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DATE: 23 February 2015

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 3 MARCH 2015 AT 7.00 PM**

MARK BOWEN  
Director of Corporate Services

*Copies of the documents referred to below can be obtained from*  
<http://cds.bromley.gov.uk/>

## **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 25<sup>th</sup> February 2015.

**4 MINUTES OF THE MEETING HELD ON 6TH JANUARY 2015 AND MATTERS OUTSTANDING (Pages 3 - 12)**

**5 CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2014/15 & ANNUAL CAPITAL REVIEW 2014 TO 2018 (Pages 13 - 20)**

**6 EDUCATION PORTFOLIO BUDGET MONITORING 2014/15 (Pages 21 - 34)**

**7 PHASE 2: DRAWDOWN OF GOVERNMENT (NEW BURDENS) GRANT FUNDING HELD IN CONTINGENCY TO SUPPORT THE LOCAL AUTHORITY IN IMPLEMENTING THE SPECIAL EDUCATIONAL NEEDS REFORMS (Pages 35 - 42)**

**8 UPDATE ON MANAGEMENT ACTION TAKEN BY SCHOOLS WITH SIGNIFICANT REVENUE SURPLUS BALANCES OR DEFICITS (Pages 43 - 46)**

**9 ANY OTHER BUSINESS**

**10 DATE OF NEXT MEETING**

Meeting dates for 2015/16 to be confirmed.

## EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 6 January 2015

### Present:

Councillor Neil Reddin FCCA (Chairman)  
Councillor Teresa Ball (Vice-Chairman)  
Councillors Kathy Bance MBE, Nicholas Bennett J.P. 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  
James Mullender, Senior Accountant  
Nina Newell, Head of Schools, Early Years Commissioning and Quality  
Assurance  
Amanda Russell, Head of Schools Finance Support

### **37 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **38 DECLARATIONS OF INTEREST**

The Chairman noted that Declarations of Interest made by Members at the meeting of Education PDS Committee on 2<sup>nd</sup> July 2014 were taken as read.

### **39 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received from members of the public.

### **40 MINUTES OF THE MEETING HELD ON 16TH OCTOBER 2014 AND MATTERS OUTSTANDING**

The minutes were agreed subject to Item 25: Declarations of Interest being amended to read:

*“The Chairman noted that Declarations of Interest made by Members at the meeting of Education PDS Committee on 2<sup>nd</sup> July 2014 were taken as read.”*

**RESOLVED that the minutes of the meeting held on 16<sup>th</sup> October 2014 be agreed.**

**41 CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2014/15**

**Report FSD14061**

On 26<sup>th</sup> November 2014, the Council's Executive received the 2<sup>nd</sup> quarterly capital monitoring report for 2014/15 and agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. The Sub-Committee considered a report outlining the changes agreed by the Council's Executive in respect of the Capital Programme for the Education Portfolio.

In response to a question from the Chairman, the Head of Schools, Early Years Commissioning and Quality Assurance confirmed that the allocation of a further £150k from unspent Dedicated Schools Grant funding would support private, voluntary and independent providers to create additional early education places for two year olds where it had been identified that further places would be required.

**RESOLVED that the revised Capital Programme agreed by the Executive on 26<sup>th</sup> November 2014 be recommended to the Portfolio Holder for Education for approval.**

**42 EDUCATION PORTFOLIO BUDGET MONITORING REPORT  
2014/15**

**Report ED15099**

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of November 2014. The Schools' Budget, funded from the Dedicated Schools' Grant and other specific grants was forecast to be in an underspend position of £606k, 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 other specific grants was forecast to be in an underspend position of £41k, assuming that £387k would be drawn from contingency at the end of the financial year to offset the expected reduction in Education Services Grant.

In considering the budget monitoring position for the Education Portfolio, the Chairman noted that there was currently a predicted overspend of £264k in the Bromley Adult Education College budget. This was a continuation of an overspend which had been projected through 2013/14, and work was being undertaken to identify how this could be addressed. The Assistant Director: Education advised Members that Bromley Adult Education College would undertake negotiations with the Skills Funding Agency in early Spring 2015 for the provision of approved qualification courses for the 2015/16 academic year. There had been an annual cut in grant funding for approved qualification courses since 2010/11 and it was expected that would be a further cut in grant funding for the 2015/16 academic

year, which would be taken into consideration as part of the negotiations for future provision.

**RESOLVED that the latest 2014/15 budget projection for the Education Portfolio as at the end of November 2014 be recommended to the Portfolio Holder for Education for approval.**

#### **43 EDUCATION PORTFOLIO BUDGET 2015/16**

##### **Report ED15031**

The Sub-Committee considered a report setting out the draft Education Portfolio Budget 2015/16, which incorporated future cost pressures and initial budget saving options to be reported to the Executive on 14<sup>th</sup> January 2015. Members were requested to consider the initial budget saving options proposed and identify any further action to be taken to reduce the cost pressures facing the Local Authority over the next four years.

The Head of Education, Care and Health Services Finance advised Members that approximately £900k savings had been identified across the Education Portfolio for 2015/16. This included savings in essential car users' allowances, the redesign or reorganisation of some services, including the Youth Service and Schools and Early Years Commissioning and Quality Assurance Service, the reorganisation of contracts related to some services, and increased income generation targets for Children and Family Centres.

In considering the draft Education Portfolio Budget 2015/16, The Portfolio Holder for Education noted that no additional growth pressures had been identified in the Education Portfolio for 2015/16, but that there had been an additional allocation of funding relating to the full year effect of the reduction in the Education Services Grant and the closure of the outreach service. There would be further significant reductions in the Education Services Grant provided to the Local Authority as more Local Authority maintained schools converted to academy status, although the pace of transfer had now slowed. It was expected that the Local Authority would lose £6m per annum between 2013/14 and 2016/17 as a result of the conversion of Local Authority maintained schools to academy status.

**RESOLVED that:**

- 1) The financial forecast for 2016/17 to 2018/19 be noted;**
- 2) Members' comments on the initial draft saving options proposed by the Council's Executive for 2015/16 be noted; and,**
- 3) Members' comments on the initial draft 2015/16 Education Portfolio budget be provided to the meeting of the Council's Executive on 11<sup>th</sup> February 2015.**

#### **44 DEDICATED SCHOOLS GRANT 2015/16**

##### **Report ED15032**

The Sub-Committee considered a report outlining the early estimates of how the Dedicated Schools Grant for the 2015/16 financial year would be allocated.

The Dedicated School Grant was made up of three blocks comprising High Needs, Early Years and Schools. Following the release of the Fairer Funding Review in 2014, the Schools Block allocation for 2015/16 had been confirmed as £4,545.22 per pupil, which would total an estimated £189,416,865. Added to the 2013/14 figures for the High Needs Block and an estimated figure for the Early Years Block, it was projected that the Dedicated Schools Grant for the 2015/16 financial year would total approximately £246m.

A number of changes would come into effect for the 2015/16 financial year. This included a reduction in the Two Year Old funding, which would now be funded on a participation basis, and changes within the High Needs Block to reflect savings identified within individual services. Additional funding would be provided to the Local Authority to support it in calculating the funding for any free schools within the Borough, but this would be recouped by the Department for Education. Individual school and academy funding had been calculated using the formula element from revised Option One, as agreed at the meeting of Education Budget Sub-Committee on 16<sup>th</sup> October 2014, and therefore included the additional allocation of £19.5m. Two areas of additional funding had also been identified for consideration which comprised primary growth funding for bulge classes and a need to review the Early Years Funding Formula.

**RESOLVED that the proposed allocation of Dedicated Schools Grant for the 2015/16 financial year, including the potential shortfall in funding, be noted.**

#### **45 USE OF UNSPENT DEDICATED SCHOOLS GRANT**

##### **Report ED15030**

The Sub-Committee considered a report providing an overview of unspent Dedicated Schools Grant and outlining proposals for its use.

The Local Authority had carried forward a total of £8.946m of Dedicated Schools Grant to 2014/15 from underspends of £1.697m, £2.984m and £4.265m in the respective financial years 2011/12, 2012/13 and 2013/14. A number of proposals had been developed for the use of this unspent Dedicated Schools Grant. These comprised the distribution to schools as a one-off exceptional payment for which a mechanism would have to be agreed with the Department for Education, the creation of a Growth Fund to support a rate increase for early years providers and an increase in bulge class funding, and the purchase and contribution to the refurbishment of Beacon House.

Members were advised that the proposals would be presented to the Schools'

Forum for consideration at its meeting on 15th January 2015, and should they be supported, the Secretary of State for Education would then be approached to agree the proposals.

In considering the proposal to utilise unspent Dedicated School Grant to purchase and contribute to the refurbishment of Beacon House, the Portfolio Holder for Education noted that it was anticipated that Beacon House would offer a wide variety of vocational courses at Key Stage 4 and 5 to both male and female pupils identified as having social, emotional and mental health difficulties, which would enable Bromley pupils to benefit from a high quality in-Borough alternative provision.

**RESOLVED that the Portfolio Holder for Education be recommended to agree the proposed use of unspent Dedicated Schools Grant, subject to any further comments from the Schools' Forum on 15<sup>th</sup> January 2015.**

## **46 USE OF THE PUPIL PREMIUM BY SCHOOLS**

### **Report ED15127**

The Sub-Committee considered a report providing information on the way that the Pupil Premium was used by Bromley schools to target the gap in attainment for pupils who were eligible for free school meals.

The Pupil Premium was introduced in April 2011 and was allocated to schools to support pupils who had been registered for free school meals at any point in the previous six years to improve their outcomes and close the gap in attainment. For the 2014/15 financial year, the Pupil Premium was £1300 per primary pupil and £935 per secondary pupil, and had been used to fund a range of activities across Bromley schools including home and school support, access to enrichment activities such as school trips and music activities, and funding places at before and after school clubs. Where there was a concern that children in receipt of Pupil Premium were performing and progressing less well in comparison with their peers in Local Authority Maintained schools, specific support was provided by the Local Authority. Bromley schools were encouraged to share good practice on the use of their Pupil Premium, which had been supported through discussion at Governors Forums and a presentation by Steve Higgins, Professor of Education at Durham University at the Conference for Head Teachers and Chairs of Governors in November 2014 where a Teaching and Learning Toolkit was made available to schools. Future plans to support the use of the Pupil Premium by Bromley schools included the introduction of a rolling programme to check school websites to ensure they published all required information, such as how Pupil Premium funding was utilised. Data would also continue to be analysed with targeted support provided to Local Authority Maintained schools where the gap in attainment was not considered to be closing effectively.

In considering the use of the Pupil Premium by schools, the Portfolio Holder noted that any future Bromley Governors Forum would have a key role in promoting best practice in the use of Pupil Premium by schools, as well as considering how to

maximise the take up of Pupil Premium by eligible pupils at schools and early years settings across the Borough.

Members were pleased to note that Perry Hall Primary School and Burnt Ash Primary School had both received an award in the Key Stage 2 category of the Pupil Premium Awards 2015, and requested that the Portfolio Holder for Education write to both schools to congratulate them on their achievement. Members also requested that a report be provided to the meeting of Education PDS Committee on 10<sup>th</sup> March 2015 outlining Pupil Premium funding provided to schools across the Borough and how this impacted the gap in attainment.

**RESOLVED that the use of Pupil Premium in Bromley schools be noted.**

**47 EDUCATION PORTFOLIO INFORMATION ITEMS**

**a) ATTAINMENT FIGURES FOR LOCAL AUTHORITIES  
SIMILAR TO BROMLEY**

**Briefing ED15128**

The Sub-Committee considered an information briefing providing a comparison of the performance of Bromley schools in relation to its statistical neighbours for the 2013/14 academic year.

Bromley schools continued to perform well against its statistical neighbours, and were in the top 3 for performance for 19 of the 26 measures. This included having the highest number of children achieving the required standard at 81% in Year 1 Phonics, and the highest percentage of children making two levels of progress in reading and mathematics at Key Stage 2. Figures recently published by the Department for Education showed an improving picture in relation to the achievement of children attending Bromley schools who were in receipt of Pupil Premium, with achievement at Key Stage 4 Level 4 increasing by 8% on the previous year.

The Head of Schools, Early Years Commissioning and Quality Assurance advised Members that attainment in Writing continued to be a national issue. Bromley's performance in Writing had improved in the past year, although not in every school, and Writing would continue to be a key focus for school improvement into the future.

**RESOLVED that the information briefing be noted.**

**48 ANY OTHER BUSINESS**

There was no other business.

**49 DATE OF NEXT MEETING**

The next meeting of Education Budget Sub-Committee would be held at 7.00pm on Tuesday 3<sup>rd</sup> March 2015.



**50 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.

**51 EXEMPT MINUTES OF THE MEETING HELD ON 16TH OCTOBER 2014**

**RESOLVED** that the Exempt (Part 2) minutes of the Education Budget Sub-Committee meeting held on 16<sup>th</sup> October 2014 be agreed.

The Meeting ended at 7.37 pm

Chairman

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**Matters Outstanding from Previous Meetings**

<b>Minute Number/Title</b>	<b>Decision</b>	<b>Update</b>	<b>Action</b>	<b>Completion Date</b>
<b>2<sup>nd</sup> October 2013</b>				
<b>10 Any Other Business</b>	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 <sup>th</sup> October 2013, had been completed.	Democratic Services	TBC
<b>9<sup>th</sup> September 2014</b>				
<b>20 Spending by Primary, Secondary and Special Maintained Schools in 2013/14</b>	That the progress of management action taken by schools identified as having significant revenue or capital deficits be provided to a future meeting of Education Budget Sub-Committee when available.	A report outlining the progress of management action taken by schools identified as having significant revenue or capital deficits would be provided to the meeting of Education Budget Sub-Committee on 3 <sup>rd</sup> March 2015	Assistant Director: Education	March 2015

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# Agenda Item 5

Report No.  
FSD15019

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:** 3<sup>rd</sup> March 2015

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

**Title:** CAPITAL PROGRAMME MONITORING - 3<sup>RD</sup> QUARTER 2014/15 & ANNUAL CAPITAL REVIEW 2014 TO 2018

**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

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1. Reason for report

- 1.1 On 11th February 2015, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2014/15 and presenting for approval the new capital schemes supported by Council Directors in the annual capital review process. The Executive agreed a revised Capital Programme for the five year period 2014/15 to 2018/19. This report highlights 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, detailed comments on individual schemes are included at Appendix B and the new schemes approved for this Portfolio are set out in paragraph 3.6.

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2. RECOMMENDATION(S)

- 2.1 The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 11<sup>th</sup> February 2015.

## 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". The capital review process requires Council Directors to ensure that bids for capital investment provide value for money and match Council plans and priorities.
  2. BBB Priority: Excellent Council
- 

## Financial

1. Cost of proposal: £550k for new schemes (see para 3.6).
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £78.7m for the Education Portfolio over five years 2014/15 to 2018/19
  5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
- 

## Staff

1. Number of staff (current and additional): 1 fte
  2. If from existing staff resources, number of staff hours: 36 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 Expenditure

3.1 A revised Capital Programme was approved by the Executive on 11th February, following a detailed monitoring exercise carried out after the 3rd quarter of 2014/15. The Executive also considered and approved new capital schemes supported by Council Directors in the annual capital review process. This report identifies changes relating to the Education Portfolio and the table in paragraph 3.2 summarises the overall position following the Executive meeting.

#### Capital Monitoring - variations agreed by the Executive on 11<sup>th</sup> February 2015

3.2 The base position prior to the 3<sup>rd</sup> quarter's monitoring exercise was the revised programme approved by the Executive on 26<sup>th</sup> November 2014, as amended by variations approved at subsequent Executive meetings. Changes to the Education Portfolio Programme approved by the Executive in February are shown in the table below and further details are included in paragraphs 3.3 to 3.6. The revised Programme for the Education Portfolio (including new schemes) is attached as Appendix A and detailed comments on individual schemes are included at Appendix B.

	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL 2014/15 to 2018/19
	£000	£000	£000	£000	£000	£000
Programme approved by Executive 26/11/14	16,027	36,495	22,129	462	0	75,113
Beacon House Refurbishment (Exec 11/02/15)	0	3,000		0	0	3,000
Approved Programme prior to Q3 Monitoring	16,027	39,495	22,129	462	0	78,113
<u>Variations approved by Executive 26/11/14</u>						
Virement re. Riverside School (see para 3.3)	0	0	0	0	0	0
Schemes rephased from 2014/15 into later years (see para 3.4)	-3,358	3,358	0	0	0	0
Total Q3 Monitoring variations	-3,358	3,358	0	0	0	0
New schemes (see para 3.6)	0	0	0	0	550	550
<b>Revised Education Capital Programme</b>	<b>12,669</b>	<b>42,853</b>	<b>22,129</b>	<b>462</b>	<b>550</b>	<b>78,663</b>

#### 3.3 Virement of £113k (re. Riverside School) between Reconfiguration of Special Schools and Basic Need:

There was an unallocated balance of £113k on the budget for the Reconfiguration of Special Schools which, as was approved by the Executive in November 2013, is now allocated to contribute towards the Riverside School project. The Riverside scheme is mainly funded by Basic Need grant and in February 2015 Members approved a virement of £113k to the Basic Need budget to ensure the funding is located where the actual spend is.

#### 3.4 Schemes rephased from 2014/15 into later years

In the final outturn report to the meeting in June 2014, the Executive was informed of the final outturn for capital expenditure in 2013/14 and noted that the overall level of unanticipated slippage into later years £8.4m (£5.4m of which was due to delays in completing the acquisition of High Street properties). Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that improvements made in 2011/12 following a review of the system of capital monitoring and for estimating the phasing of expenditure were continuing to result in a more realistic approach towards anticipating slippage.

Some £0.9m of the overall slippage from 2013/14 into 2014/15 related to Education Portfolio schemes and this was analysed in the 1<sup>st</sup> quarter's monitoring report to the Budget Sub-Committee meeting in September 2014. After allowing for minor adjustments that were not rephased, a total of £793k was re-phased into 2014/15. In the 2<sup>nd</sup> quarterly report to this Sub-Committee in January, Members were advised that £12.7m had been rephased into 2015/16 by the Executive in November and, as is shown in the table in paragraph 3.2, a total of £3.4m was rephased by the Executive in February to reflect revised estimates of when expenditure on Education schemes is likely to be incurred. This is itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure – Rephasing in Q3 monitoring	2014/15 £000	2015/16 £000
Early Education for Two Year Olds	-852	852
Seed Challenge Fund	-450	450
Security Works	-236	236
Suitability / Modernisation issues in schools	-300	300
Capital maintenance in schools	-50	50
Children and Family Centres	-95	95
Langley Park Boys School - BSF (Building Schools for the future)	-50	50
Primary Capital Programme	-120	120
Basic Need	-1,000	1000
Universal free school meals	-205	205
<b>Total Education Programme rephasing</b>	<b>-3,358</b>	<b>3,358</b>

### Annual Capital Review – new scheme proposals

- 3.5 In recent years, we have steadily scaled down new capital expenditure plans and have transferred all of the rolling maintenance programmes to the revenue budget. Our general (un-earmarked) reserves, established from the disposal of our housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £42m (including unapplied capital receipts) as at 31<sup>st</sup> March 2014. Whilst opportunities to dispose of property assets are being rigorously pursued, the level of receipts is not as high as in the past and new capital spending will effectively have to be met from our remaining revenue reserves.
- 3.6 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment. Invest to Save bids were particularly encouraged, but none were received, and it is assumed that any such bids will be submitted in due course through the earmarked reserve that was created in 2011. Apart from the normal annual capital bids relating to school and highway schemes, two bids were approved with a total value of £1.02m, all of which will require funding from the Council's resources. None of these related to this Portfolio, but the 2018/19 annual provisions for Schools Access Initiative works (£150k) for access works in schools funded by revenue contribution under the Disability Discrimination Act, Formula Devolved Capital (£390k) funded by government grant and feasibility studies (£10k) for potential new schemes were approved and have now been included in the Capital Programme.

### Post-Completion Reports

- 3.7 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. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

#### 5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 11th February 2015. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.2.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns January 2015. Approved Capital Programme (Executive 26/11/14). Capital Q3 monitoring report (Executive 11/02/15). Capital appraisal forms submitted by Chief Officers in November 2014. Report to Council Directors' meeting 10/12/14.

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# Appendix A

EDUCATION PORTFOLIO - APPROVED CAPITAL PROGRAMME 11th FEBRUARY 2015										
Code	Capital Scheme/Project	Total Approved Estimate	Actual to 31.3.14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Responsible Officer	Remarks
		£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's		
<b>SCHOOLS</b>										
<b>SECONDARY SCHOOLS</b>										
907558	Langley Park Boys School - BSF (Building Schools for the future) 2.3b	38738	37045	1543	150	0	0	0	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. Further £400k from DSG.
TOTAL SECONDARY SCHOOLS		38738	37045	1543	150	0	0	0		
<b>PRIMARY SCHOOLS</b>										
907564	Primary Capital Programme 2.7								Rob Bollen	DCSF capital grant; £800k allocated to Riverside ASD scheme £1,395k Primary Capital Programme (PCP) grant; £24k from Access initiative; £50k from extended services; £6k t/f to Highway £1,114k PCP, £250k S106' £94k t/f to Highway £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. 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
907564	Bickley Primary - expansion	1463	1463	0	0	0	0	0	Rob Bollen	
907564	Princes Plain Primary - expansion	1270	1270	0	0	0	0	0	Rob Bollen	
907564	The Highway Primary - partial rebuild	5428	5300	8	120	0	0	0	Rob Bollen	
907564	Other schemes funded by Primary Capital Programme grant	3186	3186	0	0	0	0	0	Rob Bollen	
TOTAL PRIMARY SCHOOLS		11347	11219	8	120	0	0	0		
<b>SPECIAL SCHOOLS</b>										
907945	Reconfiguration of Special Schools	5067	5067	0	0	0	0	0	Rob Bollen	Prudential borrowing (costs to be met from schools' budget); DSG contributions; £567k hydrotherapy pool approved by Executive 31/3/10 Approved by Full Council 14/04/14
907976	Glebe School expansion	4792	0	500	4292	0	0	0	Rob Bollen	
TOTAL SPECIAL SCHOOLS										
<b>OTHER EDUCATION SCHEMES</b>										
906691	Formula Devolved Capital 2.1a	6031	4433	302	302	302	302	390	Mandy Russell	100% government grant
906695	Seed Challenge Fund	2164	1476	238	450	0	0	0	Rob Bollen	
911XXX	Schools Access Initiative	1840	739	125	526	150	150	150	Rob Bollen	DDA requirement; £150k p.a from schools' revenue budget; £24k to Bickley PCP
906718	Security Works	1070	690	144	236	0	0	0	Rob Bollen	
907549	Children and Family Centres	6662	6075	492	95	0	0	0	Rob Bollen	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
906725	Suitability / Modernisation issues in schools - general 2.2	1072	470	302	300	0	0	0	Rob Bollen	
906726	Capital maintenance in schools	8867	6921	1296	650	0	0	0	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
907974	Basic Need	63072	4363	5713	31329	21667	0	0	Rob Bollen	100% government grant
907977	Universal free school meals	387	0	182	205	0	0	0	Rob Bollen	100% government grant
907978	Property purchase for educational establishment	1790	0	1790	0	0	0	0	Jane Bailey	
907975	Early Education for Two Year Olds	894	21	21	852	0	0	0	Nina Newell	100% government grant. Further additions to the £558k in the Early Education for Two Year Olds scheme; £150k contribution from revenue (DSG), and £186k for the London Childcare Grant (Approved in Executive 26/11/14)
907979	Beacon House Refurbishment	3336	0	0	3336	0	0	0	Rob Bollen	£3m funded from DSG and £0.336m funded from Basic Need
907000	Feasibility Studies	50	0	10	10	10	10	10	Rob Bollen	
<b>OTHER SCHEMES</b>										
907548	Youth centres - Capital improvements	72	69	3	0	0	0	0	Paul King	Youth Capital Fund grant £72k
TOTAL OTHER EDUCATION SCHEMES		107166	30324	11118	42583	22129	462	550		
<b>TOTAL EDUCATION PORTFOLIO</b>		<b>157251</b>	<b>78588</b>	<b>12669</b>	<b>42853</b>	<b>22129</b>	<b>462</b>	<b>550</b>		

# Appendix B

EDUCATION PORTFOLIO - APPROVED CAPITAL PROGRAMME 11th FEBRUARY 2015						
Code	Capital Scheme/Project	Actual to 31.3.14	Approved Estimate Nov 2014	Actual to 05.02.15	Revised Estimate Feb 2015	Responsible Officer Comments
		£'000's	£'000's	£'000's	£'000's	
<b>SCHOOLS</b>						
<b>SECONDARY SCHOOLS</b>						
907558	Langley Park Boys School - BSF (Building Schools for the future) 2.3b	37045	1593	1089	1543	As part of the settlement agreement with the contractor final payment and retention will be released on completion of the final works. Responsible officer advised that the rugby pitch has now been completed and handed over. However the playing field will only be completed once we have a fine spell of weather due to the nature of the works. We anticipated that the final settlement will be agreed before Mar 15. However, the final date is weather dependent. Rephased £50k into FY15/16 to cover other outstanding costs including consultancy.
	TOTAL SECONDARY SCHOOLS	37045	1593	1089	1543	
<b>PRIMARY SCHOOLS</b>						
907564	Primary Capital Programme 2.7					
907564	Bickley Primary - expansion	1463	0	0	0	Scheme completed. Awaiting outstanding final invoices (consultancy cost) . Rephased the balance of £120k into FY15/16. Once all outstanding invoices are paid, any funding that remains will be returned to Basic Need as allocations were made from this funding source to underpin this scheme.
907564	Princes Plain Primary - expansion	1270	0	0	0	
907564	The Highway Primary - partial rebuild	5300	128	0	8	
907564	Other schemes funded by Primary Capital Programme grant	3186	0	0	0	
	TOTAL PRIMARY SCHOOLS	11219	128	0	8	
<b>SPECIAL SCHOOLS</b>						
907945	Reconfiguration of Special Schools	5067	113	0	0	Works completed. Residual amounts is used to fund Riverside scheme (under Basic Need), as approved by Executive 20/11/13. £113k vired to Basic Need as approved by Executive 11/02/15 to ensure the funding is located where the actual spend is.
907976	Glebe School expansion	0	500	267	500	New scheme approved by Council 14/04/14. Project in tender stage and we anticipate that £500k of work will be completed in FY14/15 which mainly relates to consultancy, design and demolition work.
	TOTAL SPECIAL SCHOOLS					
<b>OTHER EDUCATION SCHEMES</b>						
906691	Formula Devolved Capital 2.1a	4433	302	287	302	In and out to Schools
906695	Seed Challenge Fund	1476	688	154	238	Await invoices for work on Schools. Schemes run in arrears. £300k of work was allocated on 27/01/15 and is not expected to start in FY14/15. Responsible Officer estimated around 50% of the outstanding grant will not be claimed before year end (£150k). Rephased £450k into FY15/16
911xxx	Schools Access Initiative	739	125	88	125	Currently at feasibility stage and consultant has been appointed. We are looking at expanding number of places of hygiene room in schools. We anticipate an additional £40k of work to be completed by end of March, total value of work completed in FY14/15 to be £125k
906718	Security Works	690	380	51	144	Ad hoc security works for schools. Contract awarded for works on Kingswood and Poverest, Responsible Officer advised £144k of works to be completed by Mar 15 and are awaiting school invoices. Rephased the remaining balance £236k into FY15/16
907549	Children and Family Centres	6075	587	454	492	Castlecombe works completed during Summer 2014 (with outstanding retention ) Works at Mottingham (managed by Property Division) are carried out in FY14/15, however it is not anticipated to be completed until FY15/16. Rephased £95k into FY15/16
906725	Suitability / Modernisation issues in schools - general 2.2	470	602	152	302	Funding for Capital works at Bromley Road Primary to support reorganisation from Infant to Primary school (£300k). It will also part fund emergency works at Burwood School (£300k). Responsible Officer advised that the urgent H&S remedial works on Burwood are expected to be completed before Mar 15. Rephased £300k of works relating Bromley Road Primary as it will be carried out in FY15/16
906726	Capital maintenance in schools	6921	1346	796	1296	Approx. £1m of works are managed by the Property division. This includes refurbishment works at Blenheim Primary, mechanical works at Darrick Wood Junior and Marjorie McClure, and other minor maintenance works at various schools. Estimated around £1.3m of work to be completed this year (which includes £100k on Burwood, and project fees). Rephased £50k to FY15/16 as it is not expected to be completed in FY14/15.
907974	Basic Need	4363	6600	5418	5713	Anticipate £5.713m works to be completed by FY14/15 bringing the total works completed to £10.1m. £113k vired from the Reconfiguration of Special Schools project as approved by Executive 11/02/15 to ensure the funding for Riverside scheme is located where the actual spend is. Various projects are in the planning stage, and some schemes have been tendered and works have recently started, however we do not expect the work to be completed in FY14/15 and rephased £1m into FY15/16. These projects includes Bromley Road, Churchfield (due to start in Summer 15/16), Clare House and St Paul Cray of which some are total rebuild. £336k in FY15/16 has been allocated to Beacon House Refurbishment as approved by Executive 11/02/15
907977	Universal free school meals	0	387	67	182	Responsible officer advised that the programme of works are still under discussion with consultant and rephased £205k into FY15/16.
907978	Property purchase for educational establishment	0	1790	1791	1790	Purchase of Beacon House completed on 10/09/14
907975	Early Education for Two Year Olds	21	873	17	21	We anticipate £21k of works to be completed in FY14/15. This mainly relates to feasibility works. Rephased the remaining balance £852k to FY15/16 which will covers the works required at James Dixon, Poverest, and Leesons School.
907979	Beacon House Refurbishment	0	0	0	0	£3m funded from DSG and £0.336m funded from Basic Need as approved by Education Budget Sub committee 06/01/15. Scheme starts in FY15/16
907000	Feasibility Studies	0	10	0	10	Block capital - We do not expect to use the money this year on feasibility studies
<b>OTHER SCHEMES</b>						
907548	Youth centres - Capital improvements	69	3	0	3	Likely to complete this year.
	TOTAL OTHER EDUCATION SCHEMES	30324	14306	9542	11118	
<b>TOTAL EDUCATION PORTFOLIO</b>		<b>78588</b>	<b>16027</b>	<b>10631</b>	<b>12669</b>	

Report No.  
ED15061

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:** Tuesday 3 March 2015

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

**Title:** EDUCATION PORTFOLIO BUDGET MONITORING 2014/15

**Contact Officer:** James Mullender, Finance Manager  
Tel: 020 8313 E-mail: James.Mullender@bromley.gov.uk

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

**Ward:** All Wards

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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 January 2015.
- 1.2 The Schools' Budget is funded from Dedicated Schools' Grant and other specific grants, and is forecast to be overspent by £257k. This will be set against the underspend carried forward from previous years.
- 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 £99k. This assumes that £360k will be drawn down from contingency to offset the expected reduction in Education Services Grant (ESG), and that grant related carry forwards totalling £219k will be approved as detailed in paragraphs 3.10 and 3.11.

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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; and,  
(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: £13.47m
  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:
- 

### 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 Further Details
  2. Call-in: Applicable:
- 

### Customer Impact

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

### 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 overspend by £257k, mainly due to one-off expenditure such as the purchase of Beacon House and contributions to other capital schemes.
- 3.3 This overspend will be set against the DSG carried forward from previous years, which totals £8.9m. Much of this carry forward will be spent in 2015/16, with £3m agreed for the refurbishment of Beacon House, £3.5m as a one-off distribution to schools, and £1m growth fund for two years, as scrutinised by this committee on 6<sup>th</sup> January 2015. Details of the variations are contained within Appendices 2 and 4.

#### The Non-Schools' Budget

- 3.4 The rest of the Education budget within ECHS is classed as Non Schools' Budget, and this is projected to overspend by £99k. A summary of the variations is provided in the table below, and further details are contained within Appendices 2 and 4.

	£000's
Adult Education	269
Secondary Outreach trading account	122
SEN Transport	110
Nurseries & Early Years Support	Cr 137
Children's Centres	Cr 137
SEN services	Cr 65
Other minor variations	Cr 63
	<u>99</u>

- 3.5 The Education Services Grant is forecast to be overspent by £360k. 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.
- 3.6 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

- 3.7 The full year effect pressure of the projected variations currently stands at £1,189k. 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.

- 3.8 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.

### **Carry forwards of unspent grant funding**

- 3.9 To help authorities with the amount of work required to convert existing Statements of SEN to the new EHC plans, and to implement the changes to working practices required, the DfE has created the SEN Reform Grant. LBB's allocation of this grant for 2014/15 is £382k. DfE later announced the SEND Implementation (New Burdens) Grant, with £259k allocated to LBB, of which £152k was drawn-down for 2014/15, with the remaining £107k ring-fenced for drawdown in 2015/16.
- 3.10 Expenditure allocated to the grants is currently projected to underspend by £200k of the total £534k drawn-down for this financial year. A separate report on the agenda is requesting the carry forward of this underspend in addition to the drawdown of the 2015/16 allocation and remaining 2014/15 allocation of SEND Implementation (New Burdens) Grant. The underspend is therefore not being reported on the assumption that the carry forward will be approved.
- 3.11 Additionally a £19k grant from DfE to help implement Early Years Pupil Premium was announced on 17th February. Due to the late announcement of the grant, this will not be spent in this financial year; however the service would like to request a carry forward of this funding to enable them to implement the changes required. This underspend is also not being reported on the assumption that the carry forward will be approved.

### **Director's Comments**

- 3.12 Managers in Education have continued to control their budgets effectively, and in very challenging circumstances. The appendices give further detail of how costs have been contained across the year. Schools continue to benefit from funding changes which will see more money in schools' budgets in the coming year than ever before.
- 3.13 Grant condition changes within Adult Education make it increasingly difficult to manage cost pressures in such a way as to fulfil the grant conditions. A review remains in place to look at the best way forward for this very high quality service, but the nature of our provision may need to change in the coming year to better reflect our local priorities. Market testing did not find any particular solution and officers will need to return to the PDS later in the year with further options for the Portfolio Holder.
- 3.14 The implementation of the SEND reforms continues to go well. However, it is the case that we have high numbers of students with statements and we should see this number decline through the review process as schools accept greater responsibility for meeting individual needs. We also continue to look across to our partners at the CCG to ensure health needs are fully addressed in all new plans and have had some very good support. Nonetheless, Members will want to be aware that several very high cost placements have been required in the latter half of the year, increasing pressures of budgets resulting in a small projected overspend. Management continue to monitor these provisions.



#### 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 £9k at the year-end based on the financial information as at 31<sup>st</sup> January 2015.
- 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.

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

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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
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
Cr 401	Adult Education Centres	Cr 602	Cr 601	Cr 332	269	1	264	269
275	Alternative Education and Welfare Service	104	104	226	122	2	122	0
412	Schools and Early Years Commissioning & QA	565	565	401	Cr 164	3	Cr 122	0
4,451	SEN and Inclusion	4,772	4,775	4,820	45	4	Cr 205	0
213	Strategic Place Planning	255	265	224	Cr 41	5	0	0
11	Workforce Development & Governor Services	11	11	16	5	6	0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	7	0	920
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	8	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
<b>749</b>		<b>1,038</b>	<b>1,052</b>	<b>1,288</b>	<b>236</b>		<b>59</b>	<b>1,189</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,471	1,471	0	9	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,442	2,305	Cr 137	10	Cr 100	0
<b>3,679</b>		<b>3,611</b>	<b>3,913</b>	<b>3,776</b>	<b>Cr 137</b>		<b>Cr 100</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>4,965</b>	<b>5,064</b>	<b>99</b>		<b>Cr 41</b>	<b>1,189</b>
9,221	<b>Total Non-Controllable</b>	5,096	5,124	5,124	0		0	0
3,802	<b>Total Excluded Recharges</b>	3,386	3,386	3,386	0		0	0
<b>17,451</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>13,131</b>	<b>13,475</b>	<b>13,574</b>	<b>99</b>		<b>Cr 41</b>	<b>1,189</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 3	35	} 11	20	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0		0	0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	56	117		117	0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0		0	0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 49	Cr 35		Cr 49	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 53	Cr 59		Cr 53	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	<b>Total Sold Services</b>	<b>Cr 138</b>	<b>Cr 138</b>	<b>Cr 103</b>	<b>58</b>		<b>35</b>	<b>0</b>

**REASONS FOR VARIATIONS****1. Adult Education - Dr £269k**

As previously reported, a continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A reduction in grant, tuition fee and other income totalling £366k has not been matched by the same level of reductions in the running costs of the service.

The service is currently being market tested as a separate 'lot' with Education services, and at the same time officers are investigating other options to help contain this overspend going forward which may need to be consulted on in due course.

	Variations	
	£'000	
Skills Funding Agency grant		164
Tuition fee income		225
Lettings and other fees and charges	Cr	23
Business rates and other premises costs		14
Recharge to WD&GS	Cr	22
Supplies and services	Cr	47
Staffing	Cr	42
		<b>269</b>

**2. Alternative Education and Welfare - Dr £122k**

From 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a traded service selling to schools. At the end of July 2014, the service was closed and the staff assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Trust Academy will continue the service now that the PRU has converted to academy status.

The final outturn position for the trading account is £122k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

**3. Schools and Early Years Commissioning and Quality Assurance - Cr £164k**

The two in-house nurseries are projected to generate a total surplus of £94k, a £30k increase over 2013/14. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus is only funding an element of the £185k recharges allocated. The service is currently undergoing a market testing exercise which might, depending on the level of rental income and concession fee agreed, result in a reduction of net income if delivered by an external provider.

There is also an underspend of £43k in the Early Years service due to staff vacancies held in anticipation of savings proposed for 2015/16. Additionally a £19k grant from DfE to help implement Early Years Pupil Premium was announced on 17th February. Due to the late announcement of the grant, this will not be spent in the financial year, however the service will request a carry forward of this funding to enable them to implement the changes required. The additional underspend is therefore not being reported on the assumption that the carry forward will be approved.

A projected underspend in School Standards of £27k is the result of the vacant Senior Advisor post, which is being covered more efficiently by the use of consultants/agency staff.

	Variations	
	£'000	
Blenheim Nursery	Cr	59
Community Vision Nursery	Cr	35
Early Years support services	Cr	43
School Standards	Cr	27
	<b>Cr</b>	<b>164</b>

**4. SEN and Inclusion - Dr £45k**

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. DfE later announced the SEND Implementation (New Burdens) Grant, with £259k allocated to LBB. At it's meeting on 15th October 2014, Executive approved drawdown of £152k for 2014/15, with the remaining £107k ring-fenced for drawdown in 2015/16. At the same meeting Executive also approved drawdown of the third year £71k allocation of the ring-fenced SEND Pathfinder Champion Grant.

Due to changes to the statutory guidance around the reforms, the service has not been able to put in place the structure to implement the reforms as early as originally intended. As a result, an estimated £200k of the Reform/Implementation grants will not be spent during 2014/15. However this is not currently being reported as it is assumed that approval will be given for this to be carried forward to help with the work in 2015/16. This request will be made along with the request for drawdown of the 2015/16 grant funding.

The head of service post is now being covered part time, and at a lower grade whilst the previous post holder is working solely on the reforms. This, plus temporary vacancies, and staff working reduced hours has resulted in a projected £85k underspend in the SEN assessment and monitoring team.

The current projection for the Education Psychology trading account is an overspend of £35k, a small improvement over the £41k overspend in 2013/14, and which is partly offset by an underspend of £10k in the statutory element of the service.

Although the travel training programme is progressing well, increasing number of pupils in general, and of those with complex needs has resulted in a projected overspend of £110k for SEN Transport.

	Variations	
		£'000
SEN assessment & monitoring team	Cr	85
SEN Reform/Implementation grants	Cr	200
- Assumed carry forward		200
Education Psychologists	Cr	10
- Trading account		35
SEN Transport		110
Business Support	Cr	5
		<u>45</u>

### **5. Strategic Place Planning - Cr £41k**

An underspend of £6k is currently projected for the RSG funded element of the Admissions team salaries. There is also a £7k underspend on pupil assessment expenses and an expected £28k underspend on non-SEN transport.

	Variations	
		£'000
Admissions	Cr	6
Pupil Assessments	Cr	7
Transport	Cr	28
	<b>Cr</b>	<b><u>41</u></b>

### **6. Workforce Development & Governor Services - Dr £5k**

An overspend of £6k on the statutory element of the service is due to an overspend on training expenses partly offset by a reduction in staffing costs.

On the trading accounts, there is shortfall of income relating to governor services, and surplus income on the workforce development side, which has also required less resources to deliver.

	Variations	
		£'000
Workforce Development & Governor Services		6
Governor Services Trading Account		11
Workforce Development Trading Account	Cr	12
		<u>5</u>

### **7. Education Services Grant - Dr £0k**

Current projections for the Education Services Grant (ESG) allocation is £360k 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 15 in-year conversions as at 1st February 2014 including the PRU, with a further 2 conversions approved by DfE expected to convert before April 2015. The full year effect of these 17 conversions is £920k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

### **8. Schools Budgets (no impact on General Fund)**

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided 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 overspend of £257k on DSG funded services as outlined below to be offset against the £8.9m carried forward from previous years.

Current projections for SEN placements are for £107k overspend mainly due to higher than budgeted average placement costs, especially those in schools maintained by other authorities. There is an underspend of £80k anticipated relating to SEN equipment.

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 £263k.

There is an underspend of £189k in the Sensory Support Service, mainly due to vacant posts to support pupils who have a sensory impairment, as there are currently no pupils requiring this support. There is also a budget of £200k for Pupil Resource Agreements which will remain unspent due to changes to the funding regulations, plus a £27k underspend due to vacant posts. These budgets will be deleted from 2015/16 to help fund the Early Years inclusion funding.

The Specialist Support & Disability service is expected to underspend by £15k on staffing costs. The Early Years SEN service (Phoenix) is projected to underspend by a total of £114k, mainly on staffing costs. This budget will be reduced in 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of the SEN Transport is currently projected to underspend by £123k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of increased take up of lower cost in-borough placements in future years.

There is £52k underspend in the Early Intervention service due a vacant post which has been deleted for 2015/16, £9k underspend on Progression Courses, and £11k underspend in the Home & Alternative Provision service as a result of staffing vacancies and the reduction in recharges from the termination of the outreach service, offset by increased use of agency tutors.

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. DfE has since confirmed that this can in fact be distributed in-year as top-up funding, although it is expected that £91k of this will remain unspent.

An increase of £314k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and there has been a subsequent increase of £224k made in November as the original figure had incorrectly been pro-rata'd. There was also an adjustment to the previous academy recoupment figure of £112k to account for bulge classes.

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 £111k is now projected on the £11.4m total budget. There is also £231k of 2013/14 creditor provision which will remain unspent.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15. However, current projections suggest that a significant underspend of around £1.3m is likely on this budget. From 2015/16 onwards DfE will fund this provision on a participation basis, resulting in an anticipated reduction to the DSG allocation of £1.3m, so this underspend will not continue. As approved by Executive on 26th November 2014, a contribution of £150k from this underspend will be made 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.

Finally there are one off costs funded by the overall underspend above for HR support for academy conversions, consultancy costs for the Pupil Referral Unit IEB, temporary classroom rentals, initial costs relating to the purchase and refurbishment of Beacon House (subject to approval from DfE to disapply the funding regulation limit on increasing the budget), and costs relating to the vacant Kingswood House.

	Variations	
	£'000	
Home and Alternative Provision	Cr	11
Early Intervention Service	Cr	52
Progression Courses	Cr	9
Bulge classes		793
Nursery classes		64
Carbon Reduction Commitments re 2013/14	Cr	13
Budget share adjustments		6
Recoupment adjustments (rates/dedelegation)	Cr	66
Admissions	Cr	30
School Standards	Cr	33
Workforce Development & Governor Services		6
SEN:		
- Placements		107
- Equipment	Cr	80
- Support in FE colleges	Cr	263
- Sensory support service	Cr	189
- Support in mainstream	Cr	227
- Specialist Support & Disability Service	Cr	15
- Pre-school service	Cr	114
- Business Support	Cr	5
- Transport	Cr	123
		Cr 909
FEE:		
- 3 & 4 year olds provision	Cr	111
- Inclusion support	Cr	91
- 2 year olds provision	Cr	1,299
- Contribution to capital		150
- Prior year provisions	Cr	231
		Cr 1,582
DSG allocation adjustments:		

- Additional Early Years allocation re 13/14	Cr	314	
- Additional Early Years allocation re 14/15	Cr	224	
- Bulge class recoupment adjustment	Cr	112	Cr 650
One-off expenditure:			
- Support for academy conversions/IEB consultancy		65	
- Temporary classroom rentals		219	
- Purchase of Beacon House		1,790	
- Langley Park BSF		400	
- Beacon House refurbishment costs		8	
- PRU maintenance/carry forward		238	
- Kingswood House costs		23	2,743
			<u>257</u>

### **9. Youth Service - Dr £0k**

This service previously reported an expected overspend of £90k on salaries during 2014-15 whilst the total savings target of £360k were achieved. However, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, a clearer picture of the revised service has emerged and it is now expected that there will be no overall variance.

### **10. Referral & Assessment Children's Centres - Cr £137k**

Bromley Children's Project is forecast to underspend by £137k due to resignations and delays in appointing to vacant posts, plus an underspend on the Commissioning budget. This is partially offset by premises maintenance and NNDR liability for two former unoccupied Children's Centres.

	Variations	
	£'000	
Salaries	Cr	147
Premises costs		79
Commissioning budget	Cr	55
Other (Suppliers & Services/income)		11
Parent Partnerships vacancies	Cr	25
	<b>Cr</b>	<b>137</b>

### **11. Sold Services (net budgets)**

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

### **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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, a waiver for £336k has been approved by the Portfolio Holder on 16th December for Health and Safety works in a Special School.

### **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, £10k has been vired from ECHS Strategy & Business Support for data cleansing in Admissions.

**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 17 conversions projected to take place during 2014/15 is £920k and is included in the Council's draft budget for 2015/16.
Adult Education	Cr 602	269	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £366k, with only a net reduction of £97k 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	
<b>Education Division</b>													
Adult Education Centres	1 Cr 602	Cr 601	Cr 332	269	264	269	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2 104	104	226	122	122	0	1,402	1,402	1,330	Cr 72	Cr 92	0	0
Schools and Early Years Commissioning & QA	3 565	565	401	Cr 164	Cr 122	0	15,919	16,141	14,302	Cr 1,839	Cr 1,995	0	0
SEN and Inclusion	4 4,772	4,775	4,820	45	Cr 205	0	23,740	22,747	21,838	Cr 909	Cr 1,220	0	0
Strategic Place Planning	255	265	224	Cr 41	0	0	276	276	246	Cr 30	0	0	0
Workforce Development & Governor Services	11	11	16	5	0	0	106	106	112	6	0	0	0
Education Services Grant	5 Cr 2,732	Cr 2,732	Cr 2,732	0	0	920	0	0	0	0	0	0	0
Schools Budgets	6 Cr 1,493	Cr 1,493	Cr 1,493	0	0	0	Cr 118,896	Cr 108,771	Cr 108,771	0	0	0	0
Other Strategic Functions	158	158	158	0	0	0	0	0	0	0	0	0	0
Early Years	0	0	0	0	0	0	1,085	0	0	0	0	0	0
Primary Schools	0	0	0	0	0	0	55,100	51,748	53,059	1,311	911	0	0
Secondary schools	0	0	0	0	0	0	2,751	3,201	3,201	0	0	0	0
Special Schools & Alternative Provision	0	0	0	0	0	0	16,354	10,987	12,777	1,790	1,790	0	0
Post-16 Provision	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>1,038</b>	<b>1,052</b>	<b>1,288</b>	<b>236</b>	<b>59</b>	<b>1,189</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 1,906</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>
<b>Children's Social Care</b>													
Bromley Youth Support Programme - (Youth Services)	7 1,468	1,471	1,471	0	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8 2,143	2,442	2,305	Cr 137	Cr 100	0	0	0	0	0	0	0	0
	<b>3,611</b>	<b>3,913</b>	<b>3,776</b>	<b>Cr 137</b>	<b>Cr 100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CONTROLLABLE</b>	<b>4,649</b>	<b>4,965</b>	<b>5,064</b>	<b>99</b>	<b>Cr 41</b>	<b>1,189</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 1,906</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>
<b>TOTAL NON CONTROLLABLE</b>	5,096	5,124	5,124	0	0	0	90	90	90	0	0	0	0
<b>TOTAL EXCLUDED RECHARGES</b>	3,386	3,386	3,386	0	0	0	1,402	1,402	1,402	0	0	0	0
<b>PORTFOLIO TOTAL</b>	<b>13,131</b>	<b>13,475</b>	<b>13,574</b>	<b>99</b>	<b>Cr 41</b>	<b>1,189</b>	<b>Cr 671</b>	<b>Cr 671</b>	<b>Cr 414</b>	<b>257</b>	<b>Cr 606</b>	<b>0</b>	<b>0</b>

**EDUCATION PORTFOLIO BUDGET ALLOCATIONS FOR 2014/15**

<b>Reconciliation of Latest Approved Budget</b>		<b>£'000</b>
<b>Original Budget 2014/15</b>		<b>13,131</b>
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
SEND Pathfinder Champion Grant Income	Cr	71
SEND Pathfinder Champion Grant Expenditure		71
SEND Implementation Grant Income	Cr	152
SEND Implementation Grant Expenditure		152
Increased insurance premiums		7
Allocation of Merit Awards		9
Transfer from Strategy for Data Cleansing		10
<b>Latest Approved Budget for 2014/15</b>		<b><u>13,475</u></b>

**Decision Maker:** EXECUTIVE

For Pre-Decision Scrutiny by the Education Budget Sub-Committee at 7.00pm on 3<sup>rd</sup> March 2015

**Date:** 3rd March 2015

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

**Title:** PHASE 2:- DRAWDOWN OF GOVERNMENT (NEW BURDENS) GRANT FUNDING HELD IN CONTINGENCY TO SUPPORT THE LOCAL AUTHORITY IN IMPLEMENTING THE SPECIAL EDUCATIONAL NEEDS REFORMS

**Contact Officer:** Mary Cava, SEN Implementation Manager  
E-mail: Mary.Cava@bromley.gov.uk

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

**Ward:** All Wards

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1. Reason for report

- 1.1 In order to meet statutory duties and deliver the reforms in SEND (Children & Families Act 2014) local authorities must change working arrangements, including the transition of statements to education care and health plans. Local authorities have three years to implement the transitions but must be statutory compliant in all other areas of change from September 1<sup>st</sup> 2014.
- 1.2 The government has provided **New Burdens Grants** commencing 2014/15 and continuing 2015/16 to deliver the reforms. The grant for 2014/15 was announced in August 2014, Executive Committee in October 2014 agreed draw down of part of the grant as requested with remainder to be ring fenced for later in the financial year.
- 1.3 Due to a range of factors including the lateness of grant announcement and the need to create temporary posts and engage skilled personnel to increase staff capacity to deliver the reforms a projected under spend of £200,000 is noted in this budget area.
- 1.4 Whilst manageable with increased capacity in the near future this time lag has resulted in a delay of the volumes of transitions planned for 2014/15.
- 1.5 A further grant of £176,819 for 2015/16 has been allocated by the Government to continue to implement the changes.
- 1.6 This report is seeking approval for the following:-
  - (a) **SEN Implementation (New Burdens) Grant 2014/15** - carry forward of current budget £200,000 and release of the remainder of grant monies, £107,357
  - (b) **SEN Implementation (New Burdens) Grant 2015/16** – draw down £148,343 from grant of £176,819

**2. RECOMMENDATION(S)**

**2.1 The Education PDS Committee Budget Sub Meeting is asked to note and consider the contents of this report**

**2.2 The Executive is asked to:**

- (i) Consider the contents of the report**
- (ii) Approve the carry forward of the under spend in 2014/15 of £200,000 and the drawdown of the remainder £107,357 funding from the Council's central contingency for the 2014/15 SEND Implementation Grant (Total £307,357)**
- (iii) Approve the drawdown of part of the SEN New Burdens Grant 2015/16 of £148,343, with the remaining £28,476 to stay in contingency ring-fenced for drawdown at a later date if required.**

## Corporate Policy

1. Policy Status: Existing Policy: Draft Education and Care Services Plan for 2013/14 and Government Directed.
  2. BBB Priority: Children and Young People: Enjoy learning and achieve their full potential; ensuring the health and wellbeing of children and young people, and their families.
- 

## Financial

1. Cost of proposal: Estimated: Carry Forward £200,000 funds and grant £107,357 & £148,343 in 2015/16
  2. Ongoing costs: Non-Recurring Cost: One-off payment until March 2016
  3. Budget head/performance centre: SEN Reform Implementation (136034)
  4. Total current budget for this head:
  5. Source of funding: DfE grants;- SEND Implementation (New Burdens) 1<sup>st</sup> & 2<sup>nd</sup> Year grants
- 

## Staff

1. Number of staff (current and additional): 8 fte Additional Staff (short term contract)
  2. If from existing staff resources, number of staff hours:
- 

## Legal

1. Legal Requirement: Statutory Requirement: The Children and Families Act has received Royal Assent and became law from September 2014. There is a phased approach to delivering the transitions from Statements to EHC Plans.
  2. Call-in: Applicable
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Estimated number of users/beneficiaries (current and projected): 1,681 children with a Statement of SEN and 202 students with a Learning Difficulties Assessment.
- 

## Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The Government recognise the new duties placed upon local authorities through the Children and Family's Act 2014 and the New Burdens Grant is provided to support local authorities in delivering the reforms. The reforms require total systems change, developing and delivering new systems whilst the old system continues to function. Officers in Bromley, together with partner agencies are progressing these changes, resulting in the following: publication of a Bromley Local Offer at universal, targeted and specialist levels (across all disciplines - Education, Care and Health); development of systems to ensure Bromley are compliant with the delivery of services for students from 0-25 years; streamlining coordinated assessment and administration of the education, health and care plans; developing policy for personal budgets across education and care (and co-ordinating with health); methodology for increasing participation of families and children; organisational change and workforce development and early stage planning for joint commissioning of services.
- 3.2 Some of the above duties must be implemented immediately; the local offer and delivery of EHC plan after new assessments for example, some require a gradual phasing in of changes over the next three and a half years. The New Burdens Grant is provided to ensure that local authorities deliver these changes within a specified period of time. This is the second year of grant funding available to deliver the reforms and ensure a robust system is in place to identify and meet the needs of children and young people with complex and enduring special educational needs and disability.
- 3.3 Essential statutory targeted work is underway in Bromley to transition Statements of Special Educational Needs and Learning Difficulty Assessments into Education Health and Care Plans (EHCP), where appropriate. Conversion **must** take place over a three and a half year period from 1<sup>st</sup> September 2014 – 30<sup>th</sup> April 2018 (see tables over for the plan). The DfE has given clear direction on the process and the cohorts of young people whose statements must be converted during this timeframe. It is expected that Education, Health and Care Plans will be in place for those children and young people with the most complex needs in this timeframe. This involves detailed work with a range of partner agencies including Social Care, Health, Clinical Commissioning Groups and education settings (including Further Education colleges and other post-16 providers.) This work is progressing and further temporary staff need to be in place to deliver these changes once resource has been approved.
- 3.4 This grant is also being used to review the SEND Services and provisions within Bromley to ensure the services and provisions are "fit-for purpose" reflecting the new government systems of reforms and Bromley context. This review aims to inform a ten year strategy to deliver high quality, cost effective SEND services in line with the Council's vision and to inform appropriate specialist place planning for pupils with complex SEND. This will ensure the majority of needs are met locally through high quality and cost effective provision, thus avoiding costly out of borough placements.
- 3.5 Bromley's statutory SEN **Transition Plan** is on Bromley MyLife website. The SEN & Inclusion Service and the Preparing for Adulthood Team Service have set aspirational targets to deliver these changes. Reviews are currently underway for the changes to take place. There are currently 162 final Bromley Education Health and Care Plans currently completed which also include new plans as well as transitions. The target number for completion in 2015 is 474.
- 3.6 Due to the lateness in grant notification and the necessary administrative procedures in the drawdown of resource and the creation of temporary posts there has been a time lag in officers being in post to deliver these reforms. Thus an under spend of £190,000 from the original drawdown is noted. Subsequently there has been a time lag in the capacity to deliver the volume of transition changes (statements to EHC Plans). It is requested that this resource is carried over into the 2015/16 budget alongside the extra monies. This will ensure the

opportunity for advanced systematic and responsive planning in the delivery of staff capacity where needed to deliver these reforms and to achieve the target figure of 474 reviews and transitions within the stated time frame.

3.7 **Transition in Bromley - Scope of the Exercise** At the time of writing (February 2015) there are 1,681 children and young people with a Statement of SEN maintained by LB Bromley. There are currently 220 Learning Difficulty Assessments, 1,918 in total.

### 3.8 **Prioritising the Phased Transfers**

Under Government direction the phased transfer is as follows:-

#### **Year One Target Groups for Transfer to EHC Plans September 2014 – August 2015**

<b>Pupil/Student Groups</b>	<b>Numbers</b>	<b>Current plans in place (including new plans)</b>
Children with a Pathfinder Plan	<b>110</b>	
Year 5 (end KS2)	<b>138</b>	
YPs who are transferring from schools (including 6 <sup>th</sup> formers) to a post 16 institution or an apprenticeship	<b>185</b>	
16-25yrs with an LDA FE	<b>29</b>	
Young People leaving Custody	<b>2</b>	
Others	<b>10</b>	
<b>Total</b>	<b>474</b>	<b>110</b>

#### **Year Two Target Groups for Transfer to EHC Plans 2015/16**

<b>Pupil/Student Groups</b>	<b>Numbers</b>
Year 1 (end KS1)	<b>3</b>
Year 5 (end KS2)	<b>106</b>
Year 9	<b>170</b>
Year 11	<b>174</b>
Post 16 (schools)	<b>165</b>
16-25yrs in FE	<b>20</b>
Others	<b>35</b>
<b>Total</b>	<b>673</b>

#### **Year Three Target Groups for Transfer to EHC Plans 2016/17**

<b>Pupil/Student Groups</b>	<b>Numbers</b>
Year 1 (end KS1)	<b>0</b>
Year 5 (end KS2)	<b>98</b>
Year 9	<b>173</b>
Post 16 (schools)	<b>100</b>
NCY 11	<b>171</b>
<b>Total</b>	<b>542</b>

## Year Four Target Groups for Transfer to EHC Plans April 2017/18

Pupil/Student Groups	Numbers
Year 5 (end KS2)	92
Year 9	137
Total remaining statements	229

*The tables provide approximate numbers, given the fact that some young people will leave schools once choices are made after examination results and some statements may cease if objectives are met. Also Pupil Resource Agreements will be promoted, where appropriate, to support more responsive and more flexible intervention. It is estimated that approximately 119 statements will cease through pupils moving on to higher education. The transition plan is constantly under review, taking account of DfE requirements and local needs.*

- 3.9 Early approval of this resource will allow better planning and prevents further delay in progressing the transitions.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 There are two grants currently in the Council's central contingency for 2015/16, the remainder of the un-ring-fenced SEND Implementation Grant (New Burdens) totalling £107,357, and the new grant of £176,819 for 2015/16, There is also an under spend of £200,000 from the amount drawn-down for 2014/15 due to the lateness in the grant announcement and the processes required to drawdown resource and recruit temporary skilled staff.
- 4.2 This funding will be used to increase capacity to deliver the transitions of statements to EHC plans or pupil resource agreements; review current SEND services and provisions; embed the new policies and practices; develop robust systems for recording and monitoring the EHC process and ensure the workforce has a clear understanding of policy and practice.
- 4.3 Table A below provides a summary of the planned expenditure, with a more detailed spending plan in Table B.

Table A

	2015/16
Temporary staff	£354,000
Consultancy	£20,000
Third parties	£66,000
ICT	£10,500
Workforce development	£5,200
<b>Total</b>	<b>£455,700</b>



Table B

<b>Funded Element</b>	<b>Detail</b>	<b>2015/16</b>
1. Implementation Manager	Manager to implement changes and co-ordinate activity	£58,000
2. Additional temporary Inclusion professionals across 0-25 age range	Skilled staff to target year groups requiring conversion (see transition table)	£230,000
3. Additional temporary Assessment & Placement Officers plus 1 admin	Transfer of approximately 500 statements to EHC/PRA	£66,000
4. Commissioning consultant to review services and provisions	Delivery of plan to ensure fit for purpose services and provisions – delivery high quality local provision and services	£20,000
5. LBB Partners	Schools, voluntary agencies	£66,000
6. ICT systems		£10,500
Workforce development	Delivery of training on outcomes, personalisation, completing EHC plans, Compliance	£5,200
<b>Total</b>		<b>£455,700</b>

## 5. POLICY IMPLICATIONS

- 5.1 Existing policy to deliver high quality cost effective services. Education Services Plan 2015/16.
- 5.2 BBB Priority: Children and Young People: Enjoy learning and achieve their full potential.

## 6. LEGAL IMPLICATIONS

- 6.1 Legal Requirement: new statutory regulations (Children & Families Act September 2014) ensuring statutory compliance across Bromley and London. A new SEN Code of Practice recently published again ensuring compliance.

## 7. PERSONNEL IMPLICATIONS

- 7.1 Number of staff; currently the equivalent of 8 full time equivalent members of staff to be employed on temporary contracts for a period of one year only.

<b>Non-Applicable Sections:</b>	None.
Background Documents: (Access via Contact Officer)	DfE Documentation: SEN & Disability Code of Practice 0-25, 2014

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Report No.  
ED15062

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:** Tuesday 3 March 2015

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

**Title:** UPDATE ON MANAGEMENT ACTION TAKEN BY SCHOOLS WITH SIGNIFICANT REVENUE SURPLUS BALANCES OR DEFICITS

**Contact Officer:** Amanda Russell, Head of Schools Finance Support  
Tel: 020 8313 4806    E-mail: Amanda.Russell@bromley.gov.uk

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

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report outlines the work that the Local Authority has done to support schools with significant surplus balances or deficits at the end of 2013/14.
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2. **RECOMMENDATION(S)**

- 2.1 **The Education Budget Sub-Committee is asked to note this 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: Dedicated Schools Grant 2014/15
  4. Total current budget for this head: £
  5. Source of funding: Dedicated Schools Grant
- 

### 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):
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The Schools Finance Team (SFT) has worked closely with all schools with deficits and large surpluses during the financial year. All maintained schools are required to submit details of their budgets as approved by governors, and to submit a detailed budget monitoring report at the end of each quarter.
- 3.2 Based on these reports, both schools with deficits are expected to have fully repaid these deficits by the end of this financial year. Similarly all schools with large surpluses have budgeted to reduce the surpluses by the end of this financial year.
- 3.3 To date, the LA has received three of the four quarterly budget monitoring reports, and all schools are expected to be on track however this cannot be certain until the end of the financial year in March. Schools very often end the financial year with higher balances than expected for a number of reasons - for example building projects that were expected to be completed during the financial year often experience slippage and run into the next year, or often schools may receive a late contribution or grant towards the costs of planned expenditure which has not been anticipated. It is therefore not possible to predict schools final balances completely accurately until the end of the financial year.
- 3.4 All maintained schools are required to submit an annual financial return at the end of March - these will then be checked for accuracy and consolidated into the LA accounts. Details of all maintained schools balances will be reported to Members during the summer term.
- 3.5 Whilst all balances are reported, there is particular focus on those schools with revenue balances in excess of 8% of the following year School Budget Share allocation. For example, the balances at the end of March 2015 will be calculated as a percentage of the 2015/16 School Budget Share allocation - this is in line with DfE guidance. As Members will be aware, in 2015/16 school's funding will include the Fairer Funding settlement of £19.5m which was allocated to Bromley. In addition to this, £3.5m of underspent DSG has also been allocated to schools. As a result of this balances which may have shown as 8% or above in previous years will actually be a lower %, as they are being calculated against a much higher baseline.
- 3.6 In view of this, it is expected that there will be much fewer schools with balances of 8% or more at the end of 2014/15. However, schools will need to plan their future spend carefully to ensure that balances do not increase again in future years.
- 3.7 The SFT is no longer part of the LA having now been outsourced to Liberata in January 2015, but it is anticipated that they will continue to provide financial support to all schools, including maintained schools and academies. The support provided by the SFT includes use of a budget planning tool which allows schools to plan expenditure over a five year period. Schools are encouraged to plan strategically and it is anticipated that the increased funding settlement and this resource will provide schools with the confidence to plan strategically and effectively to use this funding to improve the education of all pupils.

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

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