

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 2 October 2013

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillors Kathy Bance MBE, Nicholas Bennett J.P.,
Julian Grainger and David McBride

Councillor Stephen Wells, Portfolio Holder for Education

Also Present:

Jane Bailey, Interim Assistant Director: Education
David Bradshaw, Head of Education, Care and Health Services Finance
Dr Tessa Moore, Assistant Director: Education
James Mullender, Senior Accountant
Amanda Russell, Head of Schools Finance Support

1 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor Julian Benington.

The Chairman was pleased to welcome Jane Bailey to the meeting, who was the new Interim Assistant Director: Education.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

4 MINUTES OF THE MEETING HELD ON 23RD JULY 2013 AND MATTERS ARISING

In considering the minutes, Members of the Sub-Committee agreed that in future a matters outstanding report would be appended to the minutes.

RESOLVED that the minutes of the meeting held on 23rd July 2013 be agreed.

5 EDUCATION PORTFOLIO BUDGET MONITORING REPORT 2013/14

Report ED13102

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of July 2013. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants was forecast to be in an underspend position of £1,135,000, which would be carried forward into the next financial year. The controllable part of the Non-Schools' Budget, funded from Council Tax, Revenue Support and specific grants, was forecasted to be in an overspend position of £3,000.

Members were advised that on 12th June 2013, the Council's Executive had been requested to approve a number of carry forward requests relating to either unspent grant income or delays in expenditure where cost pressures would follow through into 2013/14. This included a carry forward request of £297,000 by the Education Portfolio to cover the costs of urgent property works to Children's Centres within the Borough.

In considering the budget monitoring position for the Education Portfolio, the Chairman noted the underspend of £200k projected for the Referral and Assessment Children's Centres. This was due to staff vacancies within the service, and a £64k contribution from the Tackling Troubled Families Grant, and the Chairman queried whether the posts might be deleted if service levels had not been affected.

An overspend had been identified within the Adult Education service due to a drop in tuition fees as a result of the free courses which the college provided for Jobcentre Plus, as well as the 24+ funding scheme which had resulted in a fixed cut of £53k of grant allocation for student loans irrespective of take-up. There had been a large reduction in the Skills Funding Agency grant for Adult Education between the 2010/11 and 2013/14 academic years. The Head of Education, Care and Health Services Finance advised Members of the Sub-Committee that the final 2013/14 grant allocation was yet to be confirmed, but that the Adult Education Service was still required to provide free courses for Jobcentre Plus during the 2013/14 academic year. The Chairman noted that the linked nurseries in the Adult Education Service were unlikely to achieve their fee income targets. The Assistant Director: Education agreed to provide a briefing paper to Members with further details of the nurseries.

Members were pleased to note the way that the growth in demand for Special Education Needs services was being managed. The Portfolio Holder for Education confirmed that the Dedicated Schools Grant was used where appropriate to support this growth in demand, but noted that the regulations on the use of Dedicated Schools Grant had become more restrictive which would limit how these funds could be accessed into the future.

RESOLVED that:

- 1) The latest 2013/14 budget projection for the Education Portfolio be noted;**
- 2) The Portfolio Holder for Education be recommended to:**
 - i) Approve the draw down from central contingency of £297,000 as a carry forward request; and,**
 - ii) Approve the Education Portfolio Budget Monitoring Report 2013/14**

6 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2013/14

Report RES13178

On 24th July 2013, the Executive received the 1st quarterly capital monitoring report for 2013/14 and agreed a revised Capital Programme for the four year period 2013/14 to 2016/17. The Sub-Committee considered a report highlighting the changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio.

In considering capital maintenance in schools, Councillor Julian Grainger queried how works in schools were costed and noted a recent example where windows of a high specification had been installed in a Bromley school. The Head of Education, Care and Health Services Finance confirmed that schools were required to obtain three quotes for capital maintenance work and that any additional works must be funded by the school. The Local Authority was responsible for funding capital maintenance works in Local Authority maintained schools and this was funded from a Government grant.

RESOLVED that the revised capital programme agreed by the Executive on 24th July 2013 be recommended to the Portfolio Holder for Education for approval.

7 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2012/13

Report ED13097

The Sub-Committee considered a report setting out all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31st March 2013, and providing a comparison to the balances held at the same time in the previous year.

In considering spending by Primary, Secondary and Special Maintained Schools in 2012/13, Councillor Julian Grainger noted that small schools were required to

keep a higher proportion of reserves as their budgets were smaller than larger schools, and that the proportion of funds held in reserve by small schools should not necessarily be a cause for concern. Small schools were in receipt of the small schools allowance and had benefitted from the minimum funding guarantee in recent years, but the Head of Schools Finance Support confirmed that work continued to be undertaken with small schools to ensure their future viability, including a suitable level of reserves.

The Chairman was concerned to note that the management action to reduce balances with detailed costings by some schools included revenue items, which should not normally be funded from the reserves. It was important for schools to be able to secure value for money when investing in high cost items and building projects. There was also a need to ensure that ongoing IT investment was sustainable as part of a schools revenue budget, and the Head of Schools Finance Support confirmed that schools were encouraged to look at IT replacement solutions as part of long term budget setting.

In response to a question from a Member, the Head of Schools Finance Support confirmed that the deficit at Clare House Primary School was historic and had been built up under the previous Head Teacher. A Notice of Concern had been issued to the school in 2012/13 and the Local Authority was now working with the school to deliver its Deficit Recovery Programme, which would support the school in recovering its deficit over 3-5 years. The expansion of the school to two forms of entry would support the future financial stability of the school. The Portfolio Holder for Education noted that the school was seeking to become part of 'Family Langley' a collaborative group of academy schools which included Unicorn Primary School and Langley Park Boys and Girls Schools.

With regards to conversion to academy status, the Head of Schools Finance Support advised Members that convertor academies retained any budget surplus or deficit and would be responsible to the Education Funding Agency to recover any deficit within one year. Schools which converted as sponsored academies did not retain any budget deficit which would become the responsibility of the Local Authority and was paid from the Dedicated Schools Grant. The Assistant Director: Education confirmed that schools with a significant budget deficit were not able to convert as standalone academies and would need to seek sponsorship.

Following consideration of the revenue and capital balances held by Primary, Secondary and Special Maintained Schools, Members requested that Clare House, St Peter and St Paul's and Chelsfield Primary Schools be included in the Schedule of Members' visits for the 2013/14 academic year. Members also requested that the level of committed and uncommitted revenue and capital balances for Local Authority maintained schools be reported against the number of schools the levels represented as well as the size of each school.

RESOLVED that the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2012/13 financial year be noted.

8 OUTCOME OF CONSULTATION ON 2014/15 FUNDING REVIEW

Report ED13103

The Sub-Committee considered a report setting out proposed changes to the 2014/15 funding formula for schools in line with Department for Education requirements.

The Department for Education had recently issued further guidance to assist local authorities and Schools' Forums in planning the local implementation of the reformed funding system for 2014/15. Changes included a reduction in the upper limit of the lump sum to £175,000, the potential use of a different lump sum for primary and secondary schools, and the attainment measure for secondary schools changing to target pupils achieving Level 3 or below in either English or Maths rather than in both.

Following consideration at its meeting on 26th September 2013, the Schools' Forum had agreed to request the Local Authority to agree that the lump sum for Bromley schools would be set at £175,000 for 2014/15 for both primary and secondary schools. It was also agreed to request that the measure of attainment for secondary pupils be set at £907 for 2014/15, a level proposed and supported by the Secondary Head Teachers, to reflect the significant increase in the number of pupils who would be eligible for this funding. The Minimum Funding Guarantee would moderate the impact of this on schools' budgets to a maximum of 1.5% per year budget change in any one year.

In response to a question from the Chairman, the Head of Schools Finance Support confirmed that the attainment measure for secondary schools would be paid on a per pupil basis for those achieving Level 3 or below in either English or Maths, and that pupils achieving Level 3 or below in both subjects would receive the same funding as those achieving Level 3 or below in either subject.

Councillor Julian Grainger noted the impact of the Minimum Funding Guarantee in moderating the difference in funding levels for secondary schools under each of the proposed models, but highlighted the need to test against a range of lump sums in future years where appropriate. The Head of Schools Finance Support advised Members of the Sub-Committee that further guidance was awaited from the Department for Education around how the funding formula for schools would be delivered in future years.

RESOLVED that the Portfolio Holder for Education be recommended to agree the proposed changes in line with the recommendations of the Schools' Forum.

9 EDUCATION PORTFOLIO INFORMATION ITEMS

The Sub-Committee considered an information briefing providing an update on the baseline review of access and admissions. The services included in the baseline review included Admissions, Education Strategic Property and Client Services,

Behaviour Service, Education Welfare Service, Early Years (PVI) and Office Services. In response to the baseline review, a new structure had been developed and, following a formal consultation process undertaken in Spring 2013, the new structure had been implemented from 1st September 2013.

In considering the new structure, Councillor Julian Grainger noted that secondary schools were receiving an increasing number of applications for their Year 12 provision, and queried if a centralised 'clearing' service could be delivered by the Admissions team. The Assistant Director: Education confirmed that the Education, Care and Health Services Department had no remit to develop additional sold services at this time, but that if it was agreed by the Council's Executive to undertake a range of market testing for education services, it was possible that a provider might consider developing such a service as part of its bid. Councillor Julian Grainger underlined the need to ensure that locally-based and third sector providers were able to bid to deliver services, if market testing was agreed. The Chairman also noted the potential to develop shared services across the education service.

RESOLVED that the information briefing be noted.

10 ANY OTHER BUSINESS

The Council's Executive would be considering a report at its meeting on 16th October 2013 which proposed that market testing, including that of in-house provision, be undertaken on a range of Education Services. Councillor Nicholas Bennett JP noted that, should market testing be agreed, the results of this market testing would be reported to a future meeting of Education PDS Committee. He suggested that a meeting of the Education Budget Sub-Committee be convened in advance of this meeting to allow Members to undertake an in-depth analysis of the financial implications of any commissioning of education services, and this was agreed by Members of the Sub-Committee.

RESOLVED that the issues raised be noted.

11 DATE OF NEXT MEETING

The next meeting of Education Budget Sub-Committee would be held at 7.00pm on Tuesday 7th January 2014.

The Meeting ended at 8.23 pm

Chairman