



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 1 September 2014

To: Members of the
EDUCATION BUDGET SUB-COMMITTEE

Councillor Neil Reddin FCCA (Chairman)

Councillor Teresa Ball (Vice-Chairman)

Councillors 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 9 SEPTEMBER 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 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 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 3rd September 2014.

4 MINUTES OF THE MEETING HELD ON 24TH JUNE 2014 AND MATTERS OUTSTANDING (Pages 3 - 12)

5 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2014/15 (Pages 13 - 20)

6 EDUCATION PORTFOLIO BUDGET MONITORING REPORT 2014/15 (Pages 21 - 30)

7 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2013/14 (Pages 31 - 48)

**8 IMPACT OF ALL SCHOOLS CONVERTING TO ACADEMY STATUS ON THE
EDUCATION PORTFOLIO BUDGET (Pages 49 - 72)**

9 ANY OTHER BUSINESS

10 DATE OF NEXT MEETING

7.00pm, Thursday 16th October 2014

7.00pm, Tuesday 6th January 2015

7.00pm, Tuesday 3rd March 2015

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 24 June 2014

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Teresa Ball (Vice-Chairman)
Councillors Kathy Bance MBE and Alan Collins

Councillor Stephen Wells, Portfolio Holder for Education

Also Present:

Jane Bailey, Assistant Director: Education
David Bradshaw, Head of Education, Care and Health Services Finance

1 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED that Councillor Teresa Ball be appointed Vice-Chairman for the 2014/15 municipal year.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicholas Bennett JP and Councillor Judi Ellis.

3 DECLARATIONS OF INTEREST

The Chairman declared that he was a Governor at St Olaves School, that he had children who attended Warren Road Primary School and that his wife was a Governor at two primary schools in the Borough.

Councillor Teresa Ball declared that she was a Governor at Bromley Adult Education College.

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

5 MINUTES OF THE MEETING HELD ON 8TH APRIL 2014 AND MATTERS OUTSTANDING

In considering matters outstanding from previous meetings, the Assistant Director: Education confirmed that the market testing process for the commissioning of Education Services was ongoing and that the results of the market testing process would be reported to Members in early 2015.

The Chairman noted the forthcoming report outlining attainment figures for Local

Authorities similar to Bromley and requested that this be reported to the Education PDS Committee when available.

RESOLVED that the minutes of the meeting held on 8th April 2014 be agreed and that matters outstanding be noted.

6 BUDGET MONITORING 2014/15

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 May 2014. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants was forecast to be in an underspend position of £1,285,000, 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 overspend position of £320,000, assuming that £422,000 would be drawn from contingency to offset the shortfall in Education Services Grant.

Members were advised that on 10th June 2014, the Council's Executive had been requested to approve a number of carry forward requests for funding to be transferred into contingency for 2014/15. This included a carry forward request of £297k from the 2013/14 Bromley Children's Project underspend towards the cost of essential repairs to Castlecombe and Mottingham children's centres for which the Portfolio Holder for Education's approval was requested.

The Head of Education, Care and Health Services Finance confirmed that the £320,000 overspend in the controllable part of the Non-Schools' Budget was primarily caused by a reduction in Government grant and decline in tuition fee income for the Bromley Adult Education College. The total Skills Funding Agency Grant for the 2014/15 financial year was approximately £40k less than in 2013/14. In addition, Jobcentre Plus continued to refer jobseekers to courses at the Kentwood Centre which aimed to support people back into employment, and the cost of providing these courses was included as part of the Skills Funding Agency grant for 2014/15.

There had also been a £90k overspend in the controllable part of the Non-Schools' Budget by the Youth Service. To address the overspend, a reorganisation of the Youth Service had been undertaken which would come into effect in July 2014. Work was also being undertaken to review how the Duke of Edinburgh Award might best be delivered across the Borough in 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 drawdown from central contingency of £297,000 as a carry forward request; and,**
- ii) Approve the Education Portfolio Budget Monitoring Report 2014/15**

7 FINAL OUTTURN REPORT 2013/14

Report ED15076

The Sub-Committee considered a report outlining the final outturn position of the Education Portfolio for the 2013/14 financial year. This showed an underspend of £539,000 for the controllable element of the Education budget. A number of carry forward requests totalling £297,000 had been agreed by the Council's Executive at its meeting on 10th June 2014. These carry forward requests related to either unspent grant income or delays in expenditure where cost pressures would continue into 2014/15.

The final outturn position showed a underspend of £4.265m for the Dedicated Schools Grant. This would be carried forward to the 2014/15 financial year in addition to the underspend from previous years and would be used to fund specific Education-type purposes, including funding to address health and safety measures identified at some schools, and towards the capital costs of establishing a new specialist secondary provision for pupils with social, emotional and behavioural difficulties in the Borough as part of the relocation of Burwood School from its current Orpington site to a more central location.

Members were advised that the relocation of Burwood School to a more central location offered the opportunity for the school to consider its admissions criteria. There was currently no Key Stage 4 specialist provision for female pupils with social, emotional and behavioural difficulties in the Borough. The recent closure of the national charity, Springboard, which had successfully operated as a training provider in Bromley for several years, would also reduce the level of alternative provision available for young people in the Borough. It was planned that the new specialist provision would offer up to 75 places for young people, which would both meet the existing demand for places and create surplus places available to be purchased by in and out-of-Borough schools. A wide range of provision including vocational training would be offered up to Level 1 (D-G Grade GCSE), which would complement the Bromley Alternate Provision Academy, which was seeking to offer a range of provision, including vocational training, up to Level 2 (A-C Grade GCSE) from September 2014. It was hoped the new specialist provision would also offer a post-16 alternative provision offer for young people with social, emotional and behavioural difficulties in the Borough.

The Portfolio Holder for Education was pleased to advise Members of the Sub-Committee that there had been an underspend of £310k in Special Educational Needs Transport as a result of increased route efficiency and route sharing with neighbouring Local Authorities, as well as planned costs relating to IT system work required for merging with Adults Transport not being incurred in year. It was anticipated that further savings could also be realised through the establishment of

a new specialist provision for pupils with social, emotional and behavioural difficulties in the Borough as part of the relocation of Burwood School from its current Orpington site to a more central location.

The Chairman noted there had been a shortfall of income in the Education Psychology trading account, as well as higher than budgeted resources required. This had resulted in an overspend of £38k for 2014/15. The Assistant Director: Education confirmed the Education Psychology Service had undertaken a significant amount of work on the Special Educational Needs and Disability (SEND) Pathfinder Programme which was working to test and implement the requirements set out in the proposed Children and Families Bill and indicative Code of Practice. The Education Psychology Service was also affected by the number of SEN Tribunal appeals convened. A more proactive approach was now being taken by the Local Authority to work with parents and carers to identify the support needs of their child outside of the SEN Tribunal process, and the increased use of Pupil Resource Agreements, which were a means of supporting schools and parents to work together flexibly to meet the needs of pupils in mainstream schools, were expected to further reduce the incidence of appeals. The Portfolio Holder for Education underlined the excellent work of the Education Psychology Service and noted that it was a much valued service.

RESOLVED that:

- 1) The underspend of £539,000 on controllable expenditure at the end of 2013/14 be noted;**
- 2) A number of carry forward requests agreed at the meeting of the Council's Executive on 10th June 2014 be noted; and,**
- 3) The Education Portfolio Outturn Report 2013/14 be recommended to the Portfolio for Education for approval.**

8 EDUCATION BUDGET SUB-COMMITTEE TERMS OF REFERENCE: REVIEW

The Sub-Committee reviewed the Terms of Reference for the Education Budget Sub-Committee, which had last been agreed in July 2012 and endorsed by the Education Policy Development and Scrutiny Committee on 11th September 2012.

Following discussion, the draft Terms of Reference were agreed and referred to the next meeting of the Education Policy Development and Scrutiny Committee for endorsement. The draft Terms of Reference are attached at **Appendix A**.

RESOLVED that:

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

9 EDUCATION BUDGET SUB-COMMITTEE WORK PROGRAMME 2014/15

The Sub-Committee considered the work programme for 2014/15 for the Education Budget Sub-Committee.

9th September 2014

- Capital Programme Monitoring
- Revenue Monitoring
- Additional Funding for Schools
- Annual Review of School Reserves

16th October 2014

- Dedicated Schools Funding Grant
- Additional Funding for Schools

6th January 2015

- Capital Programme Monitoring
- Revenue Monitoring
- Education Portfolio Budget 2015/16
- Dedicated Schools Funding Grant

3rd March 2015

- Capital Programme Monitoring
- Revenue Monitoring

The Chairman noted that a meeting of the Education Budget Sub-Committee would be convened when the market testing process of Education Services had been completed.

RESOLVED that the Education Budget Sub-Committee Work Programme for 2014/15 be noted.

10 ANY OTHER BUSINESS

In considering the high number of Bromley schools that had now converted to academy status, the Portfolio Holder for Education suggested that work be undertaken to identify the impact of this on the Education Portfolio budget. The Local Authority would continue to have a number of responsibilities to academy schools, including the delivery of the Every Child Matters outcomes and the provision of a range of services, such as Special Educational Needs Transport.

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 9th September 2014.

12 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.

13 EXEMPT MINUTES OF THE MEETING HELD ON 8TH APRIL 2014

RESOLVED that the exempt minutes of the Education Budget Sub-Committee meeting held on 8th April 2014 be agreed.

The Meeting ended at 7.48 pm

Chairman

**EDUCATION BUDGET SUB-COMMITTEE
REVISED TERMS OF REFERENCE**

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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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

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Report No.
FSD14061

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **EDUCATION BUDGET SUB-COMMITTEE**

Date: **9th September 2014**

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2014/15**

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 On 16th July 2014, the Executive received the 1st quarterly capital monitoring report for 2014/15 and agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. The report also covered any detailed issues relating to the 2013/14 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. This report highlights in paragraphs 3.1 to 3.5 changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio. The revised programme for this portfolio is set out in Appendix A, details on the 2013/14 outturn are included in Appendix B and detailed comments on scheme progress as at the end of the first quarter of 2014/15 are shown in Appendix C.

2. **RECOMMENDATION(S)**

- 2.1 **The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 16th July 2014.**

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Affective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. The Council continuously reviews its property assets and service users are regularly asked to justify their continued use of the property. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley".
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Total reduction of £0.2m over the 4 years 2014/15 to 2017/18.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £73.7m for the Education Portfolio over four years 2014/15 to 2017/18
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 16th July 2014

- 3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2013/14 and a detailed monitoring exercise carried out after the 1st quarter of 2014/15. The base position was the revised programme approved by the Executive on 12th February 2014, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Education Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.5. The revised Programme for the Education Portfolio is attached as Appendix A. Appendix B includes details of the final outturn in 2013/14 and Appendix C shows actual spend against budget in the first quarter of 2014/15, together with detailed comments on individual schemes.

	2014/15	2015/16	2016/17	2017/18	TOTAL 2014/15 to 2017/18
	£000	£000	£000	£000	£000
Programme approved by Executive 12/02/14	21,542	21,188	22,220	550	65,500
Variations approved since February 2014 (see para 3.2):					
- Schools Capital Maintenance Fund - additional grant (Executive 2/4/14)	1,809				1,809
- Glebe School expansion (Council 14/4/14)	2,065	2,733			4,798
- Property purchase for educational establishment (Executive 10/6/14)	1,790				1,790
Approved Programme prior to 1st Quarter's Monitoring	27,206	23,921	22,220	550	73,897
<u>Variations approved by Executive 16/07/14</u>					
Proposed scheme deletions following review of programme (see para 3.3)	-658				-658
Formula Devolved Capital (see para 3.4)	-91	-91	-91	-88	-361
Net underspendings in 2013/14 rephased into 2014/15 (see para 3.5)	793				793
Total Amendment to the Capital Programme	44	-91	-91	-88	-226
Total Revised Education Programme	27,250	23,830	22,129	462	73,671

3.2 Variations approved since the Executive meeting on 12th February 2014

Three new schemes/variations have been approved by the Executive since the meeting in February 2014. Firstly, additional Schools Capital Maintenance grant (£1,809k in 2014/15) was approved in April 2014; secondly, in April, the inclusion in the Capital Programme of the Glebe School expansion scheme (total cost £4,798k) was approved; and, thirdly, in June, the purchase of a property for use as an educational establishment (£1,790k) was approved.

3.3 Deletion of schemes following a review of the whole programme (£757k reduction)

Following consideration of the 3rd quarterly capital monitoring report for 2013/14 at the February meeting, a comprehensive review of the programme was carried out, with particular emphasis on schemes that had mostly remained dormant for a number of years or had completed some time ago, but had remained in the programme with residual scheme balances. Council Directors had considered all such schemes, had agreed a list for deletion and had agreed that, should there be a requirement for any of these to proceed in the future, a new bid for funding would need to be submitted. Four Education Portfolio schemes were deleted from the programme (a total reduction of £757k; £99k in 2013/14 and £658k in 2014/15). These are set out below:

- Extended services – residual balance previously declared surplus £44k (in programme since 2008)

- Hawes Down Co-location project – residual balance previously declared surplus £298k (in programme since 2009)
- Phoenix Pre-School SEN service – in programme since 2006 with no spend £208k
- Short breaks capital – residual balance of grant-funded scheme (in programme since 2007) £207k

3.4 Formula Devolved Capital (£361k reduction)

The July Executive meeting was informed that the level of funding received from the Department for Education by way of Formula Devolved Capital Grant is going to be lower than anticipated and approved an overall reduction of £361k to the capital programme (£91k in 2014/15, 2015/16 and 2016/17 and £88k in 2017/18). This was due to the increasing level of Academy conversions as Academies receive separate devolved capital funding from the Education Funding Agency.

3.5 Net underspendings in 2013/14 re-phased into 2014/15

The 2013/14 Capital Outturn was reported to the Executive on 10th June 2014. The final capital outturn for the year for Education Portfolio schemes was £5,981k compared to a revised budget of £21,542k approved by the Executive in February. After allowing for minor adjustments that were not rephased, a total of £793k was re-phased into 2014/15. Details of the 2013/14 outturn for this Portfolio are set out in Appendix B.

Post-Completion Reports

- 3.6 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. After major slippage of expenditure in recent years, Members confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. No post-completion reports are currently due for the Education Portfolio, but this quarterly report will monitor the future position and will highlight any further reports required.

4. POLICY IMPLICATIONS

- 4.1 Capital Programme monitoring and review is part of the planning and review process for all services.

5. FINANCIAL IMPLICATIONS

- 5.1 These were reported in full to the Executive on 16th July 2014. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns June 2014. Approved Capital Programme (Executive 12/02/14). Capital Outturn report (Executive 10/06/14) and Q1 monitoring report (Executive 16/07/14).

EDUCATION PORTFOLIO - APPROVED CAPITAL PROGRAMME 16th JULY 2014							APPENDIX A	
Capital Scheme/Project	Total Approved Estimate £'000's	Actual to 31.3.14 £'000's	Estimate 2014/15 £'000's	Estimate 2015/16 £'000's	Estimate 2016/17 £'000's	Estimate 2017/18 £'000's	Responsible Officer	Remarks
SCHOOLS								
SECONDARY SCHOOLS								
14-19 Diploma SEN 2.3d - Secondary School Investment Strategy							Rob Bollen	DSG £3,580k, Targeted Capital Grant £7,340k, S106 £500k
Newstead Wood	2500	2500					Rob Bollen	
Darrick Wood	1700	1700					Rob Bollen	
Hayes	1500	1500					Rob Bollen	
Riverside	500	500					Rob Bollen	
Ravenswood	2500	2500					Rob Bollen	
St Olave's	500	500					Rob Bollen	
Bullers Wood	1700	1700					Rob Bollen	
Contingency	204	204					Rob Bollen	£316k t/f to cover potential spend pressures on Langley Boys
	11104	11104	0	0	0	0		
Langley Park Boys School - BSF (Building Schools for the future) 2.3b	38338	37045	1293				Rob Bollen	BSF One School Pathfinder; government grant £35,800k; LBB contribution £2,006k re: enhanced performance space; £316k t/f from Secondary Investment Strategy
TOTAL SECONDARY SCHOOLS	49442	48149	1293	0	0	0		
PRIMARY SCHOOLS								
Primary Capital Programme 2.7							Rob Bollen	DCSF capital grant; £800k allocated to Riverside ASD scheme
Bickley Primary - expansion	1463	1463					Rob Bollen	£1,395k Primary Capital Programme (PCP) grant; £24k from Access initiative; £50k from extended services; £6k t/f to Highway
Princes Plain Primary - expansion	1270	1270					Rob Bollen	£1,114k PCP, £250k S106' £94k t/f to Highway
The Highway Primary - partial rebuild	5428	5300	128				Rob Bollen	£2,620k PCP, £500k Children & Family Centre grant, £300k Early Years, £600k planned maint; £93k schools capital maint in 11/12; £140k revenue cont in 11/12, £94k from Princes Plain; £434k from other PCP schemes.
Other schemes funded by Primary Capital Programme grant	3186	3186					Rob Bollen	Balance of PCP grant after allocations to Bickley, Princes Plain, Highway and Riverside ASD; £100k from maintenance re Pickhurst Infants; £144k for Crofton Juniors from School kitchens funding; £428k t/f to Highway
TOTAL PRIMARY SCHOOLS	11347	11219	128	0	0	0		
SPECIAL SCHOOLS								
Provision for children with social, emotional & behavioural difficulties	257	257					Rob Bollen	Invest-to save: reduction in out of borough placements £800k in a full year; additional costs £290k in a full year (funded from DSG)
Reconfiguration of Special Schools	5180	5067	113				Rob Bollen	Prudential borrowing (costs to be met from schools' budget); DSG contributions; £567k hydrotherapy pool approved by Executive 31/3/10
Glebe School expansion	4792	0	2059	2733			Rob Bollen	
TOTAL SPECIAL SCHOOLS	10229	5324	2172	2733	0	0		
OTHER EDUCATION SCHEMES								
Formula Devolved Capital 2.1a	5641	4433	302	302	302	302	Mandy Russell	100% government grant; reduced allocation in 2011/12 settlement
Seed Challenge Fund	2164	1476	688				Rob Bollen	£300k "suitability" funding in 2011/12; £11k for Farnborough scheme
Schools Access Initiative	1690	739	501	150	150	150	Rob Bollen	DDA requirement; £150k p.a from schools' revenue budget; £24k to Bickley PCP
Security Works	1070	690	380				Rob Bollen	£150k "suitability" funding in 2011/12
Children and Family Centres	6662	6075	587					100% DfES grant; £500k for Highway scheme, £750k for Hawes Down Co-location, grant cut by £802k; £297k revenue cont c/f from 12/13
Suitability / Modernisation issues in schools - general 2.2	1072	470	602				Rob Bollen	Now funded by 11/12 capital maintenance settlement; £46k from suitability surveys; £350k to Farnborough Primary
Capital maintenance in schools - 2011/12 settlement	8867	6921	1946				Rob Bollen	100% government grant - 2011/12 settlement; £300k to seed challenge; £150k to security works; £150k to suitability/modernisation settlement; £80k to Hawes Down Co-Location & £93k to The Highway in 11/12; £161k t/f from modernisation fund
Basic Need - 2011/12 settlement	62589	4363	15924	20635	21667		Rob Bollen	100% government grant - 2011/12 settlement; additional grant £1,182k in 11/12 & £4,090k in 12/13
Universal free school meals	387	0	387				Rob Bollen	100% government grant
Extended Services 2.10	687	687	0				Rob Bollen	DCSF capital grant; £142k for Hawes Down; grant cut by £134k; £50k to Bickley PCP; £225k not required
Hawes Down Co-Location 2.16	1504	1504	0				Rob Bollen	Co-location grant £470k, Short breaks capital £220k, Children & Family Centres grant £750k, Early Years capital £70k, Extended Services £142k, school contribution £70k; £80k schools capital maint (roof) in 11/12
Property purchase for educational establishment	1790		1790				Jane Bailey	
Short breaks capital	17	17	0				Hilary Rogers	100% government grant
Early Education for Two Year Olds	558	21	537				Nina Newell	100% government grant
Feasibility Studies	40	0	10	10	10	10	Rob Bollen	
OTHER SCHEMES								
Phoenix Pre-School SEN service - Council contribution	92	92	0				Rob Bollen	Prudential borrowing - costs to be met from schools' budget.
Youth centres - Capital improvements	72	69	3				Paul King	Youth Capital Fund grant £72k
TOTAL OTHER EDUCATION SCHEMES	94902	27557	23657	21097	22129	462		
TOTAL EDUCATION PORTFOLIO	165920	92249	27250	23830	22129	462		

EDUCATION PORTFOLIO - CAPITAL PROGRAMME OUTTURN 2013/14					
Capital Scheme/Project	2013/14 OUTTURN				Comments / action taken
	Actual to 31.3.13 £'000's	Approved Estimate Feb 2014 £'000's	Final Outturn £'000's	Variation (under- spend '-') £'000's	
SCHOOLS					
SECONDARY SCHOOLS					
14-19 Diploma SEN 2.3d - Secondary School Investment Strategy					
Newstead Wood	2500				
Darrick Wood	1700				
Hayes	1500				
Riverside	500				
Ravenswood	2500				
St Olave's	500				
Bullers Wood	1700				
Contingency	204				
	11104	0	0	0	
Langley Park Boys School - BSF (Building Schools for the future) 2.3b	36404	1000	641	-359	2013/14 underspend rephased into 2014/15
TOTAL SECONDARY SCHOOLS	47508	1000	641	-359	
PRIMARY SCHOOLS					
Primary Capital Programme 2.7					
Bickley Primary - expansion	1463				
Princes Plain Primary - expansion	1270				
The Highway Primary - partial rebuild	5174	154	126	-28	2013/14 underspend rephased into 2014/15
Other schemes funded by Primary Capital Programme grant	3186				
TOTAL PRIMARY SCHOOLS	11093	154	126	-28	
SPECIAL SCHOOLS					
Provision for children with social, emotional & behavioural difficulties	145	105	112	7	Minor overspend - scheme complete
Reconfiguration of Special Schools	5063		4	4	2013/14 overspend rephased into 2014/15
Glebe School expansion	0		6	6	2013/14 overspend rephased into 2014/15
TOTAL SPECIAL SCHOOLS	5208	105	122	17	
OTHER EDUCATION SCHEMES					
Formula Devolved Capital 2.1a	4032	393	401	8	Minor overspend met by capital grant
Seed Challenge Fund	1272	250	204	-46	2013/14 underspend rephased into 2014/15
Schools Access Initiative	630	160	109	-51	2013/14 underspend rephased into 2014/15
Security Works	530	195	160	-35	2013/14 underspend rephased into 2014/15
Children and Family Centres	5944	100	131	31	2013/14 overspend rephased into 2014/15
Suitability / Modernisation issues in schools - general 2.2	455	100	15	-85	2013/14 underspend rephased into 2014/15
Capital maintenance in schools - 2011/12 settlement	5370	1513	1551	38	2013/14 overspend rephased into 2014/15
Basic Need - 2011/12 settlement	1864	2700	2499	-201	2013/14 underspend rephased into 2014/15
Universal free school meals	0	0	0	0	Scheme starts in 2014/15
Extended Services 2.10	687	0	0	0	
Hawes Down Co-Location 2.16	1503	50	1	-49	Scheme deleted by Executive 16/07/14
Property purchase for educational establishment	0	0	0	0	Scheme starts in 2014/15
Short breaks capital	17	50	0	-50	Scheme deleted by Executive 16/07/14
Early Education for Two Year Olds	0	85	21	-64	2013/14 underspend rephased into 2014/15
Feasibility Studies	0	10	0	-10	Budget not required in 2013/14 and not rephased into 2014/15
OTHER SCHEMES					
Phoenix Pre-School SEN service - Council contribution	92	0	0	0	
Youth centres - Capital improvements	69	3	0	-3	2013/14 underspend rephased into 2014/15
TOTAL OTHER EDUCATION SCHEMES	22465	5609	5092	-517	
TOTAL EDUCATION PORTFOLIO	86274	6868	5981	-887	#
# £793k of total net underspend rephased into 2014/15					

EDUCATION PORTFOLIO - APPROVED CAPITAL PROGRAMME 2014/15 - 1ST QUARTER MONITORING					
Capital Scheme/Project	1st QUARTER 2014/15				Responsible Officer Comments
	Actual to 31.3.14	Approved Estimate Feb 2014	Actual to 6/6/14	Revised Estimate July 2014	
	£'000's	£'000's	£'000's	£'000's	
SCHOOLS					
SECONDARY SCHOOLS					
14-19 Diploma SEN 2.3d - Secondary School Investment Strategy					
Newstead Wood	2500				
Darrick Wood	1700				
Hayes	1500				
Riverside	500				
Ravenswood	2500				
St Olave's	500				
Bullers Wood	1700				
Contingency	204				
	11104	0	0	0	
	37045	934	20	1293	Moving into the final stages, final account being agreed with contractor. Element of retention that needs to move into 2014/15. £359k rephased from 2013/14.
Langley Park Boys School - BSF (Building Schools for the future) 2.3b					
TOTAL SECONDARY SCHOOLS	48149	934	20	1293	
PRIMARY SCHOOLS					
Primary Capital Programme 2.7					
Bickley Primary - expansion	1463				
Princes Plain Primary - expansion	1270				
	5300				
The Highway Primary - partial rebuild		100		128	Scheme completed. Final account discussions/final payments being made. Any funding that may remain can be returned to Basic Need as allocations were made from this funding source to underpin this scheme. £28k rephased from 2013/14.
Other schemes funded by Primary Capital Programme grant	3186				
TOTAL PRIMARY SCHOOLS	11219	100	0	128	
SPECIAL SCHOOLS					
Provision for children with social, emotional & behavioural difficulties	257				Scheme completed
Reconfiguration of Special Schools	5067	117		113	Works completed, residual amounts could be used for the new Riverside scheme. £4k overspend in 2013/14.
Glebe School expansion	0		48	2059	New scheme approved by Council 14/04/14
TOTAL SPECIAL SCHOOLS	5324	117	48	2172	
OTHER EDUCATION SCHEMES					
Formula Devolved Capital 2.1a	4433	393		302	In and out to Schools; grant reduced by £91k in 2014/15
					£300k transferred from maintenance to support programmes as per previous years. Schools have to contribute to projects. £46k rephased from 2013/14.
Seed Challenge Fund	1476	342		688	
Schools Access Initiative	739	450		501	Ongoing discussions with schools. Funding often ad hoc as needs arise as schools take particular cohorts of children. Can also be linked top larger schemes and integrated into those. Funded through DSG. £51k rephased from 2013/14.
					Ad hoc security works for schools. Additional £150k transferred from maintenance to support schemes as per previous years. £35k rephased from 2013/14.
Security Works	690	195	22	380	
Children and Family Centres	6075	618	189	587	Potential funding for issues arising out of Castlecombe and Mottingham. £618k rephased into 2014/15. £31k overspend in 2013/14.
Suitability / Modernisation issues in schools - general 2.2	470	367	1	602	Additional £150k transferred from maintenance budget as per previous years. £85k rephased from 2013/14.
Capital maintenance in schools - 2011/12 settlement	6921	775	-80	1946	Various programmes as per the reports to PDS. £1,809k additional grant. £600k reallocated to other budgets. £38k overspend in 2013/14.
Basic Need - 2011/12 settlement	4363	15723	345	15924	Various projects as per PDS reports. £201k rephased from 2013/14. Covering expansion programme in all schools.
Universal free school meals	0	387	21	387	New government grant allocation for 2014/15.
Extended Services 2.10	687	44		0	Scheme deleted (Executive 16/07/14)
Hawes Down Co-Location 2.16	1504	249		0	Scheme deleted (Executive 16/07/14)
Property purchase for educational establishment	0	0		1790	New scheme (Executive 10/06/14)
Short breaks capital	17	157		0	Scheme deleted (Executive 16/07/14)
Early Education for Two Year Olds	21	473	-1	537	One-off funding to assist in the capital expenditure of two year old care in nurseries. £64k rephased from 2013/14.
Feasibility Studies	0	10		10	
OTHER SCHEMES					
Phoenix Pre-School SEN service - Council contribution	92	208		0	Scheme deleted (Executive 16/07/14)
Youth centres - Capital improvements	69	0		3	Likely to complete this year. £3k rephased from 2013/14.
TOTAL OTHER EDUCATION SCHEMES	27557	20391	497	23657	
TOTAL EDUCATION PORTFOLIO	92249	21542	565	27250	

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Report No.
ED15099

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EDUCATION BUDGET SUB-COMMITTEE

Date: Tuesday 9 September 2014

Decision Type: Non-Urgent Executive Non-Key

Title: EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2014/15

Contact Officer: James Mullender, Senior Accountant
Tel: 020 8313 4292 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director of Education, Care & Health Services

Ward: All Wards

1. Reason for report and summary of budget position

- 1.1 This report provides an update of the latest budget monitoring position for 2014/15 for the Education Portfolio, based on expenditure and activity levels up to the end of July 2014.
- 1.2 The Schools' Budget is funded from Dedicated Schools' Grant and other specific grants, and is forecast to be underspent by £1,308k. Any over or underspends on this budget are carried forward into the next financial year.
- 1.3 The Non-Schools' Budget is funded from Council Tax, Revenue Support Grant and other specific grants, and the controllable part of it is forecast to be in an overspend position of £369k. This assumes that £519k will be drawn down from contingency at the end of the financial year to offset the shortfall in Education Services Grant (ESG).

2. RECOMMENDATION(S)

2.1 The Education PDS Budget Sub-Committee is requested to:

- (i) Consider the latest 2014/15 budget projection for the Education Portfolio
- (ii) Refer the report to the Portfolio Holder for approval

2.2 The Portfolio Holder for Education is requested to:

- (i) Endorse the latest 2014/15 budget projection for the Education Portfolio

Corporate Policy

1. Policy Status: Existing Policy: Sound financial management
 2. BBB Priority: Children and Young People; Excellent Council
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Education Portfolio budgets
 4. Total current budget for this head: £13.45m
 5. Source of funding: Existing revenue budgets 2014/15
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000 and the Local Government Act 2002
 2. Call-in: Applicable
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The 2014/15 projected outturn for the Education Portfolio is detailed in Appendix 1, broken down over each service area. Appendix 2 gives explanatory notes on the variations in each service area.

The Schools' Budget

- 3.2 An element of the Education budget within Education Care and Health Services (ECHS) department is classed as Schools' Budget and is funded by the Dedicated Schools Grant (DSG). Grant conditions requires that any over- or under- spend should be carried forward to the next financial year. The Schools' Budget is currently projected to underspend by £1,308k; details are contained within Appendices 2 and 4.

The Non-Schools' Budget

- 3.3 The rest of the Education budget within ECHS is classed as Non Schools' Budget, and this is projected to overspend by £369k. This is a result of a £90k overspend in Youth Service due to delayed implementation of savings, and a £299k overspend in Adult Education. The Adult Education overspend is a continuation of the overspend which had been projected throughout 2013/14, and action is required to address this. Details of the variations are contained within Appendices 2 and 4.
- 3.4 The Education Services Grant is forecast to be overspent by £519k. However for monitoring purposes it is assumed that the funding will be drawn down from the central contingency at the end of the financial year and therefore no variation is reported.
- 3.5 Costs attributable to individual services have been classified as "controllable" and "non-controllable" in Appendices 1 and 4. Budget holders have full responsibility for those budgets classified as "controllable" as any variations relate to those factors over which the budget holder has influence and control. "Non-controllable" budgets are those which are managed outside of individual budget holder's service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include for example cross departmental recharges and capital financing costs. This ensures clear accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the "controllable" budget variations in considering financial performance.

Full Year Effect for 2015/16

- 3.6 The full year effect pressure of the projected variations currently stands at £974k. This is in part due to the impact of the Education Services Grant (ESG), formerly known as LA LACSEG. As Schools convert to Academy status, DfE reduce the grant given to authorities to reflect a transfer of duties and responsibilities from the Authority to the Academy.
- 3.7 There are also full year effects of pressures arising from the Adult Education Service. There have been changes to the funding regime by central government in which courses that were previously chargeable are now free to the user. This has resulted in an increase in the number of students claiming full fee remission as they are unemployed. This should in part be mitigated by a reduction in staffing costs and running expenses, and the service has made some efficiency savings; however this has not achieved the same level that income has reduced by. The service is currently investigating the potential for further service streamlining/reduction.
- 3.8 The full year effect pressures will need to be contained in 2015/16, and actions will have to be taken by the Department to offset these pressures.

Children's Centres

- 3.9 At the last meeting of this committee, the Portfolio Holder approved the release from contingency of a carry forward from the 2013/14 Bromley Children's Project underspends of £297k. The money was added to the £290k remaining in the Sure Start Capital Programme to fund essential repairs to Castlecombe and Mottingham children's centres.
- 3.10 The work at Castlecombe was recently completed, on schedule (29th July) and within budget, and at time of writing, the centre is expected to open on 1st September 2014.

Early Warning

- 3.11 Behaviour Service funding was delegated to schools in April 2013, and as a result the Secondary Outreach service was set up as a trading account. The service has unable to meet the budgeted income targets, and it is estimated that an overspend of approximately £80k is likely for the period to the end of July 2014, when the service was terminated and the staff assimilated into the Pupil Referral Unit's establishment.

Directors Comments

- 3.12 The Education budget is projecting a small overspend as a result of the pressures on Adult Education. Changes in funding from central government has left some of its courses very exposed and staff will be looking at how costs might be controlled in the planning of the coming term's programmes.

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 Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2014/15 budget for the Education Portfolio is projected to be overspent by £369k at the year-end based on the financial information as at 31st July 2014.
- 5.2 A detailed breakdown of the projected outturn by service is shown in Appendix 1 with explanatory notes in Appendix 2. Appendix 3 shows the full year effect of any pressures and savings. Appendix 4 shows the split between Schools' Budget and Non-Schools'/Local Authority Budget, and Appendix 5 gives the analysis of the latest approved budget.

Non-Applicable Sections:	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	2014/15 Budget Monitoring files in ECHS Finance Section

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 401	Adult Education Centres	Cr 602	Cr 602	Cr 303	299	1	230	299
275	Alternative Education and Welfare Service	104	104	104	0		0	0
412	Schools and Early Years Commissioning & QA	565	565	565	0		0	0
4,451	SEN and Inclusion	4,772	4,772	4,772	0	2	0	0
213	Strategic Place Planning	255	255	255	0		0	0
11	Workforce Development & Governor Services	11	11	11	0		0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	3	0	675
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	4	0	0
160	Other Strategic Functions	158	158	158	0		0	0
0	Early Years	0	0	0	0		0	0
0	Primary Schools	0	0	0	0		0	0
0	Secondary schools	0	0	0	0		0	0
0	Special Schools & Alternative Provision	0	0	0	0		0	0
0	Post-16 Provision	0	0	0	0		0	0
749		1,038	1,038	1,337	299		230	974
Children's Social Care								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,468	1,558	90	5	90	0
1,889	Referral and Assessment Children's Centres	2,143	2,440	2,420	Cr 20	6	0	0
3,679		3,611	3,908	3,978	70		90	0
4,428	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,649	4,946	5,315	369		320	974
9,221	Total Non-Controllable	5,096	5,117	5,114	Cr 3		Cr 4	0
3,802	Total Excluded Recharges	3,386	3,386	3,386	0		0	0
17,451	TOTAL EDUCATION PORTFOLIO - ECHS	13,131	13,449	13,815	366		316	974
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 23	0	7		0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0			0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	Cr 61	0			0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0			0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0			0
	Community Vision Nursery (RSG Funded)	0	0	0	0			0
	Blenheim Nursery (RSG Funded)	0	0	0	0			0
	Business Partnerships (RSG Funded)	0	0	0	0			0
	Total Sold Services	Cr 138	Cr 138	Cr 138	0		0	0

REASONS FOR VARIATIONS**1. Adult Education - Dr £299k**

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A total reduction in grant, tuition fee and other income of £317k has not been matched by the same level of reductions in the running costs of the service.

Variations		£'000
Skills Funding Agency grant		178
Tuition fee income		165
Lettings and other fees and charges	Cr	26
Business rates and other premises costs		25
Supplies and services	Cr	36
Staffing	Cr	7
		299

2. SEN and Inclusion - Dr £0k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Reform Grant. LBB's allocation of this grant for 2014/15 is £382k, draw-down of which was approved by Executive on 2nd April 2014. The SEN assessment and monitoring team is currently projected to have an underspend of £50k on staffing due to staff being charged to the SEN Reform Grant and temporary vacancies, offset by an overspend of £15k on consultancy work for tribunals, and an estimated £35k new cost for mediations.

3. Education Services Grant - Dr £0k

Current projections for the Education Services Grant (ESG) allocation is £519k 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 current projection is based on the 3 conversions on 1st April and 1 on 1st August 2014, with a further 13 conversions approved by DfE, including the PRU, all expected to convert before December 2014. The projection also includes a further 8 conversions which DfE has either received an application for, or are deemed likely to occur. The full year effect of these 25 conversions is £1,194k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

4. 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 projected underspend of £1,308k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the significant underspend in 2013/14, primarily due to lower than budgeted numbers of children, combined with the maintained lower average costs.

SEN support costs for students in further education establishments, for which funding and responsibility transferred to the authority for the first time in September 2013, is currently expected to underspend by £123k.

The 2014/15 budget included a sum of £600k to be allocated to early years providers. It had previously been anticipated that this would be unspent, as the funding regulations no longer permit in-year changes to the early years funding formula, however DfE has since confirmed that this can in fact be distributed in-year as top-up funding.

A net increase of £261k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and a reduction in high needs funding relating to special unit places at a school which converted to academy status.

A major pressure areas in 2013/14 was Free Early Education (FEE) provision for 3 and 4 year olds, with an outturn of £529k overspend. To offset this, and to manage the anticipated continued growth in take-up, £1.3m budget growth was added for 2014/15. An underspend of £222k is now projected on the £11.4m total budget.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15, with an estimated 32% achieved by March 2014 against DfE's target of 40% for September 2014. However, current projections suggest that a significant underspend of around £1.4m is likely on this budget. From 2015/16 onwards DfE will fund this provision on a participation basis, so this underspend will not continue. The service are also intending to contribute £150k in-year from this underspend to the capital scheme to help build capacity for these extra places.

The underspends above are partly offset by a continued increase in the requirement for bulge classes, resulting in an overspend of £793k on the £1m budget.

Variations		£'000
SEN Placements	Cr	395
SEN Support in FE colleges	Cr	123
FEE provision - 3 & 4 year olds	Cr	222
FEE provision - 2 year olds	Cr	1,250
Additional Early Years DSG allocation	Cr	314
Additional High Needs DSG deductions		53
Bulge classes		793
One-off spend re academy conversions/classroom rental etc		150
	Cr	1,308

5. Youth Service - Dr £90k

Savings of £360k have been applied to the BYSP budget. The majority of the savings will be achieved through the realigning and repositioning of the Youth Services (universal and targeted). During this process there has been a staff consultation and the planned restructure will be completed at the end of September. This will result in a one-off in-year overspend of £90k.

6. Referral & Assessment Children's Centres - Cr £20k

There is a £20k underspend projected for the Parent Partnership team as a result of two part-year vacancies.

7. 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.

Early Warning

For 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a trading account selling to schools. From early on it was recognised that the service would not be able to achieve the income target, and was a major pressure on the Education budget. At the end of July 2014, the staff were assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Education Trust Academy would continue the service when the PRU converts to academy status in September 2014. Due to the term-time nature of the service, it has not been possible to complete a final variation for the service now that it has ceased as part of LBB, but estimates suggest that a shortfall of approximately £80k is likely.

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. One waivers has been approved since the last report to the Executive, for £303k for therapy provision for Bromley schools and settings.

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, a virement of £173k for funding of the Behaviour and Attendance Partnership/Local Inclusion Forum has been approved.

FULL YEAR EFFECT OF VARIATIONS FOR 2015/16

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Education Services Grant	Cr 2,732	0	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and grant reduces in-year as schools convert to academies. The full year effect of the 25 conversions projected to take place during 2014/15 is £1,194k. Assuming that the in year shortfall of £519k is drawn down from contingency, the full year effect is reduced to £675k.
Adult Education	Cr 602	299	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. The service has indicated that they will plan for further efficiency savings, however there is a total income shortfall of £317k, with only a net reduction of £18k on running costs to offset this.

Division Service Areas		Non-Schools' Budget (RSG)							Schools' Budget (DSG)						
		Original Budget	Revised Budget	Projection	Variation	Last Reported Variation	FYE		Original Budget	Revised Budget	Projection	Variation	Last Reported Variation	FYE	
		£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	
Education Division															
Adult Education Centres	1	Cr 602	Cr 602	Cr 303	299	230	299		0	0	0	0	0	0	
Alternative Education and Welfare Service		104	104	104	0	0	0		1,521	1,521	1,521	0	0	0	
Schools and Early Years Commissioning & QA		565	565	565	0	0	0		15,919	15,917	14,445	Cr 1,472	Cr 600	0	
SEN and Inclusion	2	4,772	4,772	4,772	0	0	0		23,740	22,747	22,229	Cr 518	Cr 1,161	0	
Strategic Place Planning		255	255	255	0	0	0		276	276	276	0	0	0	
Workforce Development & Governor Services		11	11	11	0	0	0		106	106	106	0	0	0	
Education Services Grant	3	Cr 2,732	Cr 2,732	Cr 2,732	0	0	675		0	0	0	0	0	0	
Schools Budgets	4	Cr 1,493	Cr 1,493	Cr 1,493	0	0	0		Cr 118,896	Cr 112,241	Cr 111,559	682	476	0	
Other Strategic Functions		158	158	158	0	0	0		0	0	0	0	0	0	
Early Years		0	0	0	0	0	0		1,085	0	0	0	0	0	
Primary Schools		0	0	0	0	0	0		55,100	55,134	55,134	0	0	0	
Secondary schools		0	0	0	0	0	0		2,751	3,201	3,201	0	0	0	
Special Schools & Alternative Provision		0	0	0	0	0	0		16,353	11,294	11,294	0	0	0	
Post-16 Provision		0	0	0	0	0	0		0	0	0	0	0	0	
		1,038	1,038	1,337	299	230	974		Cr 2,045	Cr 2,045	Cr 3,353	Cr 1,308	Cr 1,285	0	
Children's Social Care															
Bromley Youth Support Programme - (Youth Services)	5	1,468	1,468	1,558	90	90	0		0	0	0	0	0	0	
Referral and Assessment Childrens Centres	6	2,143	2,440	2,420	Cr 20	0	0		0	0	0	0	0	0	
		3,611	3,908	3,978	70	90	0		0	0	0	0	0	0	
TOTAL CONTROLLABLE		4,649	4,946	5,315	369	320	974		Cr 2,045	Cr 2,045	Cr 3,353	Cr 1,308	Cr 1,285	0	
TOTAL NON CONTROLLABLE		5,096	5,117	5,114	Cr 3	Cr 4	0		90	90	90	0	0	0	
TOTAL EXCLUDED RECHARGES		3,386	3,386	3,386	0	0	0		1,402	1,402	1,402	0	0	0	
PORTFOLIO TOTAL		13,131	13,449	13,815	366	316	974		Cr 553	Cr 553	Cr 1,861	Cr 1,308	Cr 1,285	0	

EDUCATION PORTFOLIO BUDGET ALLOCATIONS FOR 2014/15

Reconciliation of Latest Approved Budget	£'000
Original Budget 2014/15	13,131
SEN Reform Grant Income	Cr 382
SEN Reform Grant Expenditure	382
Children's Centres carry forward	297
Non-controllable carry forward re Adult Education property	21
Latest Approved Budget for 2014/15	<u>13,449</u>

Report No.
ED15104

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Schools' Forum**

Date: **25 September 2014**

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

Date: **9 September 2014**

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

TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2013/14

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

Chief Officer: Jane Bailey, Assistant Director (Education)

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2014, and also provides a comparison to the balances held at the same time in the previous year.

2. **RECOMMENDATION(S)**

- 2.1 **The Education Budget Sub-Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2013/14 financial year and to identify any matters for specific comment and referral to the Portfolio Holder for Education.**
- 2.2 **The Schools' Forum is asked to note the balances for information.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Dedicated Schools Grant 2013/14
 4. Total current budget for this head:
 5. Source of funding:
-

Staff

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

Legal

1. Legal Requirement: Non-statutory - Government guidance:
 2. Call in: Not Applicable
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2014 the end of the 2013/14 financial year.
- 3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is a framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2014.
- 3.3 The CFR framework consists of six balances, which provide an overall picture of a school's resources available from one year to the next, and gives information on balances carried forward. The balances are categorised as follows:
- BO1 Committed Revenue Balances
 - BO2 Uncommitted Revenue Balances
 - BO3 Devolved Formula Capital Balances
 - BO5 Other Capital Balances
 - BO6 Community Focused Extended Schools Balances
- Nb BO4 Other Standard Fund Capital Balances has been deleted as standards funds no longer exist.
- 3.4 The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 7.94% of School Budget Shares compared to 6.06% at the end of 2012/13, which is an increase of 1.88%. Secondary school balances are 18% compared to 13% at the end of 2012/13; an increase of 5%. Special School balances have increased to 8.10% compared to 6.65% the previous year; an increase of 1.45%.
- 3.5 A comparison of the levels of school balances as at 31 March 2014 to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
Revenue balances only as at: 31.03.14			
Committed Revenue Balances (BO1)	1,069 (1.94%)	0 (0%)	209 (1.62%)
Uncommitted Revenue Balances (BO2)	3,201 (6.0 %)	837 (18%)	834 (6.48%)
	4,270 (7.94%)	837 (18%)	1,043 (8.10%)
Revenue balances only as at: 31.03.13			
Committed Revenue Balances (BO1)	673 (1.33%)	45 (1%)	90 (0.87%)
Uncommitted Revenue Balances (BO2)	2,582 (4.73%)	519 (12%)	591 (5.78%)
	3,255 (6.06%)	564(13%)	681 (6.65%)

- 3.6 Full details of schools balances can be seen at **Appendix 1**

3.7 In accordance with DfE guidelines the Bromley Scheme for Financing Schools was updated in 2011 to remove the balance control mechanism. Previously this allowed local authorities to deduct any balances in BO2 (uncommitted revenue balances) in excess of 5% for secondary schools and 8% for primary and special schools from the following year's school budget share. All schools with balances in excess of 8% have been asked to complete a proforma detailing the reason for holding a high balance and their plans for reducing the balance in year.

3.8 In Appendix 1 the highlighted schools have reached the surplus/deficit thresholds above

The DFE now require further analysis to be undertaken in relation to this data. LAs are required to provide information on how they are proposing to address the issue if an:

A: LA has overspent its Dedicated Schools Grant by 2% or more (ie it is 2% or more in deficit)

B: LA has underspent its Dedicated Schools Grant by 5% or more (ie it is 5% or more in surplus)

C: LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria

D: LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. LAs will only be asked for more information where at least three schools in the LA meet the criteria.

Schools that would fall into these categories have been highlighted on the table at **Appendix 2.**

3.9 This report also provides information on those schools with a deficit revenue balance. As at 31 March 2014, 2 primary schools have a deficit balance. One of these schools has a signed Academy Orders to convert to Academy status later this year, at which point their deficit will be repaid to the LA. The Schools' Finance Support Team (SFST) will work with the school to ensure that their deficits are maintained at a reasonable level up to the point of closure. The other primary school has an agreed deficit recovery plan in place and the Schools Finance Support Team will work closely with this school to ensure that the recovery plan is achieved.

3.10 In accordance with DfE requirements the SFST will also work with schools with schools with high balances to ensure that they are being used effectively. Schools have been advised that revenue funding is allocated on an annual basis to support the cost of education for their current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.

3.11 **Appendix 3** shows a statement from each of the schools in deficit and those with large uncommitted surplus balances outlining the reasons for this and the management action to be taken to either recover the deficit or to reduce the balances to a reasonable level.

3.12 Members may be aware that under the Fairer Funding arrangements Bromley is scheduled to receive an increase of £19.5million to the Dedicated Schools Grant in 2015/16. This is in recognition of the relative underfunding of Bromley schools compared to other local authorities in previous years. This matter will be subject to a separate

report to Members to agree the proposed distribution of this funding to schools, but it should be noted that schools will be receiving considerable amounts of new funding which, if not planned for strategically could result in a further increase of some already high balances.

4. FINANCIAL IMPLICATIONS

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

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

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School Balances - Revenue and Capital

	2012-13				2013-14				Appendix 1				
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/13	B02 Rev Bal as % of 2013/14 SBS	BO1 & B02 Rev Bal as % of 2013/14 SBS	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/14	B02 Rev Bal as % of 2014/15 SBS	BO1 & B02 Rev Bal as % of 2014/15 SBS	School Budget Share 2014-15	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Balance C/fwd as at 31-Mar-14
Primary Schools													
Bickley Primary	11,671	106,538	9%	10%	33218	115,791	9%	11%	1341731	7,757	10,668	0	167,435
Blenheim Primary		-27,664	-3%	-3%	0	12,947	1%	1%	966061	0	0	0	12,947
Bromley Road Infants	5,330	89,632	9%	10%	8725	76,587	8%	8%	1003984	9,589	0	0	94,901
Burnt Ash Primary	37,300	161,038	8%	10%	0	144,181	7%	7%	1943256	0	0	0	144,181
Chelsfield Primary	20,200	119,421	24%	28%	4428	112,385	23%	24%	485780	0.00	0	0	116,813
Chislehurst C.E. Primary	0	54,048	8%	8%	2884	46,773	7%	7%	708336	7,751	0	0	57,408
Churchfields Primary	38,150	83,302	6%	8%	27351	98,444	6%	8%	1670558	0	0	0	125,795
Clare House Primary	0	-117,043	-13%	-13%	0	-65,038	-7%	-7%	978256	12,895	0	0	-52,143
Cudham CE	0	52,387	10%	10%	5050	41,659	8%	9%	539151	3,295	0	0	50,004
Darrick Wood Junior	30,653	12,984	1%	4%	33194	53,553	4%	7%	1264298	9,607	0	0	96,354
Dorset Road Primary	8,825	9,054	2%	4%	33677	22,788	6%	14%	407664	40,989	0.00	0	97,454
Downe Primary	0	39,013	9%	9%	8359	34,542	8%	10%	432519	0	0	0	42,901
Edgebury Primary	24,720	59,248	7%	10%	3450	73,105	9%	10%	795927	6,371	0	0	82,927
Hawes Down Infants	15,900	97,977	11%	13%	6024	112,007	12%	13%	925041	6,076	10,677	0	134,784
Hawes Down Juniors	0	-14,252	-1%	-1%	2100	-11,062	-1%	-1%	1009518	8,443	0	0	-518
Holy Innocents RC Primary	10,000	5,228	1%	2%	41792	10,874	1%	7%	767179	0	8,993	0	61,660
James Dixon Primary	13,160	96,728	5%	6%	107555	47,344	2%	8%	1950739	0	27	0	154,927
Keston CE	6,470	59,108	7%	7%	0	100,504	11%	11%	877688	26,664	4,132	0	131,300
Leesons Primary	43,468	27,738	3%	7%	43289	80,151	8%	12%	1056245	8,591	0	0	132,031
Marian Vian Primary	29,081	111,394	6%	7%	16218	139,159	7%	8%	1966402	13,440	0	4,971	173,788
Mead Road Infant	5,874	15,867	4%	5%	33834	34,658	8%	15%	447538	266	0	0	68,758
Midfield Primary	0	91,537	6%	6%	27189	60,743	4%	5%	1665785	5,040	0	0	92,972
Mottingham Primary	48,975	47,880	4%	7%	50496	34,950	2%	6%	1475756	0	0	3,611	89,057
Oak Lodge Primary	0	45,769	2%	2%	0	55,804	3%	3%	1947324	0	14,360	0	70,164
Oakland Primary	0	48,844	3%	3%	2124	31,987	2%	2%	1685325	23	0	0	34,134
Poverest Primary	23,464	92,851	8%	10%	18109	154,752	14%	15%	1123855	0	0	16,466	189,328
Pratts Bottom Primary	32,388	41,307	10%	17%	63980	3,163	1%	15%	435302	7,393	0	0	74,536
Princes Plain Primary	41,752	17,643	1%	3%	54723	70,576	3%	5%	2778290	1,103	0	0	126,402
Red Hill Primary	100,560	195,091	8%	12%	88430	301,194	12%	16%	2425251	11,200	27,562	0	428,387
Scotts Park Primary	19,761	88,928	6%	7%	47780	15,355	1%	4%	1624478	0.81	0	0	63,136
Southborough Primary	40,827	214,639	13%	15%	35713	217,093	13%	15%	1648437	0	28,601	0	281,406
St Anthony's RC Primary	0.00	84,603	11%	11%	2297	108,470	15%	15%	747709	0.00	20,346.63	0	131,114
St George's CE (Bickley) Primary	0	7,759	1%	1%	3022	165,617	14%	15%	1160613	0	9,655	0	178,294
St John's CE Primary	0	108,628	9%	9%	0	80,532	8%	8%	999883	0	7,915	0	88,447
St Josephs Primary	19,738	19,051	3%	5%	44799	35,895	5%	11%	728723	10,038	0	0	90,732
St Mark's CE Primary	490	84,718	6%	6%	0	66,430	5%	5%	1440236	0	18,791	0	85,221
St Mary Cray Primary	8,000	6,592	1%	2%	43300	54,857	6%	10%	993448	0	0	0	98,158
St. Mary's RC (Beckenham)	0	54,626	4%	4%	0	57,107	4%	4%	1307534	15,940	0	0	73,047
St Pauls Cray Primary	737	81,982	8%	8%	14703	89,343	8%	10%	1059794	0	0	0	104,046
St Philomena's RC Primary	2,307	1,117	0%	0%	28752	1,887	0%	4%	821095	0.00	7,839.12	0	38,478
St Vincent's RC Primary	3,300	54,411	7%	8%	16777	61,487	8%	10%	772780	3,295.01	0.00	0	81,559
St Peter and St Pauls Primary	10,000.00	-22,215	-3%	-2%	78748	4,241	1%	11%	773338	0.00	0.00	0	82,989
The Highway Primary	11,348	27,355	4%	5%	8833	30,078	4%	5%	808977	648	0	0	39,559
Unicorn	0	69,221	6%	6%	4713	50,514	4%	4%	1235557	11,593	0	0	66,820
Wickham Common Primary	8,326	43,771	3%	4%	20151	113,984	8%	10%	1407567	0	0	0	134,135
Worsley Bridge Junior	0	34,382	5%	5%	3468	53,815	5%	5%	1149374	10,591	0	0	67,875
Sub-total	672,776	2,582,233	4.73%	6.06%	1,069,252	3,201,232	6%	7.94%	53,754,298	238,601	169,567	25,049	4,703,701
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/13	B02 Rev Bal as % of 2013/14 SBS	BO1 & B02 Rev Bal as % of 2013/14 SBS	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/14	B02 Rev Bal as % of 2014/15 SBS	BO1 & B02 Rev Bal as % of 2014/15 SBS	School Budget Share 2014-15	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Balance C/fwd as at 31-Mar-14
Secondary Schools													
St. Olaves	45,000	518,678	12%	13%	0	837,518	18%	18%	4714240	0	17,813	0	855,330
Sub-total	45,000	518,678	12%	13%	0	837,518	18%	18%	4714240	0	17,813	0	855,330
Special Schools													
Burwood School	7,526	73,199	6%	7%	38,635	80,572	7%	11%	1083433	26,667	1,850	2,025	149,749
Glebe	32,513	145,005	6%	7%	100,074	155,805	6%	10%	2476481	0	30,000	96,904	382,782
Marjorie McClure	49,713	40,993	2%	5%	53,143	37,371	2%	4%	2107304	0	3,443	0	93,957
Riverside	0	331,569	7%	7%	16,775	383,517	8%	8%	4797785	0	0	0	400,292
Pupil Referral Unit	0	0	0%	0%	0	176,748	7%	7%	2412000	4,350	0	0	181,098
Sub-total	89,752	590,767	5.78%	6.65%	208,627	834,012	6.48%	8.10%	12,877,003	31,017	35,293	98,929	1,207,878
TOTAL	807,528	3,691,678	1%	0.8%	1,277,879	4,872,761	7%	8.6%	71,345,541	269,618	222,673	123,977	6,766,909

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Analysis of School Revenue Balances in accordance with DfE Requirements

Appendix 2

	2013-14		2012-13		2011-12		2010-11		2009-10	
	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2014/15 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2013/14 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2012/13 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2011/12 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2011/12 SBS
Primary Schools										
Bickley Primary	£149,009	11%	£118,210	10%	£87,800	8%	£41,030	4%	£-4,302	-1%
Blenheim Primary	£12,947	1%	£-27,664	-3%	£-28,659	-3%	£40,611	5%	£91,580	14%
Bromley Road Infants	£85,312	8%	£94,962	10%	£93,202	11%	£79,525	9%	£62,379	8%
Burnt Ash Primary	£144,181	7%	£198,338	10%	£137,222	7%	£161,319	9%	£144,578	9%
Chelsfield Primary	£116,813	24%	£139,621	28%	£102,904	20%	£51,755	10%	£16,559	4%
Chislehurst C.E. Primary	£49,657	7%	£54,048	8%	£63,520	9%	£55,267	8%	£30,711	4%
Churchfields Primary	£125,795	8%	£121,452	8%	£81,007	6%	£109,166	8%	£90,418	8%
Clare House Primary	£-65,038	-7%	£-117,043	-13%	£-126,722	-16%	£-78,309	-11%	£-65,158	-10%
Cudham CE	£46,709	9%	£52,387	10%	£38,487	8%	£23,604	5%	£3,606	1%
Darrick Wood Junior	£86,747	7%	£43,637	4%	£18,469	1%	£26,660	8%	£4,029	0%
Dorset Road Primary	£56,466	14%	£17,879	4%	£14,779	4%	£39,672	11%	£36,506	11%
Downe Primary	£42,901	10%	£39,013	9%	£27,541	7%	£647	0%	£93	0%
Edgebury Primary	£76,555	10%	£83,968	10%	£63,442	8%	£86,650	11%	£97,388	14%
Hawes Down Infants	£118,031	13%	£113,877	13%	£71,786	9%	£46,418	6%	£19,588	3%
Hawes Down Juniors	£-8,962	-1%	£-14,252	-1%	£-19,069	-2%	£-5,033	-1%	£29,090	3%
Holy Innocents RC Primary	£52,666	7%	£15,228	2%	£22,936	3%	£27,231	4%	£45,605	7%
James Dixon Primary	£154,899	8%	£109,888	6%	£35,085	2%	£38,007	2%	£16,522	1%
Keston CE	£100,504	11%	£65,578	7%	£48,022	6%	£28,670	4%	£27,043	4%
Leesons Primary	£123,440	12%	£71,206	7%	£-687	0%	£-13,126	-1%	£-28,201	-4%
Marian Vian Primary	£155,377	8%	£140,475	7%	£133,710	7%	£90,442	5%	£110,434	6%
Mead Road Infant	£68,492	15%	£21,741	5%	£27,576	7%	£29,328	8%	£22,121	6%
Midfield Primary	£87,932	5%	£91,537	6%	£114,664	9%	£90,757	7%	£136,643	13%
Mottingham Primary	£85,446	6%	£96,855	7%	£68,849	6%	£114,600	10%	£213,620	22%
Oak Lodge Primary	£55,804	3%	£45,769	2%	£43,778	2%	£44,436	2%	£3,959	0%
Oakland Primary	£34,111	2%	£48,844	3%	£95,641	7%	£52,362	4%	£61,790	6%
Poverest Primary	£172,861	15%	£116,315	10%	£138,870	13%	£188,209	18%	£176,072	18%
Pratts Bottom Primary	£67,143	15%	£73,695	17%	£93,878	22%	£102,934	25%	£75,014	21%
Princes Plain Primary	£125,299	5%	£59,395	3%	£121,194	6%	£85,090	4%	£142,344	10%
Red Hill Primary	£389,624	16%	£295,651	12%	£176,388	8%	£156,182	8%	£165,430	9%
Scotts Park Primary	£63,135	4%	£108,689	7%	£111,976	8%	£97,464	8%	£81,119	7%
Southborough Primary	£252,806	15%	£255,465	15%	£118,943	8%	£86,590	6%	£73,467	6%
St Anthony's RC Primary	£110,767	15%	£84,603	11%	£61,472	8%	£1,913	0%	£15,899	2%
St George's CE (Bickley) Primary	£168,639	15%	£7,759	1%	£-48,174	-5%	£-31,637	-3%	£-34,380	-4%
St John's CE Primary	£80,532	8%	£108,628	9%	£137,255	12%	£138,678	12%	£129,376	14%
St Josephs Primary	£80,694	11%	£38,789	5%	£30,533	4%	£41,515	6%	£50,416	8%
St Mark's CE Primary	£66,430	5%	£85,208	6%	£63,202	5%	£50,396	4%	£38,992	3%
St Mary Cray Primary	£98,157	10%	£14,592	2%	£-19,883	-3%	£16,337	3%	£57,520	11%
St. Mary's RC (Beckenham)	£57,107	4%	£54,626	4%	£63,885	5%	£102,065	8%	£73,922	6%
St Pauls Cray Primary	£104,046	10%	£82,720	8%	£68,555	6%	£52,328	5%	£81,679	10%
St Philomena's RC Primary	£30,639	4%	£3,424	0%	£14,979	2%	£26,834	4%	£18,404	3%
St Vincent's RC Primary	£78,264	10%	£57,711	8%	£89,531	12%	£75,593	11%	£57,897	9%
St Peter and St Pauls Primary	£82,989	11%	£-12,215	-2%	£-28,288	-4%	£-75,299	-10%	£-121,980	-19%
The Highway Primary	£38,911	5%	£38,703	5%	£-1,025	0%	£1,037	0%	£2,349	0%
Unicorn	£55,227	4%	£69,221	6%	£79,437	8%	£63,271	6%	£53,988	7%
Wickham Common Primary	£134,135	10%	£52,097	4%	£9,275	1%	£72,256	5%	£64,290	5%
Worsley Bridge Junior	£57,283	5%	£34,382	5%	£75,908	11%	£97,457	14%	£139,617	21%
Secondary Schools										
St. Olaves	£837,518	18%	£563,678	13%	£283,643	10%	£128,777	5%	£88,914	2%
Special Schools										
Burwood School	£119,207	7%	£80,725	7%	£99,441	9%	£131,234	12%	£131,234	17%
Glebe	£255,879	6%	£177,518	7%	£173,893	7%	£22,678	1%	£22,678	15%
Marjorie McClure	£90,514	2%	£90,706	5%	£117,698	6%	£90,177	5%	£90,177	4%
Riverside	£400,292	8%	£331,569	7%	£253,999	8%	£118,463	3%	£118,463	4%
Pupil Referral Unit	£176,748	7% *								

* first year with a delegated budget so no balnces for previous years

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REVENUE/CAPITAL DEFICITS

PRIMARY SCHOOLS

Clare House Primary

Deficit £65,038

-7%

Reason for Deficit

- Historic deficit of £126,722 from the beginning of 2012/13

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

- Ongoing review of resource costs(teaching and non-teaching staff)
- Continue benchmarking with other schools
- Continue review of Service Level Agreements and contracts.
- Maximise opportunities for revenue generation activities
- Ongoing review of suppliers and tightening control on stationery orders

LA Comment

The school has worked very closely with the LA to agree a deficit recovery plan The school is currently expanding to two forms of entry which will help it to become more financially viable and this is reflected in the recovery plan which shows that the deficit will be fully repaid in 2014/15. It is important that this is recognised as this is one of the schools that will be under additional scrutiny from DfE having had a deficit in excess of 2.5% for the past four years.

Hawes Down Junior

Deficit £11,062

-1%

Reasons for Deficit

- Ofsted recovery plan initiated early in Spring Term 2013 resulted in additional unplanned expenditure.

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

The school has set a budget for 2014/15 which indicates that they will have a surplus of around £20k at the end of 2014/15.

LA Comment

The school is buying into the highest level of financial support and is aiming to fully recover the deficit in 2014/15. The school has plans to convert to Academy status shortly.

Schools with Uncommitted Revenue Balances of 8% or More

Primary Schools

Bickley Primary School

Uncommitted Revenue Surplus £115,791 9%

Reason for high balances

The school was expecting to have to replace the boilers that were in urgent need of repair, then were advised during the year that the LA would pay for the repairs/replacement. The school was also expecting to have to pay for the air conditioning required in 4 classrooms, but has been successful in its Seed Challenge bid.

The school is currently facing considerable issues with the first 2 form entry class and require an additional teacher for September.

Management Action to reduce balances with detailed costings

- One year contract for additional teacher £32,000
- Repair of fencing to perimeter of school £18,500
- Additional Teaching Assistant for named child without a statement £15,400
- Additional class set up for final 2fe class £5,500
- Widening of pathways to address the increase of pedestrian traffic £2,500

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 3%.

Chelsfield Primary School

Uncommitted Revenue Surplus £112,385 23%

Reasons for High Balances

Budget was allocated for emergency lighting but remedial work had to be done first. The infant playground was to be done but again due to the extensive work on windows and doors this had to be pushed back. Building works completed came in significantly under budget.

Management Action to reduce balances with detailed costings

Extension to Junior building including project management and planning permission	£39,000
Furniture and resources including interactive whiteboards and ipads	£5,000
Teacher (0.6 fte plus oncosts)	£30,000
Challenge the gap	£4,975
Power of Reading training	£2,900
Forest school training	£8,000
Playground update	£12,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 1%. The schools has been advised to consider the longer term impact of some of the plans which relate to staffing costs.

**Edgebury Primary
School**

Uncommitted Revenue Surplus £73,105 9%

Reasons for High Balances

Health and Safety requirements to be updated. Additional teaching support due to current vacancies.

Management Action to reduce balances with detailed costings

Health and Safety	£5,000
Teaching support	£10,000

LA Comments

The information provided above does not match with the budget set by the school which actually shows balances increasing by the end of 14/15 – school asked to provide further information.

Hawes Down Infant School

Uncommitted Revenue Surplus £112,007 12%

Reasons for High Balances

Accumulated balance from previous years

Management Action to reduce balances with detailed costings

School contribution to Seed Challenge	£8,200
Revenue contribution to capital for playground refurbishment	£30,000
Revenue contribution to capital for kitchen refurbishment	£20,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 5%.

Keston Primary School

Uncommitted Revenue Surplus £100,504 11%

LA Comments

Keston Primary School converted to Academy status on 1st April and as such all balances will transfer to the Academy.

Reasons for High Balances

Historical high balances – leadership and staff changes

Management Action to reduce balances with detailed costings

School contribution to Seed Challenge Project - toilets	£50,000
Staging in Hall	£7,000
New flooring – reception class	£2,150
Hall screen and projector	£2,975
Visualisers	£4,000
Set up of new curriculum server	£6,000

LA Comments

Planned expenditure as detailed above will reduce uncommitted revenue balances to around 7%. However, the actual budget set by the school shows a projected year end balance of only £24k. As this is due to a significant increase in recurrent expenditure the LA has raised concerns about the long term viability of the budget.

Red Hill Primary School**Uncommitted Revenue Surplus £301,194 12%**Reasons for High Balances

We are aware that there will be a need for high capital expenditure within the next three years. Red Hill has reached its teaching and administration space capacity and with the extra Pupil Premium work which we are carrying out, there is a need to increase our classroom space so that we can offer additional support for our vulnerable pupils. We are also aware that our hall is in need of renovation; the La have confirmed that it is on their list of improvements however it will not be in this financial year. We have therefore kept a surplus to cover any additional work including refurbishment that is required.

Management Action to reduce balances with detailed costings

Two Seed Fund Challenges have been agreed for 2014/15	£15,938
We are increasing our senior leadership team, from September	£131,636
we will be employing 3 Phase leaders and a Business Manager	
Increase the capacity of our school kitchen to include additional oven	£10,000
two counter servers, kitchen equipment and dining furniture	
School Office extension	£43,000
Increase of teaching space to include creation of new classroom	£75,000

LA Comments

The information provided for this report does not match with the actual budget agreed by the school which indicates that the school will still have high balances at the end of 2014/15 – further clarification to be sought from the school.

Southborough Primary School**Uncommitted Revenue Surplus £217,093 13%**Reasons for High Balances

Surplus originated from underspends in 2012/13. Planned expenditure in 2013/14 not completed resulting in underspend on Building Maintenance, Furniture and Fittings and Other Bought in Services,

Management Action to reduce balances with detailed costings

Playground works (excluding seed challenge allocation and money transferred to capital in 2013/14)	£21,400
Employment of Phonics Teacher for one year	£26,250
Staff training (in line with School Improvement Plan and Post Ofsted Action Plan)	£40,000
Additional Teaching Assistant interventions	£16,077
English and Maths resources (as per Post Ofsted Plan)	£10,000
Amount put aside for future building works	£62,810

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 2.5%.

St Anthony's Primary School**Uncommitted Revenue Surplus £108,470 15%**Reasons for High Balances

We have been focussing on teaching and learning and raising standards and have retained this amount to further enhance Early Years Foundation Stage and IT teaching. We also plan to rebrand with a new school uniform and raising the profile of our school with positive images. We are able to retain our EYFS specialist and we will also employ an ICT specialist to teach the new IT curriculum and to train members of staff.

Management Action to reduce balances with detailed costings

Early years specialist	£50,272
ICT Specialist	£19,758
New uniform allowance	£15,000

LA Comments

It is not clear that this planned expenditure has been included in the budget set by the school – SFT to follow up and to discuss the long term implications of these staffing changes.

St George's Primary School**Uncommitted Revenue Surplus £108,470 15%**Reasons for High Balances

Previous underspend of funding, primarily due to timing of larger capital projects, carried forward into new financial year.

Management Action to reduce balances with detailed costings

Windows	£22,000
Front Drive	£30,000
EY Flooring	£5,000
Corridors	£9,000
HT and DHT Office refurbishment	£10,000
Cloakroom refurbishment	£9,000
KS1 classroom decoration including furniture and blinds	£20,000

LA Comment

Planned expenditure will reduce uncommitted revenue balances to around 5%.

Secondary Schools

St Olave's Grammar School

Uncommitted Revenue Surplus £837,517 18%

Reasons for High Balances

The School has been managing its cost base and building reserves with great prudence in anticipation of cuts in Government funding. There is no external capital funding available to the school. Protection against a further cut in EFA Sixth form funding of £133,000 in 2014/15.

Management Action to reduce balances with detailed costings

Two new science laboratories	£500,000
Replacement of main heating boiler and associated pipework	£30,000
Replacement of electrical switchgear and rewiring	£50,000
New telephone system and data cabling	£25,000
Repairs to Gym roof	£10,000
Emergency lighting upgrade	£9,000
Other priority repairs to building fabric and infrastructure	£50,000

LA Comment

The information provided for this report does not match with the actual budget agreed by the school which indicates that the school will still have high balances at the end of 2014/15 – further clarification to be sought from the school.

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Report No.
ED15103

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **9th September 2014**

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

TITLE: IMPACT OF ALL SCHOOLS CONVERTING TO ACADEMY STATUS ON THE EDUCATION PORTFOLIO BUDGET

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: Terry Parkin, Executive Director of Education and Care Services

Ward: Boroughwide

1. REASON FOR REPORT

- 1.1 As schools convert to Academy status specific roles and responsibilities transfer from the Council to the Academy School. This report reviews the impact of schools converting to Academy status on the Education Portfolio budget.
- 1.2 The report shows the impact that this has on the Education Services Grant (ESG) that the Council receives for certain Education functions.

2. RECOMMENDATIONS

- 2.1 The Education PDS Budget Sub Committee is invited to note and comment on the report

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: Education Portfolio budgets
 4. Total current budget for this head: £13,449k
 5. Source of funding: RSG, Council Tax, DSG, other grants
-

Staff

1. Number of staff (current and additional): 2,065 Full Time Equivalent, of which 1,777 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: Not Applicable
-

Customer Impact

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

Ward Councillor Views

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

3. BACKGROUND

Pre 2013/14 – LACSEG and the move towards ESG

- 3.1 When a maintained schools converts to Academy status, the Academy takes on a much broader range of responsibilities. This gives the Academy greater freedom to secure the right services for their pupils. Academies are responsible for providing a range of education services such as improving school attendance preparing financial accounts and asset management, whereas Local Authorities have responsibility for these on behalf of maintained schools.
- 3.2 Local Authorities received funding for central education services as part of their general grant or 'formula' grant. Formula grant is an unringfenced grant paid by the Department for Communities and Local Government (DCLG) and the education element is for all pupils in the Local Authority area. The funding that is paid to the Academies to meet the cost of securing these services was known as the LA Block LACSEG (Local Authority Central Spend Equivalent Grant).
- 3.3 Funding was initially top sliced from Authorities to pay for these services but this was seen as unfair to those Authorities where conversion to Academies had not progressed. In Bromley the pace had been quick and almost all secondaries and some primaries had converted by this point and therefore this was advantageous to Bromley.
- 3.4 However for 2013/14 the funding arrangements were changed. Government introduced a new methodology to recoup LA LACSEG from Authorities. The proposal top sliced, using a national average, an amount from all Local Authorities based on pupil numbers at £132 per pupil. Government then introducing a new grant called the Education Services Grant (ESG). This was subsequently split into two components. The first is an amount of £15 per pupil (for all pupils regardless of whether they are in maintained or academy schools) which will be given back to the LA to cover statutory duties. The second part of the funding was £116 per pupil for each pupil in a maintained school. There are some adjustments for pupils in Special Schools and PRUs whereby they attract additional funding.
- 3.5 This methodology greatly disadvantaged Bromley. Government used an average figure to top slice from Councils (£132 per pupil using S251 data) although the Bromley figure was nearer £87 per pupil. Therefore more funding was taken out than was being spent. As many schools had converted to Academy status the ESG grant we received was reduced. Overall around £3.3m of funding was lost by Bromley (see table below). Despite strong lobbying by Bromley this was introduced in the 2013/14 financial year.
- 3.6 The funding loss (to formula grant) was managed as part of the Medium Term Financial strategy (MTFS) and had no direct impact on the Education Portfolio.

LACSEG CALCULATION

	<u>£'000</u>
DFE REMOVED FROM FORMULA GRANT	6,582
PUPILS ASSUMED BY DFE	49,775
<u>ESG FUNDING BACK FOR MAINTAINED PUPILS</u>	
ALL PUPILS FOR STATUTORY DUTIES	720
PUPILS IN MAINTAINED, SPECIAL AND PRU SCHOOLS	2,520
TOTAL ESG FUNDING	<u>3,240</u>
DIFFERENCE BETWEEN NEW TOP SLICE AND ESG	<u>3,342</u>

4. EDUCATION SERVICES GRANT (ESG)

- 4.1 As ESG is an unringfenced grant, it is entirely at the discretion of local authorities how the funding is spent. Bromley 2014/15 receives £15 per pupil for the retained statutory duties and £113 per pupil for each pupil at a maintained school (down from £116 in 2013/14). In theory this covers the cost of various education functions both statutory to the LA regardless of a Schools status and covering duties for maintained schools only. However the figure bears no relation to the actual spend as it was derived from national average data so is difficult to attribute to individual services.
- 4.2 In 2013/14 the cost of these activities was estimated at £2.2m (based on 2013/14 S251 data). This includes recharges from other non-education departments. It is estimated that in 2014/15 these services will cost in the region of £1.745m (based on 2014/15 S251 data). Grant received for these years are £2.957m in 2013/14 and an estimated £2.213m in 2014/15.
- 4.3 This is expected as Bromley spend was well below the national average in the first instance.

What is the ESG funding for?

- 4.4 The services covered by the ESG are as follows:-
- 1) School Improvement
 - 2) Statutory and Regulatory Duties including strategy, finance, information, HR, Health and Safety, Equality and Religious Education
 - 3) Education Welfare Service
 - 4) Central Support Services (mainly music service)
 - 5) Asset Management
 - 6) Premature retirement costs
 - 7) Therapies and other health-related services
 - 8) Monitoring national curriculum assessment
- 4.5 A more detailed listing including a breakdown of duties for maintained and academy schools are in Appendix A of this report.

Future ESG allocations

- 4.6 Since 2013/14 and the initial allocation of ESG of £3.267m, the grant has reduced significantly as Schools convert

ESG ALLOCATIONS

	<u>£M</u>
ORIGINAL ALLOCATION	3.267
ACTUAL ALLOCATION 2013/14	2.957
ESTIMATED ALLOCATION 2014/15	2.213
ESTIMATED ALLOCATION 2015/16	1.384
ESTIMATED ALLOCATION 2016/17	0.727

£727k IS THE STATUTORY ELEMENT FOR ALL PUPILS

- 4.7 The loss of grant will be accelerated by the fact that the Department for Education has announced a reduction in the grant for 2015/16 from £113 to £87 per pupil. The £15 per pupil covering statutory duties for all pupils remains the same.
- 4.8 Once all Schools convert the funding will remain static at £727k (assuming pupil numbers remain the same).

5. EDUCATION BUDGET IMPACT

- 5.1 The impact of Schools converting to Academies varies across the Portfolio.
- 5.2 The Controllable Education Portfolio budget is £4.946m. The Education elements of this amount to £1.038m (net of ESG Grant). This is the Revenue Support Grant Element of the budget. It is this part of the budget that contains the ESG funded services. Not all Education services are connected with ESG funding. Major parts such as SEN Transport, SEN assessment and monitoring, Education Psychology and Adult Education are still funded through the main formula grant.
- 5.3 It is expected that reductions in services would be made as responsibilities transfer. However this cannot be done piecemeal and needs to be carried out in a strategic manner that leaves the service able to operate for the existing maintained schools and offer a strategic statutory service for all schools including academies.
- 5.4 There may be a reduction in income as Academies withdraw from sold services. This is not the case across all services and is dependent on the Academy set up and its capability in managing the particular service on its own or within a multi academy trust.
- 5.5 The Dedicated Schools Grant (DSG) budget is £112.502m. Whilst there will be movement in some funding streams, the impact on DSG will be minimal as funding is self-contained. It would certainly have no effect on the overall bottom line of the Council

- 5.6 It was recognised early on by Bromley that the ESG formula set up by DfE was flawed and through the MTFs this has been dealt with. The separation of the reduction in grant and savings made in the Education Portfolio has meant that this can be dealt with strategically rather than crudely following a reduction in grant/reduction in service method. This would not work as Bromley was a low level spending Authority and did not spend to the ESG grant level. The ESG exists as a separate line in the budget as is not formally connected to any particular expenditure in the Portfolio. In fact as some of the expenditure in these areas are recharges (£675k in the 2014/15 budget), the expenditure stretches across other departments as well.

6. FINANCIAL IMPLICATIONS

- 6.1 The ESG is an unringfenced grant that will reduce over time as more Schools convert to Academy status. Once all Schools have converted there will be approximately £727k remaining to cover statutory services.
- 6.2 Funding is held in contingency to offset the remaining reductions in ESG, the expectation being that this will be used in the next few years as all schools convert.
- 6.3 The expectation is that the department will, as a separate exercise, make necessary savings and reductions in services to compensate for the loss of functions and responsibilities to academies and to reduce to statutory levels only where this has not already been achieved.
- 6.4 Bromley's expenditure compared to other authorities has traditionally been low. The grant that is received for these services more than covers the expenditure. However in 2015/16 when the grant reduces substantially (by 23%) expenditure and income will be more in line.
- 6.5 Although this appears to be a favourable position, this masks the loss of funding of £3.3m when the funding regime moved from the LACSAEG model to ESG (see paragraphs 3.1 to 3.6 above).
- 6.6 Since 2013/14 £3.302m of savings have been found in the Education Portfolio, some of which have been in 'ESG' funded areas. It is expected that further savings will be made as schools convert although the Department could argue that many services are already at a statutory minimum or close to it. Details of the savings are contained in the table below.

SAVINGS IN THE EDUCATION PORTFOLIO

	<u>EDUCATION</u>	<u>CSC</u>	<u>EDUCATION</u>
	<u>DIVISION</u>	<u>DIVISION</u>	<u>PORTFOLIO</u>
<u>YEAR</u>	<u>£M</u>	<u>£M</u>	<u>£M</u>
2013/14	1,603	727	2,330
2014/15	612	360	972
	2,215	1,087	3,302

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



Department
for Education

Annex A

Clarification of local authority statutory duties relating to services relevant to the Education Services Grant

July 2014

Contents

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Local authority statutory duties relating to services relevant to the Education Services Grant	3
School improvement	4
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Therapies and other health-related services	15
Monitoring national curriculum assessment	16

Local authority statutory duties relating to services relevant to the Education Services Grant

The responses to the [consultation on savings to the Education Services Grant for 2015-16](#) told us that clarification of local authorities' duties to provide education services relevant to the Education Services Grant would be welcomed and could also help with achieving savings.

The text below sets out, for each budget line relevant to the Education Services Grant:

- the section 251 guidance description of the expenditure that should be recorded;
- the statutory obligations that local authorities have for all schools;
- the statutory obligations that local authorities have for maintained schools; and
- the statutory obligations that local authorities have for academies.

When considering their duties as described below, local authorities should have regard to sections 13, 13A and 14 of the Education Act 1996 which require local authorities to: ensure that efficient primary, secondary and further education is available to meet the needs of their population; ensure that their education functions are exercised with a view to promoting high standards ensuring fair access to opportunity for education and learning, and promote the fulfilment of learning potential; and secure that sufficient schools for providing primary and secondary education are available for their area.

School improvement

Section 251 guidance description of budget line

Expenditure incurred by a local authority in respect of action to support the improvement of standards in the authority's schools, in particular expenditure incurred in connection with functions under the following sections of the Education and Inspections Act 2006:

- (a) section 60 (performance standards and safety warning notice);
- (b) section 60A (teachers' pay and conditions warning notice);
- (c) section 63 (power of local authority to require governing bodies of schools eligible for intervention to enter into arrangements);
- (d) section 64 (power of local authority to appoint additional governors);
- (e) section 65 (power of local authority to provide for governing bodies to consist of interim executive members) and Schedule 6; and
- (f) section 66 (power of local authority to suspend the right to delegated budget).

Statutory obligations of local authorities for all schools

When delivering their school improvement function, local authorities must have regard to the Schools Causing Concern statutory guidance¹. This guidance provides clarity about the role of local authorities in delivering school improvement for maintained schools and for academies.

¹ <https://www.gov.uk/government/publications/schools-causing-concern--2>

Statutory and regulatory duties

Section 251 guidance description of budget line

The full guidance on expenditure that should be captured in this budget line was set out in the consultation².

Statutory obligations of local authorities for all schools

Strategy

A local authority must:

- appoint a Director of Children's Services (section 18, Children Act 2004); and
- strategically plan for its education service (sections 13 to 15B, Education Act 1996).

Finance

A local authority must:

- prepare revenue budgets: information on income and expenditure relating to education, for incorporation into the authority's annual statement of accounts; and the external audit of grant claims and returns relating to education (Local Government Act 1972); and
- perform internal audit and other tasks necessary for the discharge of the authority's chief finance officer's responsibilities under section 151, Local Government Act 1972.

Information

A local authority must:

- provide information to or at the request of the Secretary of State (section 29, Education Act 1996).

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/298588/Annex_A.pdf

Statutory obligations of local authorities for maintained schools

Human resources

A local authority must:

- carry out suitability checks of employees or potential employees of the authority or of governing bodies of schools, or of persons otherwise engaged or to be engaged with or without remuneration to work at or for schools (School Staffing (England) Regulations 2009);
- provide advice to governing bodies in relation to staff paid, or to be paid, to work at a school, and advice in relation to the management of all such staff collectively at any individual school (“the school workforce”), including in particular advice with reference to alterations in remuneration, conditions of service and the collective composition and organisation of such school workforce (School Staffing (England) Regulations 2009);
- appoint a teacher recommended by a governing body (or a head teacher or deputy head recommended by the governing body’s selection panel) unless the teacher or head teacher is to be appointed otherwise than under a contract of employment (regulations 15 to 16, School Staffing (England) Regulations 2009);
- terminate the employment of any person employed by it to work solely at a school if the governing body determines that he or she should cease to work there (regulation 20, School Staffing (England) Regulations 2009);
- consider whether it would be appropriate to provide prescribed information to the Secretary of State where a local authority has ceased to use a teacher’s services due to serious misconduct, or might have done so had the teacher not resigned first (section 141D, Education Act 2002). The prescribed information is set out in reg 20 of the Teachers’ Disciplinary (England) Regulations 2012;
- pay employer’s contributions to the appropriate pension fund (reg 67 and Schedule 2, Local Government Pension Scheme Regulations 2013);
- pay teachers’ pension contributions to the Secretary of State (reg 30, Teachers’ Pensions Regulations 2010);
- appoint non-teaching staff within the local authority’s conditions of service and grading system (regulation 17, School Staffing (England) Regulations 2009).

Finance

Schedule 15 to the Schools Standards and Framework Act 1998 empowers a local authority to suspend a governing body’s right to a delegated budget in certain

circumstances of failure to comply with requirements or manage the budget satisfactorily. This implies a duty on the local authority to monitor a governing body's budget management. There is a duty to review any suspension. When a governing body is suspended, the duty to manage the school budget reverts to the local authority and the School Staffing Regulations do not apply, therefore powers over staffing also revert to the local authority (Schedule 2, Education Act 2002).

A local authority must also:

- monitor compliance with the requirements of their financial scheme prepared under section 48, School Standards and Framework Act 1998, which may include advice to assist governing bodies in procuring goods and services with a view to securing continuous improvement, and any other requirements in relation to the provision of community facilities by governing bodies under section 27, Education Act 2002; and
- send to the Secretary of State any financial statement provided to the local authority by a governing body (reg 5, Consistent Financial Reporting Regulations 2012).

Health and safety

A local authority must comply with its duties under the Health and Safety at Work etc. Act 1974 and the relevant statutory provisions as defined in section 53(1) of that Act in so far as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools.

School companies

A local authority must exercise its monitoring and reporting functions as the supervisory authority of school companies formed by governing bodies (section 12, Education Act 2002; regs 26 and 27, School Companies Regulations 2002).

Equality

A local authority must comply with the public sector equality duty (section 149, Equality Act 2010), publish information to show its compliance with the equality duty (reg 2, Equality Act 2010 (Specific Duties) Regulations 2011), and set itself specific, measurable equality objectives (reg 3, Equality Act 2010 (Specific Duties) Regulations 2011).

Religious education

A local authority must:

- set up a standing advisory council on religious education (section 390, Education Act 1996); and

- prepare an agreed syllabus of religious education in accordance with Schedule 31, Education Act (1996).

Statutory obligations of local authorities for academies

The duties that LAs hold for academies pupils are set out in the section above (statutory obligations of local authorities for all schools for statutory and regulatory duties).

Education welfare service

Section 251 guidance description of budget line

Education welfare service and other expenditure arising from the local authority's school attendance functions. Where Education Welfare Officers are directly involved in issues related to The Children Act 1989, the relevant expenditure should be charged to line 3.3.2.

Expenditure in connection with powers and duties performed under Part 2 of the Children and Young Persons Act 1933 (enforcement of, and power to make byelaws in relation to, restrictions on the employment of children).

Statutory obligations of local authorities for all schools

Attendance

A local authority must:

- make arrangements to identify children not receiving education (section 436A, Education Act 1996);
- send a written notice to a parent whose child of compulsory school age is not receiving suitable education, followed by a school attendance order if they do not comply with the notice (section 437, Education Act 1996); if exercising its power to prosecute a parent for a child's non-attendance (section 446) the local authority must consider whether to apply for an education supervision order (section 447);
- publish a code for penalty notices to address poor attendance and administer the penalty notice regime according to the Education (Penalty Notices) (England) Regulations 2007 and subsequent amendments;
- improve attendance where schools report absence to them according to the Education (Pupil Registration) (England) Regulations 2006;
- investigate the whereabouts of pupils who have poor attendance and are at risk of being deleted from the schools' admission register (Education (Pupil Registration) (England) Regulations 2006); and
- comply with all its statutory obligations under the Education (Pupil Registration) (England) Regulations 2006.

Child performance and employment

A local authority has responsibility for administering and enforcing requirements and protections for those below compulsory school leaving age taking part in employment or

performances (Part 2, Children and Young Persons Act 1933, Part 2, Children and Young Persons Act 1963, Children (Performances) Regulations 1968).

Statutory obligations of local authorities for maintained schools

In addition to the above, a local authority has the right to inspect school registers (Education (Pupil Registration) (England) Regulations 2006).

Statutory obligations of local authorities for academies

The duties that local authorities hold for academy pupils in education welfare services are covered in the above section (statutory obligations of local authorities for all schools for education welfare service).

Central support services

Section 251 guidance description of budget line

Includes expenditure on:

- pupil support: provision and administration of clothing grants where such expenditure is not supported by grant;
- music services: expenditure on the provision of music tuition or other activities which provide opportunities for pupils to enhance their experience of music;
- visual and performing arts (other than music): expenditure which enables pupils to enhance their experience of the visual, creative and performing arts other than music; and
- outdoor education including environmental and field studies (not sports): expenditure on outdoor education centres – field study and environmental studies etc. – but not including centres wholly or mainly for the provision of organised games, swimming or athletics.

Statutory obligations of local authorities for all schools

Local authorities have no statutory obligations to provide the services described in the above section (section 251 guidance on description of budget line for central support services). Local authorities are free to provide these services if they choose.

Asset management

Section 251 guidance description of budget line

Expenditure in relation to the management of the authority's capital programme, preparation and review of an asset management plan, negotiation and management of private finance transactions and contracts (including academies which have converted since the contracts were signed), landlord premises functions for relevant academy leases, health and safety and other landlord premises functions for community schools.

Statutory obligations of local authorities for all schools

Local authorities have a general landlord duty for all buildings which they let to academies (under the relevant academy lease), and for all community school buildings, and overall responsibility for capital strategy including basic need, which applies to all pupils (section 14, Education Act 1996).

Statutory obligations of local authorities for maintained schools

In its role as landlord for community schools, a local authority has a duty (section 542(2) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:

- appropriate facilities for pupils and staff (including medical and accommodation);
- the ability to sustain appropriate loads;
- reasonable weather resistance;
- safe escape routes;
- appropriate acoustic levels;
- lighting, heating and ventilation which meets the required standards;
- adequate water supplies and drainage; and
- playing fields of the appropriate standards.

A local authority, as an employer, has a general health and safety duty for employees and others who may be affected (Health and Safety at Work etc Act 1974).

A local authority must manage the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012).

Statutory obligations of local authorities for academies

Local authorities do not have any specific duties for academies, apart from those covered above (statutory obligations of local authorities for all schools for asset management).

Premature retirement costs/redundancy costs (new provisions)

Section 251 guidance description of budget line

Any budget for payments to be made by the local authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, after 1st April 2014 under section 37, Education Act 2002.

Statutory obligations of local authorities for maintained schools

A local authority must fund redundancy costs (not premature retirement costs, which are the responsibility of the school concerned) of school staff, unless there is a good reason not to fund them centrally (section 37, Education Act 2002).

Statutory obligations of local authorities for academies

Local authorities have no statutory obligations for academies regarding premature retirement and redundancy costs.

Therapies and other health-related services

Section 251 guidance description of budget line

Costs associated with the provision or purchase of speech, physiotherapy and occupational therapies should be recorded here. Include any expenditure on the provision of special medical support for individual pupils which is not met by a Primary Care Trust, National Health Service Trust or Local Health Board.

Statutory obligations of local authorities for all schools

The Children and Families Act 2014 places a statutory duty on local authorities and local health bodies to commission services jointly to support disabled children and young people and those with special educational needs, including those who need therapy support.

Monitoring national curriculum assessment

Section 251 guidance description of budget line

Expenditure on monitoring National Curriculum assessment arrangements required by orders made under section 87 of the 2002 Act.

Statutory obligations of local authorities for maintained schools

Under the Education (National Curriculum) (Key Stage 1 Assessment Arrangements) Order 2004, a local authority must do the following:

- moderate the teacher assessments carried out at the end of key stage 1 by schools (in reading, writing and mathematics) in at least 25% of maintained schools each school year and ensure that every school will be subject to moderation at least once every four years; and
- appoint a person to complete the assessment moderations who has recent experience of provision of the National Curriculum in primary schools.

Local authorities also have equivalent duties in respect of key stage 2 and key stage 3 moderation (Education (National Curriculum) (Key Stage 2 Assessment Arrangements) Order 2003) and (Education (National Curriculum) (Key Stage 3 Assessment Arrangements) Order 2003) but, as local authorities receive funding for these duties through specific grants, they are not funded from ESG.

Statutory obligations of local authorities for academies

A local authority may provide the service set out in the section above (statutory obligations of local authorities for maintained schools for monitoring national curriculum assessment) for academies, however the duty for securing this service lies with the relevant academy trust, as set out in its funding agreement with the Secretary of State.



Department
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