



THE LONDON BOROUGH
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DATE: 16 June 2014

To: Members of the
EDUCATION BUDGET SUB-COMMITTEE

Councillor Neil Reddin FCCA (Chairman)

Councillors Teresa Ball, Kathy Bance MBE, Nicholas Bennett J.P., Alan Collins and Judi Ellis

A meeting of the Education Budget Sub-Committee will be held at Bromley Civic Centre on **TUESDAY 24 JUNE 2014 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

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

AGENDA

1 APPOINTMENT OF VICE-CHAIRMAN

2 APOLOGIES FOR ABSENCE

3 DECLARATIONS OF INTEREST

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Wednesday 18th June 2014.

5 MINUTES OF THE MEETING HELD ON 8TH APRIL 2014 AND MATTERS OUTSTANDING (Pages 3 - 12)

6 BUDGET MONITORING 2014/15

To Follow

7 FINAL OUTTURN REPORT 2013/14 (Pages 13 - 26)

8 EDUCATION BUDGET SUB-COMMITTEE TERMS OF REFERENCE: REVIEW
(Pages 27 - 28)

9 EDUCATION BUDGET SUB-COMMITTEE WORK PROGRAMME 2014/15

10 ANY OTHER BUSINESS

11 DATE OF NEXT MEETING

7.00pm, Tuesday 9th September 2014

7.00pm, Thursday 16th October 2014

7.00pm, Tuesday 6th January 2015

7.00pm, Tuesday 3rd March 2015

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

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

Items of Business

Schedule 12A Description

13 EXEMPT MINUTES OF THE MEETING HELD ON 8TH APRIL 2014
(Pages 29 - 30)

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

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 8 April 2014

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Julian Benington (Vice-Chairman)
Councillors Julian Grainger and David McBride

Councillor Stephen Wells, Portfolio Holder for Education

Also Present:

Carol Arnfield, Head of Service: Bromley Adult Education College
Jane Bailey, Interim Assistant Director: Education
James Mullender, Senior Accountant
Nina Newell, Head of Schools, Early Years Commissioning and Quality

32 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicholas Bennett JP.

33 DECLARATIONS OF INTEREST

There were no declarations of interest.

34 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

35 MINUTES OF THE MEETING HELD ON 7TH JANUARY 2014 AND MATTERS OUTSTANDING

RESOLVED that the minutes of the meeting held on 7th January 2014 be agreed.

36 CAPITAL PROGRAMME MONITORING Q3 2013/14 & ANNUAL CAPITAL REVIEW 2014 TO 2018

Report FSD14031

On 12th February 2014, the Executive received the 3rd quarterly capital monitoring report for 2013/14 which also presented for approval the new capital schemes

supported by Council Directors in the annual capital review process, and agreed a revised Capital Programme for the five year period 2013/14 to 2017/18. The Sub-Committee considered a report outlining the changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio.

In response to a question from the Vice-Chairman, the Interim Assistant Director: Education confirmed that the Local Authority would receive a Government grant of £387k for the upgrade of school kitchens at Local Authority Maintained schools to facilitate the provision of free school meals for all pupils in Key Stage 1. The revenue cost of providing the free school meals would be met by the Government.

RESOLVED that the revised Capital Programme agreed by the Executive on 12th February 2014 be recommended to the Portfolio Holder for Education for approval.

**37 EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2013/14**

Report ED14045

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of January 2014. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants was forecast to be in an underspend position of £3,774,000, 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 forecast to be in an underspend position of £184,000.

In considering the budget monitoring position for the Education Portfolio, the Chairman highlighted the projected shortfall of income of £126k for Behaviour Services. This was due to lower than anticipated uptake of respite placements by schools following delegation of the budget for Behaviour Services to schools from 2013/14, a fall in income generated from packages due to long term sickness, and higher than budgeted resources required to generate income. The Interim Assistant Director: Education advised Members of the Sub-Committee that a consultation was currently being undertaken on the potential to assimilate the Respite and Behaviour Services into the proposed Bromley Alternative Provision Academy, which aimed to become a hub for behaviour support services in Bromley to better support the full continuum of behaviour needs at an earlier stage and support more young people to remain in a mainstream setting. The consultation would close on 11th April 2014.

In response to a question from a Member regarding the overspend of £221k currently projected for the Bromley Adult Education College, the Head of Service: Bromley Adult Education College confirmed that the Skills Funding Agency grant covered the direct costs of delivering courses to support jobseekers back into employment, but did not contribute to the College's overhead costs in the case of all the qualifications delivered. Students in receipt of Jobseekers Allowance and Employment and Support Allowance could not be charged to attend courses which supported them back into employment.

A Member queried the overspend of £175k in the Schools' Budget. The Senior Accountant confirmed that the demand for school places had exceeded projections made at the start of the academic year, and that there continued to be a high demand for pupil places across the Borough which had required the provision of additional classes at some schools. Another Member noted that free early education for 2 year olds, which had been funded by Dedicated Schools Grant since 2013/14, was expected to underspend by £870k. The Head of Schools, Early Years Commissioning and Quality confirmed that this funding had been introduced in April 2013 to support the creation of nursery places which did not become statutory until September 2014, which had resulted in a cost saving. The underspend had been used to offset a projected overspend of £570k on providing free early education for 3 and 4 year olds. An additional £1.3m of free early education funding for 3 and 4 year olds had been built into the 2014/15 budget to offset an expected increase in take up of places following the expansion of free early education for 2 year olds in previous years, and to make up for the historical shortfall of budget.

RESOLVED that:

- 1) The latest 2013/14 budget projection for the Education Portfolio be noted; and,**
- 2) The Education Portfolio Budget Monitoring Report 2013/14 be recommended to the Portfolio Holder for Education for approval.**

38 COST IMPLICATIONS OF RECHARGES - BEHAVIOUR SERVICE AND PUPIL REFERRAL UNIT ALTERNATIVE PROVISION

Report ED14046

On 18th March 2014, the Education PDS Committee considered a report outlining developments within the Behaviour Service and Bromley Pupil Referral Unit and the potential for reorganisation of these services as part of the proposed Bromley Alternative Provision Academy. Following consideration of this report, the Chairman of Education PDS Committee requested that a report detailing the cost implications of any reorganisation of these services be provided to the next meeting of the Education Budget Sub-Committee.

The Sub-Committee considered a report setting out potential cost implications should the functions of the Behaviour Service and Respite Service be integrated into the proposed Bromley Alternative Provision Academy. All services provided by the Local Authority had elements of costs attributed to them as recharges to fund back-office functions not directly linked to service delivery. Recharges were allocated against individual service areas according to various drivers which included the number of full-time equivalent staff and office space. There was currently £133k of recharges attributed to the Behaviour Service and Respite Service, which was funded by the Dedicated Schools Grant. If these services were to be delivered by another supplier, the Dedicated Schools Grant could no longer be used to contribute to the overheads and support costs of delivering

these services in-house, and the recharge would become a new cost pressure on the Council.

In considering the report, a Member underlined the need to ensure the level of recharges attributed to the Education Service was reasonable and reflected the services provided.

RESOLVED that:

- 1) Members comments on the financial position of the proposal and the cost implications of recharges be noted; and,**
- 2) The Executive be requested to consider how the recharge position should be managed**

39 PUPIL PREMIUM TO HELP DISADVANTAGED PUPILS

Report ED14050

On 18th March 2014, the Education PDS Committee considered a report outlining the standards achieved in schools across Bromley during the academic year 2012-13, based on an analysis of recently published National Curriculum assessments and GCSE/GCE examination results from Summer 2013. Following consideration of this report, the Chairman of Education PDS Committee was concerned that although the standards achieved in schools across Bromley were generally higher than the national average, there continued to be a gap in attainment for pupils who were eligible for free school meals, and requested that more detailed information on the use of Pupil Premium by schools be provided to the next meeting of Education Budget Sub-Committee.

The Sub-Committee considered a report setting out the amount of Pupil Premium funding allocated to each school and the way this funding was utilised, and providing a comparison of the performance of children in receipt of Pupil Premium funding at each school.

In considering the report, the Portfolio Holder for Education noted that on the initial analysis of data provided, there appeared to be no direct correlation between the information provided by schools on how Pupil Premium was used and the performance of children in receipt of the Pupil Premium, and that it was not clear that higher levels of Pupil Premium provided to a school delivered better outcomes for pupils in all cases. A Member also emphasised that the performance of pupils in receipt of the Pupil Premium at small schools could be disproportionately affected by the attainment of one or two pupils as the cohort was often very small.

In discussion, Members generally agreed that it was important to encourage schools to use Pupil Premium funding in an innovative way and to ensure that the progress of all pupils in receipt of the Pupil Premium was supported, including those pupils who were high achieving. The Interim Assistant Director: Education confirmed that a Head Teachers conference was being planned, and that an expert in Pupil Premium had been invited to the conference to advise schools on

how they could demonstrate using Pupil Premium to the best effect.

In response to a question from a Member, the Interim Assistant Director: Education confirmed that Pupil Premium funding was available to pupils in both mainstream and non-mainstream schools, such as special schools and pupil referral units up to the end of Year 11, and was paid to schools according to the number of pupils who had been registered as eligible for free school meals at any point in the previous 6 years or who had been in Care for 6 months or longer. Following the introduction of free school meals for all pupils in Key Stage 1, it was likely that a new measure would be needed to assess the eligibility of pupils to receive the Pupil Premium, and this was likely to be based on families identified as having low incomes or who were eligible to receive certain benefits, and Looked After Children.

The Head of Schools, Early Years Commissioning and Quality confirmed that a number of proposed future actions to support the effective use of the Pupil Premium by schools had been developed. These included consideration of data on the performance and progress of pupils in receipt of Pupil Premium when undertaking categorisation of schools to determine which should be a high priority for support. Schools would also be reminded of the requirement for them to publish details of the use of their Pupil Premium. Following a recent announcement by the Government of plans for Pupil Premium to be expanded to Early Years in 2015/16, it might also be necessary to explore how best to track the performance of pupils in receipt of the Pupil Premium as they progressed through their education.

RESOLVED that the report and proposed future actions be noted.

40 EDUCATION PORTFOLIO INFORMATION ITEMS

a) CONSULTATION - FAIRER SCHOOLS FUNDING 2015/16

Briefing ED14047

The Sub-Committee considered an information briefing outlining the details of the documentation on fairer schools funding recently released for consultation by the Department for Education.

The Department for Education was currently undertaking a consultation on plans to allocate an additional £350m funding to schools in 2015/16, to increase the per-pupil budgets for the least fairly funded local areas. The proposal aimed to ensure that in 2015/16, every local area would attract a minimum level of funding for each of its pupils and schools, making the distribution of funding fairer, whilst ensuring that no area received a cut to its per-pupil budget. The consultation on these proposals would close on 30th April 2014, and it was expected the results of the consultation would be published in Summer 2014.

Bromley was currently one of the lowest funded local authorities in London and under the proposals could potentially benefit from £19.1m additional

funding for all schools in the Borough in 2015/16, including Local Authority Maintained schools and academy and free schools.

In discussion, Members were advised that the Schools Forum would develop its response to the consultation at its meeting on 24th April 2014.

RESOLVED that the information briefing be noted.

b) ATTAINMENT FIGURES FOR LOCAL AUTHORITIES THAT ARE SIMILAR TO BROMLEY

Briefing ED14049

The Sub-Committee information briefing outlining attainment figures for Local Authorities that were similar to Bromley.

On 18th March 2014, the Education PDS Committee considered a report outlining the standards achieved in schools across Bromley during the academic year 2012-13, based on an analysis of recently published National Curriculum assessments and GCSE/GCE examination results from Summer 2013. In considering this report, the Vice-Chairman of Education PDS Committee emphasised the need to focus on continuous improvement for all groups and requested that attainment figures for Local Authorities that were similar to Bromley be provided to the next meeting of Education Budget Sub-Committee for Members' consideration.

Bromley generally performed well against its statistical neighbours. Against all reported measures, Bromley was ranked in the top five and, against 16 of the reported measures, Bromley was ranked in the top three. At Early Years Foundation Stage, Bromley had the highest attainment with 60% of pupils achieving a good level of development, and at Key Stage 4, Bromley also had the highest attainment, with 93% of pupils attaining 5+ A*-C GCSEs.

In discussion, Members were concerned that the high performance of many schools across the Borough, particularly those at secondary level, might make it more difficult to identify areas of low attainment where averages were used to assess pupil performance. The Vice-Chairman also queried if the increased take up of vocational courses might impact the number of pupils attaining 5+ A*-C GCSEs in future academic years.

The Chairman requested that attainment figures for Local Authorities that were similar to Bromley be provided to Education PDS Committee in future as part of the annual report outlining of standards achieved in schools across Bromley during the previous academic year.

RESOLVED that the information briefing be noted.

41 ANY OTHER BUSINESS

There was no other business.

42 DATE OF NEXT MEETING

The next meeting of Education Budget Sub-Committee would be held at 7.00pm on Tuesday 24th June 2014.

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

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

44 COUNCIL-RUN NURSERY PROVISION

The Committee considered the report and supported the recommendations.

The Meeting ended at 8.35 pm

Chairman

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Matters Outstanding from Previous Meetings

| Minute Number/Title | Decision | Update | Action | Completion Date |
|---|---|--|---------------------------------------|-----------------|
| 2nd October 2013 | | | | |
| 10 Any Other Business | That a meeting of the Education Budget Sub-Committee be convened to consider the results of the market testing process for commissioning of Education Services. | A meeting of the Education Budget Sub-Committee would be convened when the market testing process, agreed by the Council's Executive on 16 th October 2013, had been completed. | Democratic Services | TBC |
| 8th April 2014 | | | | |
| 39 Pupil Premium to help Disadvantaged Pupils | That more detailed information on the use of Pupil Premium by schools be provided to a future meeting of Education Budget Sub-Committee when available. | A report outlining the use of Pupil Premium by schools would be provided to a future meeting of Education Budget Sub-Committee. | Interim Assistant Director: Education | October 2014 |
| 40b Attainment Figures for Local Authorities that are similar to Bromley | That attainment figures for Local Authorities similar to Bromley be provided to a future meeting of Education Budget Sub-Committee when available. | A report outlining attainment figures for Local Authorities similar to Bromley would be provided to a future meeting of Education Budget Sub-Committee. | Interim Assistant Director: Education | October 2014 |

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Report No.
ED15076

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EDUCATION BUDGET SUB COMMITTEE

Date: 24th June 2014

Decision Type: Non-Urgent Executive Non-Key

Title: FINAL OUTTURN REPORT 2013/14

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

Chief Officer: Executive Director of Education, Care and Health Services

Ward: (All Wards);

1. Reason for report

1.1 This report provides the final position for 2013/14.

2. RECOMMENDATION(S)

2.1 The Education Budget Sub-Committee is requested to:

- i) Note that there was an underspend of £539,000 on controllable expenditure at the end of 2013/14 and consider any issues arising from it.
- ii) Note that the Executive on the 10th June 2014 have agreed the carry forward as detailed in Appendix 2.
- iii) Refer the report to the Portfolio Holder for Education for approval.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Care Services Portfolio
 4. Total current budget for this head: £18.070m
 5. Source of funding: Education Services Approved Budget
-

Staff

1. Number of staff (current and additional): 2,074 full time equivalent, of which 1,760 are based in schools
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2013/14 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 This report provides an update of the final budget position for the Education Budget Sub Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The final outturn for the “controllable” element of the Education Services budget in 2013/14 is an underspend of £539,000 compared to the last reported figure of £481,000 underspent which was based on activity at the end of January 2014. After allowing for the carry forward request agreed by Executive the final outturn position would be £228,000 unspent (January £189,000 underspent).

DEDICATED SCHOOLS GRANT

- 3.3 The Dedicated Schools Grant (DSG) outturned a £4.265m in year underspend compared to the last reported figure of £3.774m. Legislation requires that any variance should be carried forward to the following financial year. A total of £8.947m (£4.682m from 2012/13 carried forward and £4.265m from 2013/14 has been carried forward into 2014/15 and can be used on specific Education type purposes as defined by legislation. All DSG expenditure is covered off by the grant so there is a net nil effect on the Council and has no impact on the bottom line variance described in paragraph 3.2.

CARRY FORWARDS

- 3.4 On the 10th June 2014 the Executive were asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2014/15. Appendix 2 provides a detailed breakdown of the carry forward request made by Education for the Portfolio. Future reports to the Portfolio Holder will be required to approve its release.

FULL YEAR EFFECTS MOVING INTO 2014/15

- 3.5 Appendix 3 provides a breakdown of any full year implications arising from the final 2013/14 outturn. It should be noted that there are pressures across the Portfolio of over £336k in 2014/15 that will need to be managed and contained within existing budgets. The breakdown is contained within the table below.

FULL YEAR EFFECT PRESSURES FOR 2014/15

| | <u>£'000</u> |
|---|--------------|
| Education Services Grant - Grant shortfall | 106 |
| Adult Education - loss of grant funding streams | 230 |
| | <u>336</u> |

- 3.6 Appendix 4 provides a detailed reconciliation of the Original 2013/14 budget to the Latest Approved 2013/14 budget.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2014/15 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 A detailed breakdown of the projected outturn by service area is shown in Appendix 1(a) with explanatory notes in Appendix 1 (b).
- 5.2 The main variations since the last Budget Monitoring report in March were minor adjustments around staffing, running expenses and income generation totalling a favourable movement of £58k.

| | |
|--|--|
| Non-Applicable Sections: | Legal Personnel |
| Background Documents: (Access via Contact Officer) | 2013/14 Budget files in ECHS Finance Section |

Education Portfolio Provisional Outturn Summary

| 2012/13 Actuals | Division Service Areas | 2013/14 Original Budget £'000 | 2013/14 Latest Approved £'000 | 2013/14 Provisional Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|--------------------|--|--|--|--|--------------------|-------|--|------------------------------|
| | EDUCATION CARE & HEALTH SERVICES DEPARTMENT | | | | | | | |
| | Education Division | | | | | | | |
| 1,879 | Access | 1,469 | 1,147 | 952 | Cr 195 | 1 | Cr 316 | 0 |
| Cr 511 | Adult Education Centres | Cr 618 | Cr 630 | Cr 400 | 230 | 2 | 221 | 230 |
| 148 | School Standards | 115 | 168 | 145 | Cr 23 | 3 | Cr 21 | 0 |
| 4,099 | SEN and Inclusion | 4,718 | 4,754 | 4,403 | Cr 351 | 4 | Cr 177 | 0 |
| 0 | Workforce Development & Governor Services | 0 | 1 | 11 | 10 | 5 | Cr 24 | 0 |
| 0 | Education Services Grant | Cr 3,282 | Cr 3,282 | Cr 2,957 | 325 | 6 | 333 | 106 |
| 74 | Schools Budgets | Cr 1,431 | Cr 1,485 | Cr 1,485 | 0 | 7 | 0 | 0 |
| 158 | Other Strategic Functions | 148 | 170 | 160 | Cr 10 | 8 | Cr 9 | 0 |
| 0 | Early Years | 0 | 0 | 0 | 0 | | 0 | 0 |
| Cr 50 | Primary Schools | 0 | 0 | 0 | 0 | | 0 | 0 |
| Cr 1,368 | Secondary Schools | 0 | 0 | 0 | 0 | | 0 | 0 |
| Cr 17 | Special Schools | 0 | 0 | 0 | 0 | | 0 | 0 |
| 400 | Education Commissioning and Business Services | 0 | 0 | 0 | 0 | | Cr 2 | 0 |
| 131 | School Improvement | 0 | 0 | 0 | 0 | | 0 | 0 |
| 4,943 | | 1,119 | 843 | 829 | Cr 14 | | 5 | 336 |
| | Children's Social Care | | | | | | | |
| 2,002 | Bromley Youth Support Programme - (Youth Service) | 1,773 | 1,803 | 1,790 | Cr 13 | 9 | Cr 28 | 0 |
| 1,453 | Referral and Assessment Childrens Centres | 2,086 | 2,401 | 2,186 | Cr 215 | 10 | Cr 161 | 0 |
| 3,455 | | 3,859 | 4,204 | 3,976 | Cr 228 | | Cr 189 | 0 |
| | Early Intervention Grant | | | | | | | |
| Cr 11,798 | Early Intervention Grant | 0 | 0 | 0 | 0 | | 0 | 0 |
| Cr 11,798 | | 0 | 0 | 0 | 0 | | 0 | 0 |
| Cr 3,400 | 2013/14 Outturn Position | 4,978 | 5,047 | 4,805 | Cr 242 | | Cr 184 | 336 |
| 0 | Carry forward already approved | 0 | 0 | Cr 297 | Cr 297 | | Cr 297 | 0 |
| Cr 3,400 | TOTAL CONTROLLABLE FOR EDUCATION - ECHS | 4,978 | 5,047 | 4,508 | Cr 539 | | Cr 481 | 336 |
| 11,787 | Total Non-Controllable | 5,553 | 9,221 | 9,221 | 0 | | 0 | 0 |
| 4,731 | Total Excluded Recharges | 3,618 | 3,802 | 3,802 | 0 | | 0 | 0 |
| 13,118 | TOTAL EDUCATION PORTFOLIO - ECHS | 14,149 | 18,070 | 17,531 | Cr 539 | | Cr 481 | 336 |
| | Memorandum Item | | | | | | | |
| | Sold Services | | | | | | | |
| | Education Psychology Service (RSG Funded) | 0 | 0 | 38 | 38 | } 11 | Cr 35 | 0 |
| | Education Welfare Service (RSG Funded) | 0 | 0 | Cr 44 | Cr 44 | | Cr 46 | 0 |
| | Behaviour Support (Secondary) (RSG Funded) | 0 | 0 | 143 | 143 | | 126 | 0 |
| | Workforce Development (DSG/RSG Funded) | 0 | 0 | Cr 4 | Cr 4 | | 9 | 0 |
| | Governor Services (DSG/RSG Funded) | 0 | 0 | Cr 8 | Cr 8 | | 2 | 0 |
| | Community Vision Nursery (RSG Funded) | 0 | 0 | Cr 18 | Cr 18 | | Cr 21 | 0 |
| | Blenheim Nursery (RSG Funded) | 0 | 0 | Cr 48 | Cr 48 | | Cr 58 | 0 |
| | Catering & Cleaning (RSG Funded) | 0 | 0 | 28 | 28 | | 32 | 0 |
| | Business Partnerships (RSG Funded) | 0 | 0 | 0 | 0 | | 0 | 0 |
| | Total Sold Services | 0 | 0 | 87 | 87 | | 79 | 0 |

1. Access Cr £195k

An underspend of £97k within the Education Welfare Service is the result of an overachievement of trading account income, which also required fewer resources to generate, and a vacancy within the statutory element of the team.

The budget for behaviour services was delegated to schools for 2013/14, so the secondary outreach budget could no longer be funded through the Dedicated Schools Grant, and was set up as a trading account. There was a shortfall of income of £143k due to lower than anticipated uptake of respite placements, a fall in income generated from packages due to long term sickness, and higher than budgeted resources required to generate this income.

There is a net underspend of £1k relating to capital and facilities management. This is made up of an overspend of £29k on the catering and cleaning sold service which was terminated on 31st July 2013, with just a strategic element remaining until 31st October 2013, offset by an underspend on capital management due to a vacant post following the restructure of Access and Admissions.

Also within Access, there are underspends of £33k in Admissions due to a reduction in hours (early implementation of 2014/15 savings), £32k on statutory transport grant payments, and £97k on Early Years staffing (also early achievement of 2014/15 savings).

The council's two in-house nurseries, which were moved onto trading accounts this year, have generated surplus income of £64k. These trading accounts weren't set up as full-cost recovery, so this surplus is only covering part of the £155k corporate recharges currently allocated to the nurseries.

| | Variations | |
|------------------------------------|------------|------------|
| | | £'000 |
| Education Welfare Service | Cr | 53 |
| Trading Account | Cr | 44 |
| Capital & Facilities Management | Cr | 29 |
| Trading Account | | 28 |
| Access & Admission | Cr | 33 |
| Early Years Support | Cr | 97 |
| Transport Grants | Cr | 32 |
| Business Support | Cr | 14 |
| Secondary Outreach Trading Account | | 143 |
| Blenheim Nursery Trading Account | Cr | 46 |
| Community Vision Trading Account | Cr | 18 |
| | Cr | 195 |

2. Adult Education - Dr £230k

There is an overspend of £230k for Adult Education Centres. This is mainly a result of both lower levels of disposable income amongst some of the target audience and an increase in the number of students claiming full fee remission as they are unemployed. Many of these are enrolling on the courses BAEC provides in response to the Job Centre requests.

The SFA grant allocation for 2013/14 was less than anticipated, with a shortfall of £89k. This is partly due to the 24+ funding scheme, which has been converted into a ring-fenced student loan allocation, irrespective of take-up, and has resulted in a fixed cut of £53k from the main grant allocation.

The reduction in the two main income streams above should be mitigated by a reduction in staffing costs and running expenses. Unfortunately this hasn't been achieved to the extent that the income has fallen, with a total net underspend of £17k.

The attached nurseries have underspends of £33k for Poverest and £10k for Widmore, and an overspend of £44k for Kentwood due to a shortfall in fee income. There is also a £33k overachievement of income for room bookings.

| | Variations | |
|------------------------------|------------|------------|
| | | £'000 |
| Reduction in grant income | | 89 |
| Reduction in fee income | | 190 |
| Officers & support staff pay | Cr | 39 |
| Teachers & assistants pay | | 32 |
| Supplies and services | Cr | 33 |
| Premises costs | | 23 |
| Kentwood nursery | | 44 |
| Widmore nursery | Cr | 10 |
| Poverest nursery | Cr | 33 |
| Room lettings | Cr | 33 |
| | | 230 |

3. School Standards - Cr £23k

Due to delays in recruiting to the new School Standards team following the restructure of the EDC, there is a total net non-recurrent underspend of £23k on staffing/consultancy budgets.

| | Variations | |
|-------------------------------|------------|-----------|
| | | £'000 |
| School Standards | Cr | 11 |
| Primary Support Advisory Team | Cr | 12 |
| | Cr | 23 |

4. SEN and Inclusion Cr £351k

Appendix 1b

An underspend of £310k has arisen in SEN Transport as a result of increased route efficiency and sharing of routes with bordering LA's, as well as planned costs relating to the IT system work required for merging with Adults Transport not being incurred in year.

There is also an increased one-off underspend in the SEN assessment and monitoring team due to an increase in the level of staff/management time recharged to the SEND Pathfinder Grant.

A shortfall of income on the Education Psychology trading account, as well higher than budgeted resources required, has resulted in an overspend of £38k. There is also a minor overspend on the statutory element of the service.

| Variations | |
|---------------------------------|---------------|
| £'000 | |
| SEN Transport | Cr 310 |
| SEN assessment and monitoring | Cr 69 |
| Education Psychology Service | 3 |
| Trading Account | 38 |
| Transferred post charged to DSG | Cr 13 |
| | Cr 351 |

5. Workforce Development & Governor Services - Dr £10k

There is an underspend on salary budgets due to two part year vacancies within the team, one of which the service was unable to fill until March 2014, and the other being covered by an agency worker from December 2013. Despite this, the service has overachieved the income targets on both trading accounts by a total of £12k. This is offset by a reduction in the level of costs that could be charged to DSG.

| Variations | |
|---|-----------|
| £'000 | |
| Workforce Development & Governor Services | 22 |
| Workforce Development Trading Account | Cr 4 |
| Governor Services Trading Account | Cr 8 |
| | 10 |

6. Education Services Grant - Dr £325k

The final Education Services Grant (ESG) allocation was £325k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The final allocation is based on the 13 completed conversions during 2013/14. The full year effect of this is £656k (less the £550k grant reduction growth in the 2014/15 budget).

Looking to 2014/15, 3 schools converted on 1st April, and a further 11 applications have been approved by DfE (including the Pupil Referral Unit), and are likely to convert between July and September 2014. When combined with the 3% reduction in per pupil rate, this results in a projected shortfall for 2014/15 of £918k (less the £550k growth).

7. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget. There is a total net underspend of £4.3m on DSG funded services as outlined below to be carried forward to 2014/15.

With effect from September 2013, the EFA became responsible for directly providing the first £6k of SEN funding for academies, and would recoup the figure from the authorities DSG allocation. The final amount to be recouped was less than anticipated when setting the 2014/15 budget, resulting in a £1.2m underspend.

There is a total underspend on SEN placements of £1,039k, due to a number of factors including lower than budgeted number of placements/support across the board, and average costs being kept to a minimum. In addition, the projected numbers of pupils anticipated to start in 2013/14 was higher than final actual numbers, including 3 LAC children. There also remains £339k of creditor provision made at the end of 2012/13 which has not been fully realised.

As part of the 2013/14 DSG allocation, £3.1m funding for SEN support in Further Education transferred from the EFA to the council. These placements were negotiated at the start of the academic year, resulting in a total underspend of £718k: £80k at Bromley College and other FE colleges, £477k with all other Independent Specialist Providers, and £161k on the social care element.

The Sensory Support and Inclusion services have underspent by a total of £167k, mainly on staffing budgets as a result of staff working less hours than budgeted, employers pension contributions for staff not in the pension scheme, and staff time recharged to the SEND Pathfinder grant. There is also an amount of £220k relating to funding to support non-statemented children which, due to changes to the schools funding regulations, could not be delegated to schools in year.

There is also an underspend of £49k for assessment and support of children with complex medical needs in mainstream schools, and an underspend of £195k within the pre-school SEN service, primarily due to staff vacancies, and staff working reduced hours.

Within the Behaviour Service, there are underspends of £17k for the Early Intervention Service due to a staff vacancy, £201k for Progression Courses due to overachievement of income and a reduction in demand, and £80k relating to the part-year vacancy in the head of service post. There is an overspend of £74k in the Home and Hospital service on supply staff and rent payable relating to the Nightingale Centre, as well as an increased recoupment claim.

Free Early Education (FEE) for 2 years olds, which for 2013/14 onwards is now funded through DSG, has underspent by £1,074k of the £2.8m budget. This is partly offset by an overspend of £529k on FEE for 3 & 4 year olds.

There is an underspend of £353k on Carbon Reduction Commitments. Schools are to be excluded from the CRC scheme with effect from 1st April 2014, so this budget has been removed for future years.

There is an underspend of £1.4m due to high needs recoupment adjustments re special unites in academies which were anticipated when setting the budget, but have not been realised, as well as £775k and £194k due to 6th form funding in special schools, and teachers' pay grants respectively.

In addition, there is an overspend of £175k due to higher numbers of bulge classes than budgeted, and underspends of £103k on nursery classes, £130k on SEN matrix support in special schools, and £90k due to recoupment adjustments relating to business rates for academy converters.

There is a small variation in the total recharges and non controllable costs charged to DSG, with £61k less than budgeted non controllable costs such as premises maintenance, offset by £45k more on recharges, mainly due to a revision of the level of support to members charged.

There is also a cost of £54k relating to the old School Improvement team as a result of the restructure not being completed until 31st April, as teachers' contracts can only be terminated at the end of April, August or December. There have also been a few post-closure transactions for the EDC trading account, totalling £11k, and a £90k underspend relating to security and utility costs for the old EDC. Finally there is a £2.9m contribution to the Glebe expansion capital scheme which was approved by Council on 14th April 2014, £678k increase in bad debt provision relating to loans to schools and £359k costs on various one-off activities etc such as classroom rentals for bulge classes and provision of support for academy conversions, and 2012/13 costs relating to the Pupil Referral Service.

| | Variations | |
|---|---------------|--------------|
| | £'000 | £'000 |
| SEN & Inclusion | | |
| Placements | Cr 1,049 | |
| Effect of prior year creditors | Cr 339 | |
| Equipment | Cr 87 | |
| Ex-EFA SEN FE Support | Cr 718 | |
| Transport | Cr 143 | |
| Deaf centres & sensory support | Cr 167 | |
| Support in mainstream | Cr 220 | |
| Specialist Support & Disability Services | Cr 49 | |
| Pre-school service | <u>Cr 195</u> | 2,967 |
| Behaviour service | Cr 225 | |
| Free Early Education - 2 year olds | Cr 1,074 | |
| Free Early Education - 3 & 4 year olds | | 529 |
| Access & Admissions | | 14 |
| EDC trading account | Cr 11 | |
| School Improvement | | 54 |
| School Standards | Cr 115 | |
| Workforce Development & Governor Services | Cr 15 | |
| Ex-EDC site costs | Cr 90 | |
| Carbon reduction commitments | Cr 353 | |
| PSAG | | 70 |
| Non-controllable costs | Cr 61 | |
| Excluded recharges | | 20 |
| Maternity pay etc | Cr 84 | |
| Excluded pupils | | 28 |
| SEN funding for academies | Cr 1,170 | |
| Bulge classes | | 175 |
| Academy units funding/recoupment | Cr 1,473 | |
| Teachers' Pay Grant | Cr 194 | |
| Nursery classes | Cr 103 | |
| Business rates re academy converters | Cr 90 | |
| Budget share variations | Cr 139 | |
| Special school 6th form funding | Cr 775 | |
| Special school matrix funding | Cr 130 | |
| One-off spend re academy conversions, classroom rentals etc | | 356 |
| Contribution to Glebe expansion capital scheme | | 2,880 |
| Increase in bad debt provision | | 678 |
| Underspend to be carried forward to 2014/15 | <u>Cr</u> | <u>4,265</u> |

8. Other Strategic Functions - Cr £10k

There is a minor underspend of £10k on consultancy costs. This budget has been reduced for 2014/15 as part of the Baseline Review savings.

9. Youth Service - Cr £13k

There is an underspend of £13k for the Youth Service, mainly relating to supplies and services budgets.

10. Referral and Assessment Children's Centres - Cr £512k

An underspend of £297k in the service relates to the carry forward from 2012/13 remaining unspent. The contract to rebuild the Castlecombe Children's Centre has been awarded and the building vacated in preparation for the work starting. The service will temporarily relocate to the Mottingham Children's Centre and it is anticipated that the rebuild will be completed by the end of August 2014. The projected cost of the work has increased from the £400k reported at Education Bud Sub-Committee on 2nd October to £517k (including contingencies). The service requests that the £297k be carried forward again to 2014/15, which was agreed by Executive on 2nd April.

In addition, there were turnover savings throughout the year resulting in an underspend of £121k on staffing budgets and underspends on premises, supplies and services, and room hire income.

| | Variations | |
|--|------------|------------|
| | | £'000 |
| Tenant Maintenance (unspent 2012-13 carry forward) | Cr | 297 |
| Improvements and alterations | Cr | 37 |
| Officers pay | Cr | 121 |
| Commissioning and income | Cr | 32 |
| Supplies and services | Cr | 25 |
| | Cr | 512 |

11. Sold Services (net budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Director's Comments

This has been a very successful year for the Education team. As we develop greater focus in the nature of our relationship with schools, officers have been able to concentrate on a small number of priorities within a very clear Portfolio Plan. This focus has enabled a further third of our schools to have brokered robust plans for the transition to academy status, with only half a dozen schools yet to start that journey. As we have become more efficient in these processes, we have been able to reduce external consultancy time resulting in some small savings against RSG. This has been particularly important as we have lost considerable sums in central government grant through the academy conversion process and it is of significant credit to the Education team that these pressures have been managed in year.

The SEN pilot has proved very successful and again, we see some efficiencies as a result of this which, through creative use of central government grants, has ensured all our schools have seen benefits from our new approaches. Members will notice elsewhere the very considerable underspend on DSG, however, and officers will be looking at proposals to ensure that this surplus is spent effectively on our children's education. However, PDS also needs to be aware that officers are very concerned about the future cost pressures from the new model 'single plans' with an insistence from central government that all our SEN plans, around 1,900, are converted to the new format 'single plans' within three years.

A greater reliance on using experienced headteachers – National Leaders of Education (NLEs) – bought-in on a as-and-when basis as opposed to maintaining a standing school improvement service, to support school improvement has seen a strong improvement in standards in our primary schools but we still have too many in an Ofsted improvement category. For each of these, we are required to provide additional resources and so for every school that fails, as well as the impact this implies for the pupils in the school, there is a further drain on our budgets. We anticipate our improved approaches to early intervention in schools causing concern should see further reductions in costs in the coming years.

Adult Education has proved a real challenge this year. Changes to funding arrangements from central government left us in the difficult position of running courses that were previously funded centrally, but were for the last year a given expectation on local authorities to run. These courses also picked-up some learners who may otherwise have been on other funded courses, and so led to significant financial pressures in what has always been a well regarded and efficient service. These pressures were covered-off from elsewhere in the education budget but again Members should be aware that these pressures are likely to continue into the future.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Four waivers have been approved since the last report to the Executive:

- IT licenses on behalf of schools with a total value of £67k. These costs will be recharged to schools.
- Project management and architectural feasibility consultancy services to support the delivery of a new classroom, with a total value of £148k
- An extension for the provision of supply teachers and one to one tuition for Looked After Children with an annual value of £67k. Future provision will be delivered via the new Dynamic Purchasing System.
- SEN support in multiple pre-school and nursery settings with an annual value of £200k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been approved.

Carry forward requests

Education and Care Services

Children's Centres

The service request a carry forward from the 2013/14 Bromley Childrens Project underspends of £297k as approved by the Executive on 2nd April 2014. The money will be used along with the balance of £421k in the Sure Start Capital programme to make essential repairs to Castelcombe and Mottingham children's centres.

297,000

Full Year Effects 2014/15

| Service Area | Latest Approved budget | Variation | FYE | Comment |
|--------------------------|---------------------------------------|------------------|------------|--|
| | £'000 | £'000 | £'000 | |
| Education Services Grant | Cr 3,282 | 325 | 106 | The Education Services Grant (previously Local Authority Block LACSEG) is allocated on the basis of pupil numbers, and reduces as schools convert to academies. Based on current projections of 13 academy conversions in 2013/14, ESG will reduce by £656k for 2014/15, of which £550k has been included as growth in the 2014/15 budget. |
| Adult Education | Cr 630 | 224 | 224 | The current projected overspend for the Adult Education Service is expected to continue into 2014/15. The service has indicated that they will plan for further efficiency savings, however it is likely that at least one of the grant funding streams will be further reduced, as well as a continued decline in tuition fee income. |

Reconciliation of Final Budget 2013/14

| | £'000 |
|--|-----------------------------|
| 2013/14 Original Budget | 14,149 |
| Allocation of Localisation & Conditions Pay Awards | 70 |
| Short Breaks Post Transfer from Care Services | 21 |
| Centralisation of training budgets | Cr 8 |
| Transfet of IT post to Resources | Cr 8 |
| Transfer of Commissioning Post to Care Services | Cr 45 |
| Transfer for data cleansing work to Care Services | Cr 10 |
| Children's Centre Carry Forward from 2012/13 | 297 |
| Recharge of Nursery costs to Care Services | Cr 254 |
| Transfer for SEN complaints work to Care Services | Cr 1 |
| Decentralisation of IT budgets | 4 |
| Commissioning Recharge to SEND Pathfinder | 3 |
| Non-controllable | 3,668 |
| Excluded Recharges | 184 |
| Latest Approved Budget | <u><u>18,070</u></u> |

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EDUCATION BUDGET SUB-COMMITTEE TERMS OF REFERENCE

(endorsed by Education PDS Committee on 11th September 2012)

1. Purpose

- 1.1 The Education Budget Sub-Committee (EBSC) shall be responsible for overseeing budget, monitoring and outturn activities across the Education Portfolio.

2. Scope

- 2.1 The EBSC shall be responsible for scrutinising the following areas of the Education Portfolio's business activities:
- a) Advising the Policy Development and Scrutiny Committee on Budgeting.
 - b) Scrutinising the Education Portfolio budgets.
 - c) Scrutinising the outturn of the Education Portfolio budgets.
 - d) Considering changes that occur to grant funding streams.
 - e) Making recommendations to the Policy Development and Scrutiny Committee with regard to funding and finance including savings and efficiencies and grant changes

3. Membership

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

4. Relationships

- 4.1 The EBSC shall report to Education Policy Development and Scrutiny Committee on a regular basis on its activities - reports will usually be forwarded to the Policy Development and Scrutiny Committee as information items

5. Meeting Arrangements

- 5.1 The EBSC shall normally meet five times a year to accord with meetings of the Education Policy Development and Scrutiny Committee

6. Review

- 6.1 These terms of reference shall be kept under review by the Education Policy and Scrutiny Committee. The EBSC can recommend changes to the terms of reference and these must be considered at the next Policy and Scrutiny meeting.

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

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