framework of management action and measures taken within the CYP



Department to contain the increased costs and offset, where possible, service pressures. This has included: further strengthening gatekeeping and management of eligibility criteria; reviewing commissioning arrangements through tight control of placement purchasing; a general moratorium on all running costs including post vacancies across the Department. This action has achieved compensatory savings, however, the service and costs pressures associated with these areas are predicted to continue into 2012/13 and beyond.

As part of the medium to longer term strategy detailed consideration is being given to early intervention, invest-to-save schemes to increase Bromley's in-borough capacity to meet the needs of children with SEN and disabilities, thereby reducing reliance on expensive out-borough provision.

#### 4.2 Additional Funding for Social Care and Health

The Government allocated additional funding to Public Health transferring to LA's which was earmarked for spend on shared social care/health service areas for children and adults. A corporate bidding system has been developed by the Director of Resources through which CYP can bid for a percentage of this funding to address early-intervention social care/health areas of responsibility. The total envelope of funding for Bromley is £3.2m in 2011/12 and £3m in 2012/13. Spending plans for this grant must contribute towards reducing demand for social care and health services – e.g. preventing of placements, and health related areas of placements themselves. Effective use of this resource will assist in managing the cost pressures associated with demographic growth in demand, particularly in relation to funding Children Social Care placements.

#### 4.3 Local Authority Central Spend Equivalent Grant (LACSEG)

As part of the Local Government Finance settlement, further LACSEG information has been released in the form of a second consultation. It outlined the position the government are minded to take in terms of LACSEG for 2011/12 and 2012/13. The Government have responded positively to Bromley's arguments. The summary is as follows:-

- 1) 2011/12 - no additional reduction of grant as this would cause too much uncertainty and turbulence.
- 2) 2012/13 – no additional reduction for Bromley. DfE will work out a LACSEG figure using the 2011/12 S251 returns that all authorities complete and derive a LACSEG top slice figure. However Authorities will be capped at a maximum of the original top slice in the formula grant for 2012/13. Authorities whose top slice is above the LACSEG calculation will be refunded. This means that Bromley's top slice will be limited to the £1.4m already planned for in the previous finance settlement.

However it has been made clear that this situation cannot continue into the medium term and that changes must be made to mitigate what the government sees as double funding of authorities. This arrangement is transitional. For 2013/14 the government is exploring removing the funding for LACSEG relevant services from formula grant into a DfE budget as part of the Local Government Resource Review. Grant would then be administered to authorities and academies proportionate to the number of pupils and at a national rate.

As there are no details of how this is going to be administered, the impact on Bromley is unknown. However it must be acknowledged that the government appear to have listened to Bromley and realised the need for stability and certainty during these difficult financial times. Government will consult in 2012 on new proposals to take effect in 2013/14.

Therefore a risk remains for all services of further top slices from 2013/14. The threat of the larger reduction first discussed by Government appears to have diminished but there continues to be a risk of further reductions in the medium term although it is anticipated that these will be less severe than once thought. This has been dealt with as part of Bromley's corporate financial strategy.

LACSEG is linked to the number of schools that convert to Academy status. Most secondary and some primary have already converted. The more that do convert, the more LACSEG will be taken from Authorities in terms of RSG and DSG. This will continue to put pressure on budget in CYP and other service departments.

In terms of LACSEG and DSG funded services, this will continue to be taken in 2012/13 by the same mechanism as before. Top slice reductions are increased as academy conversions increase. This causes pressures in DSG centrally funded areas of CYP as funding is removed.

Given the momentum and pace of academy conversions within Bromley, the in-year top slicing effect on the DSG is significant. Of the Council's original 95 maintained schools (17 secondary, 74 primary, 4 special schools) as at 9 January 2012 a total of 26 schools have converted to academy status (15 secondary and 11 primary); a further 6 are currently pursuing conversion. Future levels of RSG and DSG top slicing will be based on Bromley's current and projected conversion rate with the associated impact on the Council's funding and service levels.

#### 4.4 Dedicated Schools Grant (DSG)

Government has recently announced the DSG for schools and schools related services for 2012/13. The funding remains static and is the same for funding per pupil as in 2011/12. However Government are consulting on future funding levels which may mean a complete change to the current funding methodology. These changes are expected to be implemented by 2013/14. The effects of these changes are unknown as there has been no communication by Government as to the firm proposals. Although funding could rise due to formula changes there is also a risk of funding reductions which could have an impact on Schools and service supported centrally by the Council through DSG.

Over previous financial years, where feasible within the terms of the DSG grant funding, key aspects of children's services, many being statutory, have been transferred from RSG to DSG, to reduce the cost pressure on the Councils' core grant. As DSG levels reduce, this will place the viability of those aspects of services under significant pressure and potential risk for the Council given statutory duties.

#### 4.5 Budget Savings

The reporting approach for the proposed budget options has been determined corporately so that there is consistency across Departments and Portfolios.

In January/February 2011 there was consultation on the first two years of a four year budget strategy. This included savings aged for 2011/12 and 2012/13. The savings in Appendix 1a, 1b and 1c are an additional phase of budget options identified with the department and through the corporate aligning policy and finance reviews.

Challenging targets have been set across the service. Officers are clear of the savings that are to be made and the plans for achieving these. Proposals are currently underway where possible. A number of proposals will involve further major reductions to CYP services and will be the subject of consultation with staff, service users and voluntary sector providers and the outcome of which may influence decisions and outcomes. Appendix 1a are savings that are currently being implemented by officers, 1b related to the ongoing impact of 2011/12 budget savings (mainly full year effect and Appendix 1c are further savings that have been identified.

## 5. POLICY IMPLICATIONS

5.1 The Council’s key priorities are included within the Council’s “Building a Better Bromley” statement and include:

- Safer Communities
- A quality environment
- Vibrant, thriving town centres
- Supporting independence, especially of older people
- Ensuring all children and young people have opportunities to achieve their potential
- An Excellent Council

5.2 “Building a Better Bromley” refers to aims/outcomes that includes remaining amongst the lowest Council tax levels in Outer London” and achieving a “sustainable council tax and sound financial strategy”.

## 6. FINANCIAL IMPLICATIONS

6.1 The financial implications are contained within the overall report

## 7. LEGAL IMPLICATIONS

7.1 The delivery of some budget options will be dependant on consultation and formal decisions outside of the budget setting process. The Council has to set a lawful balanced budget before 11 March which will include contingencies to cover such items.

## 8. PERSONNEL IMPLICATIONS

8.1 The Corporate Trade Union and Departmental Representatives’ Forum receives regular updates on the Council’s finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

<b>Non-Applicable Sections:</b>	Legal Implications
Background Documents: (Access via Contact Officer)	Documents held in CYP Finance Division

## CYP SECTION 1 BUDGET OPTIONS TAKEN FROM EXECUTIVE REPORT APPENDIX 5A

	<u>SECTION 1 BUDGET OPTIONS</u>	2012/13 Budget £'000	2013/14 Budget £'000
1	SAVINGS ALREADY DELIVERED OR ABLE TO BE DELIVERED	0	0
2	SENIOR MANAGEMENT SAVINGS	217	217
3	OTHER STAFF SAVINGS	350	450
4	STAFFING CHANGES/CHANGE IN SERVICE DELIVERY/OTHER	100	100
5	INCOME	0	0
6	INVEST TO SAVE BIDS (ALREADY APPROVED)	0	0
7	REALIGNING FUNDING	415	415
8	REDUCTION IN GROWTH -FOUR YEAR FORECAST	0	0
9	REPAIRS & MAINTENANCE	0	0
10	SAVINGS THROUGH OUTSOURCING/SHARED SERVICES/SERVICE REDESIGN ETC	0	0
	<b>TOTAL</b>	<b>1,082</b>	<b>1,182</b>

CYP FULL YEAR EFFECT SAVINGS FROM 2011/12 - TAKEN FROM EXECUTIVE REPORT APPENDIX 5B

Overall Savings across all Departments for 2013/14 (Mainly full year effects)

REF	Department	Budget 2011/12 £'000	Budget Option Identified	Savings 2013/14 £'000	Impact on Other Services /Notes
	<b>Children &amp; Young People Services</b>				
14	Awards Transport and Pupil Benefits	200	Cease funding Pupil Clothing and Footwear Grants	100	The provision of a uniform grant is discretionary. The saving is achievable by withdrawing this support to parents.
15	Standards and Achievement	413	BYMT - contract reduction	40	Service volumes - BYMT working with 4,716 children per annum individual tuition and 4,660 in Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers.
16	Integrated Youth Service	1,986	Universal and Targeted (Connexions) Youth Support	580	This service fulfils the Council's statutory responsibilities for promoting positive activities in addition to the statutory duty for informal youth support and advice. There is a high level of part time/sessional staff. Total staff numbers in the youth service/internal connexions is 123. Proposals for restructuring of the Integrated Youth Support Service (Connexions plus the Youth Service) will reduce staffing from 57.9FTE to 33FTE. This was reported to Members in December. The service is currently delivered from 10 centres and 1 mobile facility. To achieve savings it is proposed to reduce the number of centres through the closure of 4 fixed centres and to sustain provision across the remaining 6 static and 1 mobile facility (Subject to consultation). As part of the changing profile for the service it intended to work with the community and voluntary sector organisation to support the provision of universal youth opportunities. Proposals for the variation of the contract for the delivery of Universal IAG have been the subject for negotiation between the LA and the contractor.

REF	Department	Budget 2011/12 £'000	Budget Option Identified	Savings 2013/14 £'000	Impact on Other Services /Notes
17	Access and Inclusion	473	Align the Behaviour Support Service with the Education Welfare Service	50	The behaviour service has been amalgamated with EWS with a reduction in management costs. The behaviour service is funded from DSG so increased alignment could result in reduced costs to RSG/Council Tax.
	<b>TOTAL</b>			<b>770</b>	

CYP ADDITIONAL BUDGET OPTIONS TAKEN FROM EXECUTIVE REPORT APPENDIX 5C

Dept	No	Service area	2011/12 Budget £'000	Saving in 2012/13 Cumulative £'000	Saving in 2013/14 Cumulative £'000	Possible Impact on Service/Notes
		<b>REDUCTION IN SERVICE/ CEASING OF SERVICE</b>				
CYP	22	SEN and Inclusion - Pre school statutory support for SEN and Inclusion	295	50	50	Service volume - 299 pre school children with SEN eligible for service support. A reduction of £50k would reduce level of service support, service thereafter to be targeted at those with most severe needs. EIG -Highly dependent on the future levels of EIG and the government's intention to move to payments by results.
CYP	23	Reduction in Bromley Youth Music Trust contract	394	20	20	Service volumes - BYMT working with 4,716 children per annum tuition and 4,660 Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers. 3 year funding announced on 28th November 2011. Bromley allocated £417k in 2012/13, £360k in 2013/14 and £366k in 2014/15 (2011/12 grant allocation £394k). This is to support music hubs in LA's plus outreach.
CYP	24	Staff savings resulting from new dept		410	410	There will be implications for the future strategic and service capacity of the department to address the range and complexity of support services to schools and also to early intervention services
CYP	25	Safeguarding and Social Care - Safeguarding and Quality Assurance	880	45	45	reduces capacity by 120-140 LAC reviews per annum and may lead to extended timescales for dealing with cases
		<b>Sub-Total</b>		<b>525</b>	<b>525</b>	

Dept	No	Service area	2011/12 Budget £'000	Saving in 2012/13 Cumulative £'000	Saving in 2013/14 Cumulative £'000	Possible Impact on Service/Notes
		<b>REDUCTION IN SERVICE/ CEASING OF SERVICE</b>				
CYP	33	Child and Adolescent Mental Health Services total current funding envelope delivers services for 1850 tier 2 and 3 referrals through CAMHS and 1,225 referrals through Bromley Y targeted at tier 2	498	125	125	There are risks associated with the reduction in CAMHS funding given the volumes of referrals and potential increase in waiting times. However there is scope to access a level of alternative Health funding to compensate for this budget reduction and also to bid through the new commissioning avenues with the future Health commissioning strategy (shadow health and wellbeing board).
CYP	34	Reduce Bromley Youth Music Grant	394	294	294	Service volumes - BYMT working with 4,716 children per annum tuition and 4,660 Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers. 3 year funding announced on 28th November 2011. Bromley allocated £417k in 2012/13, £360k in 2013/14 and £366k in 2014/15 (2011/12 grant allocation £394k). This is to support music hubs in LA's plus outreach Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. Given scale of potential cut it will result in a significantly reduced service in terms of number of children.
CYP/ACS	36	Transformation of Children & Adult Care Services		0	500	Future costs pressures from high cost placements and aging population could mean that any savings delivery are not realised.
		<b>Sub-Total</b>		<b>419</b>	<b>919</b>	
		<b>FUNDING TO VOLUNTARY SECTOR ETC</b>				
CYP	42	Carers Bromley	64	16	32	Carers Bromley work in partnership with the Council to provide a framework of support for the 724 referrals as young carers. This budget option would see the reduction in commissioning in this area and would lead to a significant reduction in the voluntary sectors capacity to support carers.
		<b>Sub-Total</b>		<b>16</b>	<b>32</b>	
		<b>TOTAL</b>		<b>960</b>	<b>1,476</b>	



Report No.  
DCYP12006

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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Decision Maker: **Schools Forum**

Date: **12 January 2012**

**TITLE: UPDATE ON 2011/12 CONTINGENCY**

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

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

Ward: Boroughwide

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1. Reason for report

- 1.1 This report provides an update on the unallocated contingency for 2011/12 as requested by the Schools Forum.
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2. **RECOMMENDATION(S)**

- 2.1 **The Schools Forum is asked to note the information provided and to discuss any potential allocations of the unspent contingency.**

3. **COMMENTARY**

- 3.1 The Minutes of the previous Schools Forum meeting on 24 November 2011 include two items under Matters Arising – one asking for more information around the principles for distributing Standards Funds in 2010/11 and one regarding the unallocated DSG for 2011/12.
- 3.2 These two items are in fact the same thing as the Standard Funds that were held centrally in 2010/11 formed the basis of the school specific contingency (line 1.1.2 on Section 251). At the time at which the Section 251 was produced in March 2011, the contingency stood at £4,433,710, which included £2,453,260 relating to 2010/11 Standards Funds. However, as these Standards Funds no longer exist, they should not be viewed in isolation but rather the contingency should be viewed as a whole.

3.3 As with any contingency budget, the figure at the start of the year will inevitably change during the year as items of unexpected expenditure occur. Several items of expenditure have been charged to the contingency during the year, including the following examples:

Additional funding for reception pupils	£900k
Additional funding to support insurance costs	£77k
Class size limitation funding	£200k
Retirement/redundancy funding	£250k

In addition to this, funding of around £1.5m has been earmarked to cover additional spending on SEN in-year.

3.4 As a result of this, the unallocated contingency is currently sitting at around £1.5 million. There are a number of options as to what this could be used for:

- (i) allocated to schools for a specific purpose;
- (ii) held in contingency and rolled forward to 2012/13 to mitigate against priority allocations.

NB for item (i), it should be noted that there is currently no mechanism to make payments directly to academies without specific agreement from DfE.

The second option would be recommended. Funding uncertainty remains and there are continuing pressures/variables moving forward.

Strategically, unless there is a compelling case for funding to be released to priority projects, this funding is recommended to be held centrally to cover uncertainty in 2012/13.

3.5 The DfE has recognised that there is an issue regarding academies and contingency funding and has recently announced that from 2012/13 Academies LACSEG funding will include an element of the contingency based on the LA's 2011/12 Section 251. However, the funding to be recouped from the LA will be based on the 2012/13 Section 251 statement.

3.6 The Schools Forum is asked to note this information and to discuss the options outlined in paragraph 3.4.

<b>Non-Applicable Sections:</b>	Policy, Legal, Financial and Personnel Implications
Background Documents: (Access via Contact Officer)	