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DATE: 22 June 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 Ellie Harmer

A meeting of the Education Budget Sub-Committee will be held at Bromley Civic Centre on **TUESDAY 30 JUNE 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 24<sup>th</sup> June 2015.
- 4 MINUTES OF THE MEETING HELD ON 3RD MARCH 2015 AND MATTERS OUTSTANDING (Pages 3 - 10)**
- 5 BUDGET MONITORING REPORT (TO FOLLOW)**
- 6 EDUCATION PORTFOLIO OUTTURN REPORT 2014/15 (Pages 11 - 24)**
- 7 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2014/15 (Pages 25 - 34)**
- 8 ANY OTHER BUSINESS**

**9 DATE OF NEXT MEETING**

7.00pm, Wednesday 16<sup>th</sup> September 2015

7.00pm, Tuesday 20<sup>th</sup> October 2015

7.00pm, Tuesday 5<sup>th</sup> January 2016

7.00pm, Tuesday 16<sup>th</sup> February 2016

## **EDUCATION BUDGET SUB-COMMITTEE**

Minutes of the meeting held at 7.00 pm on 3 March 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  
Mary Cava, SEN Implementation Manager  
James Mullender, Senior Accountant  
Amanda Russell, Head of Schools Finance Support

## **52 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Judi Ellis.

Apologies for lateness were received from Councillor Nicholas Bennett JP.

## **53 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.

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

No questions had been received from members of the public.

## **55 MINUTES OF THE MEETING HELD ON 6TH JANUARY 2015 AND MATTERS OUTSTANDING**

In considering Minute 45: Use of Unspent Dedicated Schools Grant, the Portfolio Holder for Education advised Members that the Secretary of State for Education had recently confirmed that he was minded to agree the proposals for the use of unspent Dedicated Schools Grant, which had been supported by the Schools' Forum, and work was also being undertaken to identify how Dedicated Schools Grant might be used more flexibly in future to fund one-off projects where

appropriate. Early years providers were seeking a greater involvement in the Schools' Forum, which worked to advise the Local Authority on matters relating to schools budgets.

**RESOLVED that the minutes of the meeting held on 6<sup>th</sup> January 2015 be agreed and that matters outstanding be noted.**

**56 CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2014/15 & ANNUAL CAPITAL REVIEW 2014 TO 2018**

**Report FSD15019**

On 11<sup>th</sup> February 2015, the Council's Executive received the 3<sup>rd</sup> quarterly capital monitoring report for 2014/15 and agreed a revised Capital Programme for the five year period 2014/15 to 2018/19, which included new capital schemes supported by Council Directors as part of the annual capital review process for approval. 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 considering the Capital Programme for the Education Portfolio, the Chairman noted that the Glebe School expansion project was currently on target and was expected to be completed by September 2015. It was anticipated that the refurbishment of Beacon House to deliver a new alternative provision offering 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 would be completed in time for the 2016/17 academic year. The Portfolio Holder for Education advised Members that work was being undertaken with Langley Park School for Boys and Langley Park School for Girls around the possibility of utilising the school sites to deliver Bromley Youth Music Trust services in future.

**RESOLVED that the revised Capital Programme agreed by the Council's Executive on 11<sup>th</sup> February 2015 be recommended to the Portfolio Holder for Education for approval.**

**57 EDUCATION PORTFOLIO BUDGET MONITORING 2014/15**

**Report ED15061**

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of January 2015. The Schools' Budget, funded from the Dedicated Schools' Grant and other specific grants was forecast to be in an overspend position of £257k, which would be set against the underspend carried forward from previous years. The controllable part of the Non-Schools' budget, funded from Council Tax, Revenue Support and other specific grants was forecast to be in an overspend position of £99k, assuming that £360k would be drawn from contingency at the end of the financial year to offset the expected reduction in Education Services Grant.

Members were advised that the Council's Executive would be requested to approve a number of carry forward requests for 2015/16. This included carry forward requests of £200k from the SEND Implementation (New Burdens) grant to support the Local Authority in implementing Special Educational Needs and Disabilities reforms, and a £19k grant from the Department for Education to support the implementation of the Early Years Pupil Premium which had recently been announced.

The Assistant Director: Education explained that there had recently been an unexpected overspend in the Education budget due to a change in the education provision of some children and young people with complex special educational needs. Work was being undertaken to offset a projected overspend in the Special Educational Needs Transport budget with other Revenue Support Grant funded services.

In considering the budget monitoring position for the Education Portfolio, the Portfolio Holder for Education confirmed that the Youth Offending service budget would be transferred to the Education Portfolio from the 2015/16 financial year, but that the Portfolio Holder for Public Protection and Safety would continue to have a close involvement in the delivery of the service. Members requested that a report on the Youth Offending service be provided to the next meeting of the Education Budget Sub-Committee.

**RESOLVED that the latest 2014/15 budget projection for the Education Portfolio as at the end of January 2015 be recommended to the Portfolio Holder for Education for approval.**

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

**Report ED15082**

The Sub-Committee considered a report outlining Government grant funding to support the Local Authority to meet the statutory duties and implement special educational needs and disabilities reforms introduced by the Children and Families Act 2014, including the transition to Education, Care and Health Plans. Local authorities had three years to implement the transition to Education, Care and Health Plans, but were required to be statutory compliant in all other areas of change from 1<sup>st</sup> September 2014.

To support the delivery of these reforms, the Government had provided New Burdens Grant funding which commenced in 2014/15 and would continue into 2015/16. The New Burdens Grant for 2014/15 had been announced in August 2014. Due to a range of factors, including the timing of the grant announcement and the need to create temporary posts and engage skilled personnel to increase staff capacity to deliver the reforms, there was a projected underspend of £200,000 in New Burdens Grant funding for 2014/15. It was proposed to carry

forward the projected underspend and to release the remaining £107,357 in New Burdens Grant funding for 2014/15, and to request the drawdown of £148,343 from the New Burdens Grant for 2015/16, with the remaining £28,476 to remain in contingency, ring-fenced for drawdown at a later date if required.

**RESOLVED that:**

- 1) Members' comments on the report be noted; and,**
- 2) The Council's Executive be recommended to**
  - a. Approve the carry forward of the underspend in 2014/15 of £200,000 and the drawdown of the remaining £107,357 funding from the Council's central contingency for the 2014/15 SEND Implementation Grant, totalling £307,357; and,**
  - b. Approve the drawdown of part of the SEN New Burdens Grant 2015/16 of £148,343, with the remaining £28,476 to remain in contingency, ring-fenced for drawdown at a later date if required.**

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

**Report ED15062**

The Sub-Committee considered a report providing an update on management action taken by schools with significant revenue surplus balances or deficits.

The Schools Finance Team worked closely with all schools with deficits and large surpluses throughout the financial year, with all Local Authority Maintained schools required to submit details of their budgets, as approved by their Governing Bodies, and a detailed budget monitoring report to the Schools Finance Team at the end of each quarter. Following consideration of the most recent quarterly budget monitoring reports, the two Local Authority Maintained schools identified as having deficits were expected to have fully repaid these deficits by the end of the 2014/15 financial year. Similarly, all Local Authority Maintained schools identified as having large surpluses had budgeted to reduce these surpluses by the end of the 2014/15 financial year.

All Local Authority Maintained schools would be required to submit an annual financial return to the Schools' Finance Team at the end of March 2015. This information would be checked for accuracy and consolidated into the Local Authority accounts with details of all Local Authority Maintained schools balances reported to Members in Summer 2015.

In considering the management action taken by schools with significant revenue surplus balances or deficits, the Chairman noted proposals by schools to reduce significant revenue surplus balances. The Head of Schools Finance Support advised Members that surplus revenue balances were often used to fund capital

projects, and that these could be subject to delays to the next financial year or be offset by capital funding from the Local Authority.

The Portfolio Holder for Education underlined the need for significant revenue surplus balances to be utilised to deliver improved educational outcomes for children and young people, and highlighted the importance of ensuring that significant revenue surplus balances continued to be monitored closely as the funding received by schools increased from the 2015/16 financial year.

**RESOLVED that the report be noted.**

**60 ANY OTHER BUSINESS**

There was no other business.

**61 DATE OF NEXT MEETING**

The date of the next meeting of the Education Budget Sub-Committee would be confirmed shortly.

The Meeting ended at 7.33 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

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Report No.  
ED15089

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:**        **SCHOOLS FORUM**

**Date:**                    **Thursday 25 June 2015**

**Decision Maker:**        **EDUCATION PORTFOLIO HOLDER**

**Date:**                    **For pre-decision scrutiny by the Education Budget Sub-Committee on Tuesday 30 June 2015**

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

**Title:**                    **EDUCATION PORTFOLIO OUTTURN REPORT 2014/15**

**Contact Officer:**        James Mullender, Finance Manager  
Tel: 020 8313 4292    E-mail: James.Mullender@bromley.gov.uk

**Chief Officer:**         Doug Patterson, Chief Executive

**Ward:**                    All Wards

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1.    Reason for report

- 1.1    This report provides details of the final outturn position for 2014/15 for the Education Portfolio. There was an overall underspend of £246k for the Non-Schools Budget, and an underspend of £940k for the Schools' Budget.
- 1.2    The report also considers the full year effect impact for 2015/16 and requests the creation of an earmarked reserve for DSG redundancy costs.
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2.    **RECOMMENDATION(S)**

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

- (i)    Note the report for information; and,
- (ii)    Agree the creation of a DSG Redundancy Reserve of £300k as detailed in paras 3.12 - 3.14.

2.2    **The Education PDS Budget Sub-Committee is requested to:**

- (i)    Consider the 2014/15 outturn position for the Education Portfolio; and,
- (ii)    Refer the report to the Portfolio Holder for approval.

**2.3 The Portfolio Holder for Education is requested to:**

- (i) Endorse the final 2014/15 outturn for the Education Portfolio; and
- (ii) Subject to the approval of Schools Forum, recommend to the Council's Executive the creation of a DSG Redundancy Reserve of £300k as detailed in paras 3.12 - 3.14.

### 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: £13.79m
  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 final 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.
- 3.3 The Schools' Budget has underspent by £940k during 2014/15, which will be added to the £8.95m DSG carried forward from previous years, resulting in a total of £9.89m to carry forward to 2015/16. 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 £2m used to contain growth over two years. These were agreed by the Portfolio Holder for Education and Schools Forum in January 2015 and the Secretary of State in March 2015 (for Beacon House). A further £300k is requested in paras 3.12 - 3.14 below for the creation of a DSG Redundancy Reserve.
- 3.4 A summary of the main variations is provided in the table below, and further details of the variations can be found within Appendices 2 and 3.

	<b>£'000</b>
One-off expenditure inc. Beacon House	2,845
Bulge classes	680
Schools budget share adjustments/variations	114
Free Early Education	-1,682
SEN Placements	-878
Bad debt provision	-678
DSG allocation adjustments	-650
SEN pre-school/sensory support	-565
SEN Transport	-120
Other net variations	-6
	<u><b>-940</b></u>

#### The Non-Schools' Budget

3.5 The rest of the Education budget within ECHS is classed as Non Schools' Budget, and this has underspent by £246k. A summary of the main variations is provided in the table below, and further details are contained within Appendices 1 and 2.

	<b>£'000</b>
Adult Education	246
Secondary outreach trading account	116
Blenheim & Community Vision	-179
Children's centres	-141
SEN assessment & monitoring	-87
Early Years	-59
School Standards	-31
SEN Transport	-26
Other net variations	-85
	<u><b>-246</b></u>

3.6 Costs attributable to individual services have been classified as "controllable" and "non-controllable" in Appendices 1 and 3. 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 outturn variations is £424k. 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.
- 3.9 These are partly offset by surpluses on the Community Vision and Blenheim nursery trading accounts. The trading accounts aren’t on a full cost recovery basis, so this only covers some of the recharges allocated.
- 3.10 A summary of the full year effects is provided in the table below.

	<b>£'000</b>
Adult Education	246
Education Services Grant	357
Blenheim & Community Vision	-179
	<u>424</u>

**Carry forwards to 2015/16**

- 3.11 At its meeting on 10<sup>th</sup> June 2015, Executive approved the carry forward of various underspends from 2014/15 to 2015/16 to be allocated to Central Contingency and drawn down on the approval of the relevant Portfolio Holder. Two grants and two general carry forwards of unspent budget have been carried forward relating to Education Portfolio, and are requested for drawdown in the budget monitoring report elsewhere on the agenda. A summary is provided in the table below.

	£	£
<b>Grants with no explicit right of repayment</b>		
Early Years Grant	18,808	
SEN Preparing for Employment	<u>45,941</u>	
		64,749
Contribution from Government Grants Reserves		-64,749
<b>Other carry forwards</b>		
Review of Place Planning	11,000	
YOT Service Strategic Review	<u>76,500</u>	
		87,500
<b>Total carry forward to 2015/16</b>		<u><b>87,500</b></u>

## DSG Redundancy Reserve

- 3.12 Members are asked to agree that a provision of £300k be set aside in a new DSG redundancy reserve to meet some of the potential costs that may arise as a result of future reorganisations within DSG funded Education services. This will allow the department to make the most efficient use of DSG funding, which is expected to come under increased pressure in the coming years.
- 3.13 The reserve is to be funded from a contribution from the DSG underspend carried forward from previous years (ref para 3.3), and any amount that remains unspent will be returned to the Schools' Budget.
- 3.14 The reserve will be earmarked for redundancy costs from DSG services only, where the ongoing annual savings exceed the redundancy costs. Use of the reserve will be on the approval of the Assistant Director of Education in consultation with the Portfolio Holder. Any redundancy costs relating to staff part funded by DSG will be split in the same proportion between the DSG redundancy reserve and the council's 'main' (RSG) redundancy reserve.

## Assistant Director's Comments

- 3.15 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.
- 3.16 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.
- 3.17 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 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 These are contained within the body of the report with a detailed breakdown of the final outturn by service shown in Appendix 1 including an analysis of the final budget, and explanatory notes in Appendix 2. Appendix 3 shows the split between Schools' Budget and Non-Schools'/Local Authority 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	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Provisional 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 355	246	1	269	246
275	Alternative Education and Welfare Service	104	104	202	98	2	122	0
412	Schools and Early Years Commissioning & QA	565	565	296	269	3	Cr 164	Cr 179
4,451	SEN and Inclusion	4,772	4,777	4,633	Cr 144	4	45	0
213	Strategic Place Planning	255	265	218	Cr 47	5	Cr 41	0
11	Workforce Development & Governor Services	11	11	36	25	6	5	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,419	Cr 2,419	0	7	0	357
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	8	0	0
160	Other Strategic Functions	158	158	139	Cr 19	9	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>1,367</b>	<b>1,257</b>	<b>Cr 110</b>		<b>236</b>	<b>424</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,472	1,477	5	10	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,444	2,303	Cr 141	11	Cr 137	0
<b>3,679</b>		<b>3,611</b>	<b>3,916</b>	<b>3,780</b>	<b>Cr 136</b>		<b>Cr 137</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>5,283</b>	<b>5,037</b>	<b>Cr 246</b>		<b>99</b>	<b>424</b>
9,221	<b>Total Non-Controllable</b>	5,096	11,852	11,852	0		0	0
3,802	<b>Total Excluded Recharges</b>	3,386	3,493	3,493	0		0	0
<b>17,451</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>13,131</b>	<b>20,628</b>	<b>20,382</b>	<b>Cr 246</b>		<b>99</b>	<b>424</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 16	7	12	35	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 41	Cr 2		0	0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 67	50	117		117	0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 11	Cr 3		0	0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	17	24		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 98	Cr 98		Cr 35	0
	Blenheim Nursery (RSG Funded)	0	0	Cr 81	Cr 81		Cr 59	0
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	<b>Total Sold Services</b>	<b>Cr 138</b>	<b>Cr 144</b>	<b>Cr 180</b>	<b>Cr 36</b>		<b>58</b>	<b>0</b>

**Reconciliation of Latest Approved Budget**

£'000

**Original Budget 2014/15**

13,131

SEN Reform Grant Income	Cr	382
SEN Reform Grant Expenditure		382
Children's Centres carry forward		297
Non-controllable carry forward re Adult Education property		21
SEND Pathfinder Champion Grant Income	Cr	71
SEND Pathfinder Champion Grant Expenditure		71
SEND Implementation Grant Income	Cr	152
SEND Implementation Grant Expenditure		152
Increase in insurance premiums		7
Allocation of Merit Awards		14
Transfer from Strategy for Data Cleansing		10
Shortfall in Education Services Grant		313

**Latest Approved Budget for 2014/15**

13,793

**Memorandum Items**

Capital Charges		5,748
Insurance	Cr	11
Repairs and Maintenance		7
IAS19 (FRS17) Adjustments		984
Excluded Recharges		107

**Reported Latest Approved Budget for 2014/15**

20,628

**REASONS FOR VARIATIONS****1. Adult Education - Dr £246k**

As previously reported, a continuation of the significant overspend in 2013/14 has occurred in the Adult Education Service. A reduction in grant, tuition fee and other income totalling £339k has not been matched by the same level of reductions in the running costs of the service.

The full year effect of this is a continued overspend at around the same level. In addition further grant reductions were announced in March, broadly in line with expectations, resulting in a expected shortfall in 2015/16 of around £600k.

The service was market tested as a separate 'lot' with Education services, but no solution was found. Officers are currently 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		133
Tuition fee income		225
Lettings and other fees and charges	Cr	19
Business rates and other premises costs		17
Recharge to WD&GS	Cr	23
Supplies and services	Cr	45
Staffing	Cr	42
		<u>246</u>

**2. Alternative Education and Welfare - Dr £98k**

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 £116k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

This is partly offset by a £16k underspend in the Education Welfare Service, and a £2k surplus on the trading account.

Variations		£'000
Secondary Outreach		116
Education Welfare Service	Cr	16
- Trading account	Cr	2
		<u>98</u>

**3. Schools and Early Years Commissioning and Quality Assurance - Cr £269k**

The two in-house nurseries have generated a total surplus of £179k. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus doesn't quite cover 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 £59k in the Early Years service due to staff vacancies which were held in anticipation of the now agreed £130k savings 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 could not be spent in the financial year, and the service is requesting a carry forward of this funding to enable them to implement the changes required.

A final underspend in School Standards of £31k 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	81
Community Vision Nursery	Cr	98
Early Years support services	Cr	59
School Standards	Cr	31
		<u>269</u>

**4. SEN and Inclusion - Cr £144k**

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, and as a result, a substantial amount of the funding could not be spent. In March 2015 Executive approved the carry forward of £200k of the Reform/Implementation grants underspend along with the 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 an £87k underspend in the SEN assessment and monitoring team.

The final outturn for the Education Psychology trading account is an overspend of £7k, a significant improvement over the £41k overspend in 2013/14, and which is 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 only a minor underspend of £26k for SEN Transport.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	87
SEN Reform/Implementation grants	Cr	23
Education Psychologists	Cr	10
- Trading account		7
SEN Transport	Cr	26
Business Support	Cr	5
	<b>Cr</b>	<b>144</b>

#### **5. Strategic Place Planning - Cr £47k**

An underspend of £16k has resulted for the RSG funded element of the Admissions team salaries. There is also a £9k underspend on pupil assessment expenses, and a £22k underspend on non-SEN transport.

	Variations	
	£'000	
Admissions	Cr	16
Pupil Assessments	Cr	9
Transport	Cr	22
	<b>Cr</b>	<b>47</b>

#### **6. Workforce Development & Governor Services - Dr £25k**

An overspend of £4k 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 a small surplus on the workforce development side, which has also required less resources to deliver.

	Variations	
	£'000	
Workforce Development & Governor Services		4
Governor Services Trading Account		24
Workforce Development Trading Account	Cr	3
		<b>25</b>

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

The final position on the Education Services Grant (ESG) allocation is £313k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The final outturn is based on the 15 in-year conversions including the PRU. The full year effect of these 15 conversions is £961k. It is requested that funding be drawn-down from contingency to cover this shortfall.

#### **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. The final outturn is an underspend of £940k on DSG funded services as outlined below, which in addition to the £8.9m carried forward from previous years, gives a total carried forward to 2015/16 of £9.9m.

SEN placements underspent by a total of £631k, in addition to an underspend of £114k 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, has underspent by £247k.

There is an underspend of £187k in the Sensory Support Service, mainly due to vacant posts to support pupils who have a sensory impairment, as there were no pupils requiring this support during 2014/15. There is also a budget of £200k for Pupil Resource Agreements which remained unspent due to changes to the funding regulations, plus a £35k underspend due to vacant posts. These budgets have been deleted from 2015/16 to help fund the Early Years inclusion funding.

The Early Years SEN service (Phoenix) has underspent by a total of £141k, 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 SEN Transport has underspent by £120k. 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 £20k overspend in the Early Intervention service, and £11k on the Head of Service post due redundancy costs, £45k overspend on Progression Courses, offset by £33k 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 and £152k underspend on the Fair Access Protocol.

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, and only £84k of this remained 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 area 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 £362k has occurred on the £11.4m total budget, and there is also £231k of 2013/14 creditor provision which remained unused.

Continued growth in uptake for FEE for 2 year olds took place in 2014/15, although there was still a total underspend of £1.3m 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 has been 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 £680k on the £1m budget. An additional £500k has been agreed to be added to the 15/16 budget for two years, funded from the DSG carry forward.

Finally there is a total of £2.2m on-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, costs relating to the vacant Kingswood House, and a release of £678k in bad debt provision.

	Variations		
		£'000	
Home and Alternative Provision	Cr	33	
Early Intervention Service		20	
Progression Courses		45	
Fair Access Protocol	Cr	152	
Head of Alternative Education and Welfare		11	
Admissions	Cr	39	
School Standards	Cr	43	
Workforce Development & Governor Services	Cr	21	
Bulge classes		680	
Nursery classes		84	
Carbon Reduction Commitments re 2013/14	Cr	13	
Special Units Funding		29	
Recoupment adjustments (rates/dedelegation)	Cr	75	
6th form grant income		214	
Schools budget share adjustments/variations		114	
UIFSM		114	
Schools Forum	Cr	24	
PSAG		99	
Non-controllable costs		9	
SEN:			
- Placements	Cr	631	
- Equipment	Cr	114	
- Support in FE colleges	Cr	247	
- Sensory support service	Cr	187	
- Support in mainstream	Cr	235	
- Specialist Support & Disability Service	Cr	2	
- Pre-school service	Cr	141	
- Business Support	Cr	5	
- Transport	Cr	120	Cr 1,682
FEE:			
- 3 & 4 year olds provision	Cr	362	
- Inclusion support	Cr	84	
- 2 year olds provision	Cr	1,267	
- Contribution to capital		150	
- Prior year provisions	Cr	231	Cr 1,794
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		72	
- Temporary classroom rentals		233	
- Purchase of Beacon House		1,790	
- Refurbishment of Beacon House		102	
- Release of bad debt provision	Cr	678	
- Langley Park BSF		400	
- PRU maintenance/carry forward		238	
- Kingswood House costs		10	2,167
	<b>Cr</b>	<b>940</b>	

**9. Other Strategic Functions - Cr £19k**

An total underspend of £19k is a result of various minor underspends on the Assistant Director's post, consultancy costs and voluntary sector SLA's. These budgets have been reduced for 2015/16 to meet savings agreed as part of the 2014/15 budget process, and further Management Savings in 2015/16.

**10. Youth Service - Dr £6k**

This service had a small overspend of £6k after achieving savings in 2014-15 of £360k. Previously in Budget Monitoring, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, there was no overall variance expected.

**11. Referral & Assessment Children's Centres - Cr £141k**

Bromley Children's Project underspent by £142k, from £138k previously reported in January 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	200
Premises costs		22
Commissioning budget	Cr	40
Other (Suppliers & Services/income)	Cr	27
Parent Partnerships vacancies	Cr	26
Revenue contribution to Capital		130
	<b>Cr</b>	<b>141</b>

**12. 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, three waivers have been approved:

A waiver for Project Management, Architectural and Employer's Agent Services for expansion at a Primary School with a value of £168k

A waiver schools management system with a value of £56k. This is fully recharged to schools

A waiver for inclusion support (SIPS) in multiple pre-schools with a total value of £226k

**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. No virements have been approved since the last report to Executive.

EDUCATION PORTFOLIO OUTTURN SUMMARY

APPENDIX 3

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 355	246	269	246	0	0	0	0	0	0	0
Alternative Education and Welfare Service	2 104	104	202	98	122	0	1,402	1,402	1,293	Cr 109	Cr 72	0	0
Schools and Early Years Commissioning & QA	3 565	565	296	Cr 269	Cr 164	Cr 179	15,919	16,141	14,304	Cr 1,837	Cr 1,839	0	0
SEN and Inclusion	4 4,772	4,777	4,633	Cr 144	45	0	23,740	22,747	21,065	Cr 1,682	Cr 909	0	0
Strategic Place Planning	255	265	218	Cr 47	Cr 41	0	276	276	237	Cr 39	Cr 30	0	0
Workforce Development & Governor Services	11	11	36	25	5	0	106	106	85	Cr 21	6	0	0
Education Services Grant	5 Cr 2,732	Cr 2,419	Cr 2,419	0	0	357	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 109,069	Cr 298	0	0	0
Other Strategic Functions	158	158	139	Cr 19	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	52,655	907	1,311	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	13,117	2,130	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>1,367</b>	<b>1,257</b>	<b>Cr 110</b>	<b>236</b>	<b>424</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 3,112</b>	<b>Cr 949</b>	<b>257</b>	<b>0</b>	<b>0</b>
<b>Children's Social Care</b>													
Bromley Youth Support Programme - (Youth Services)	7 1,468	1,471	1,476	5	0	0	0	0	0	0	0	0	0
Referral and Assessment Childrens Centres	8 2,143	2,442	2,301	Cr 141	Cr 137	0	0	0	0	0	0	0	0
	<b>3,611</b>	<b>3,913</b>	<b>3,777</b>	<b>Cr 136</b>	<b>Cr 137</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>5,280</b>	<b>5,034</b>	<b>Cr 246</b>	<b>99</b>	<b>424</b>	<b>Cr 2,163</b>	<b>Cr 2,163</b>	<b>Cr 3,112</b>	<b>Cr 949</b>	<b>257</b>	<b>0</b>	<b>0</b>
<b>TOTAL NON CONTROLLABLE</b>	5,096	11,852	11,852	0	0	0	90	90	99	9	0	0	0
<b>TOTAL EXCLUDED RECHARGES</b>	3,386	3,493	3,493	0	0	0	1,402	1,402	1,402	0	0	0	0
<b>PORTFOLIO TOTAL</b>	<b>13,131</b>	<b>20,625</b>	<b>20,379</b>	<b>Cr 246</b>	<b>99</b>	<b>424</b>	<b>Cr 671</b>	<b>Cr 671</b>	<b>Cr 1,611</b>	<b>Cr 940</b>	<b>257</b>	<b>0</b>	<b>0</b>



Report No.  
ED15087

London Borough of Bromley

PART ONE - PUBLIC

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Decision Maker: **Schools' Forum**

Date: **25 June 2015**

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

Date: **30 June 2015**

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

**TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2014/15**

Contact Officer: Mandy Russell, Head of Schools' Finance Team  
Tel: 020 8 603 3572 E-mail: amanda.russell@liberata.com

Chief Officer: Jane Bailey, Assistant Director (Education)

Ward: Borough-wide

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1. Reason for report

- 1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2015, and also provides a comparison to the balances held at the same time in the previous year.

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2. **RECOMMENDATION(S)**

- 2.1 **The Education Budget Sub-Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2014/15 financial year and to identify any matters for specific comment and referral to the Portfolio Holder for Education.**

- 2.2 **The Schools' Forum is asked to note the balances for information.**

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Dedicated Schools Grant 2014/15
  4. Total current budget for this head:
  5. Source of funding:
- 

### Staff

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

### Legal

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

### Customer Impact

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

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2015, the end of the 2014/15 financial year.
- 3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is a framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2015.
- 3.3 The CFR framework consists of six balances, which provide an overall picture of a school's resources available from one year to the next, and gives information on balances carried forward. The balances are categorised as follows:
- BO1 Committed Revenue Balances
  - BO2 Uncommitted Revenue Balances
  - BO3 Devolved Formula Capital Balances
  - BO5 Other Capital Balances
  - BO6 Community Focused Extended Schools Balances
- Nb BO4 Other Standard Fund Capital Balances has been deleted as standards funds no longer exist.
- 3.4 The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 6.98% of School Budget Shares compared to 8.45% at the end of 2013/14 ( based on a comparable number of schools), which is a decrease of 1.47%. Secondary school balances are 9% compared to 18% at the end of 2013/14; a decrease of 9%. Special School balances have also decreased to 5.18% compared to 8.27% the previous year; a decrease of 3.09%.
- 3.5 A comparison of the levels of school balances as at 31 March 2014 to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
<b>Revenue balances only as at: 31.03.15</b>			
Committed Revenue Balances (BO1)	723 (1.58%)	0 (0%)	58 (0.53%)
Uncommitted Revenue Balances (BO2)	2,455 (5.4 %)	451 (9%)	510 (4.65%)
	3,178 (6.98 %)	451 ( 9%)	568 (5.18%)
<b>Revenue balances only as at: 31.03.14</b>			
Committed Revenue Balances (BO1)	681(1.83%)	0 (0%)	209 (1.99%)
Uncommitted Revenue Balances (BO2)	2,465 (6.62%)	838 (18%)	657 (6.28%)
	3,146 (8.45%)	838 (18%)	866 (8.27%)

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

- 3.7 In accordance with DfE guidelines the Bromley Scheme for Financing Schools was updated in 2011 to remove the balance control mechanism. Previously this allowed local authorities to deduct any balances in BO2 ( uncommitted revenue balances) in excess of 5% for secondary schools and 8% for primary and special schools from the following year's school budget share. All schools with balances in excess of 8% have been asked to complete a proforma detailing the reason for holding a high balance and their plans for reducing the balance in year.
- 3.8 The DFE now require further analysis to be undertaken in relation to this data. LAs are required to provide information on how they are proposing to address the issue if an:
- A:** LA has overspent its Dedicated Schools Grant by 2% or more (ie it is 2% or more in deficit)
  - B:** LA has underspent its Dedicated Schools Grant by 5% or more (ie it is 5% or more in surplus)
  - C:** LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria
  - D:** LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. LAs will only be asked for more information where at least three schools in the LA meet the criteria.

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

- 3.9 This report also provides information on those schools with a deficit revenue balance. As at 31 March 2015, there are no schools with deficits.
- 3.10 In accordance with DfE requirements the SFST will also work with schools with schools with high balances to ensure that they are being used effectively. Schools are advised that revenue funding is allocated on an annual basis to support the cost of education for their current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.
- 3.11 **Appendix 3** shows a statement from each of the schools with large uncommitted surplus balances outlining the reasons for this and the management action to be taken to reduce the balances to a reasonable level.
- 3.12 The overall decrease in balances as a proportion of budget share is indicative of the increasing financial pressures being faced by schools, and highlights the issue that should Bromley schools not have received the additional Fairer Funding settlement for 2015/16 a number of schools could have been facing financial difficulties.

#### 4. FINANCIAL IMPLICATIONS

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

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

	2013-14				2014-15				School Budget Share 2015-16	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Appendix 1 Balance C/fwd as at 31-Mar-15
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/14	B02 Rev Bal as % of 2014/15 SBS	BO1 & B02 Rev Bal as % of 2014/15 SBS	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/15	B02 Rev Bal as % of 2015/16 SBS	BO1 & B02 Rev Bal as % of 2015/16 SBS					
<b>Primary Schools</b>													
Bickley Primary	33,218	115,791	9%	11%	17,434	48,004	3%	4%	1,713,831	0	100,000	0	165,439
Blenheim Primary	0	12,947	1%	1%	0	61,576	5%	5%	1,174,272	0	0	0	61,576
Bromley Road Primary	8,725	76,587	8%	8%	12,081	152,668	14%	15%	1,107,023	16,210	0	0	180,959
Burnt Ash Primary	0	144,181	7%	7%	0	138,250	6%	6%	2,295,485	0	100	0	138,350
Chelsfield Primary	4,428	112,385	23%	24%	0	54,794	10%	10%	540,073	0.00	0	0	54,794
Churchfields Primary	27,351	98,444	6%	8%	0	133,433	7%	7%	1,994,819	0	0	0	133,433
Clare House Primary	0	-65,038	-7%	-7%	0	25,658	2%	2%	1,302,619	17,236	0	0	42,895
Cudham CE	5,050	41,659	8%	9%	0	58,543	11%	11%	529,884	0	0	0	58,543
Darrick Wood Junior	33,194	53,553	4%	7%	41,572	53,094	3%	6%	1,528,689	0	0	0	94,666
Dorset Road Primary	33,677	22,788	6%	14%	19,072	43,091	9%	14%	460,075	8,024	0.00	0	70,187
Downe Primary	8,359	34,542	8%	10%	0	29,438	6%	6%	490,243	0	2,450	0	31,888
Edgebury Primary	3,450	73,105	9%	10%	5,000	87,659	9%	10%	951,158	3,249	0	0	95,908
Hawes Down Infants	6,024	112,007	12%	13%	0	132,517	14%	14%	960,691	3,115	0	0	135,632
Hawes Down Juniors	2,100	-11,062	-1%	-1%	0	36,170	3%	3%	1,038,930	0	0	0	36,170
Holy Innocents RC Primary	41,792	10,874	1%	7%	0	15,782	2%	2%	891,334	0	1,381	0	17,163
James Dixon Primary	107,555	47,344	2%	8%	9,345	3,837	0%	1%	2,406,617	0	0	0	13,182
Marian Vian Primary	16,218	139,159	7%	8%	22,283	118,197	5%	6%	2,445,296	0	0	4,878	145,358
Mead Road Infant	33,834	34,658	8%	15%	11,520	32,015	6%	8%	529,252	0	0	0	43,535
Mottingham Primary	50,496	34,950	2%	6%	72,049	116,125	6%	9%	2,016,300	0	0	2,129	190,302
Oak Lodge Primary	0	55,804	3%	3%	126,933	41,061	2%	7%	2,451,336	2,175	24,360	0	194,528
Oakland Primary	2,124	31,987	2%	2%	0	69,922	3%	3%	2,138,427	0	0	0	69,922
Poverest Primary	18,109	154,752	14%	15%	8,232	113,511	8%	8%	1,481,704	0	0	12,752	134,495
Pratts Bottom Primary	63,980	3,163	1%	15%	137,308	6,468	1%	31%	462,966	6,896	0	0	150,672
Red Hill Primary	88,430	301,194	12%	16%	76,008	292,833	10%	13%	2,917,038	0	71,610	0	440,451
Southborough Primary	35,713	217,093	13%	15%	19,498	92,084	5%	6%	1,912,192	0	0	0	111,581
St Anthony's RC Primary	2,296.50	108,470	15%	15%	12,480	53,351	5%	7%	980,084	0.00	2,497.19	0	68,328
St George's CE (Bickley) Primary	3,022	165,617	14%	15%	32,822	121,778	8%	11%	1,435,710	0	0	0	154,600
St Pauls Cray Primary	14,703	89,343	8%	10%	18,877	49,698	4%	5%	1,355,523	0	0	0	68,575
The Highway Primary	8,833	30,078	4%	5%	21,781	24,356	2%	5%	1,012,997	6,545	0	0	52,681
Unicorn	4,713	50,514	4%	4%	23,964	53,446	3%	5%	1,699,432	10,646	0	0	88,056
Wickham Common Primary	20,151	113,984	8%	10%	32,194	84,658	5%	7%	1,656,111	0	0	0	116,852
Worpley Bridge Primary	3,468	53,815	5%	5%	2,647	111,039	7%	7%	1,622,045	17,380	0	0	131,066
<b>Sub-total</b>	<b>681,012</b>	<b>2,464,693</b>	<b>6.62%</b>	<b>8.45%</b>	<b>723,099</b>	<b>2,455,056</b>	<b>5.40%</b>	<b>6.98%</b>	<b>45,502,156</b>	<b>91,476</b>	<b>202,398</b>	<b>19,759</b>	<b>3,491,788</b>
					0								
<b>Secondary Schools</b>													
St. Olaves	0	837,518	18%	18%	0	450,875	9%	9%	4,855,976	0	0	0	450,875
<b>Sub-total</b>	<b>0</b>	<b>837,518</b>	<b>18%</b>	<b>18%</b>	<b>0</b>	<b>450,875</b>	<b>9%</b>	<b>9%</b>	<b>4,855,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>450,875</b>
<b>Special Schools</b>													
Burwood School	38,635	80,572	7%	11%	29,250	23,038	3%	6%	899,498	8,670	0	0	60,958
Glebe	100,074	155,805	6%	10%	0	212,447	8%	8%	2,656,917	0	0	24,408	236,854
Marjorie McClure	53,143	37,371	2%	4%	28,741	26,784	1%	2%	2,302,026	0	0	0	55,525
Riverside	16,775	383,517	8%	8%	0	247,885	5%	5%	5,116,178	0	0	0	247,885
<b>Sub-total</b>	<b>208,627</b>	<b>657,263</b>	<b>6.28%</b>	<b>8.27%</b>	<b>57,991</b>	<b>510,154</b>	<b>4.65%</b>	<b>5.18%</b>	<b>10,974,619</b>	<b>8,670</b>	<b>0</b>	<b>24,408</b>	<b>601,223</b>
<b>TOTAL</b>	<b>889,639</b>	<b>3,959,474</b>	<b>8%</b>	<b>9.3%</b>	<b>781,090</b>	<b>3,416,084</b>	<b>6%</b>	<b>6.8%</b>	<b>61,332,751</b>	<b>100,146</b>	<b>202,398</b>	<b>44,167</b>	<b>4,543,885</b>

	<b>2014/15</b>		<b>2013-14</b>		<b>2012-13</b>		<b>2011-12</b>		<b>2010-11</b>		<b>Appendix 2</b>	
	<b>BO1 &amp; B02 Combined Rev Bal</b>	<b>BO1 &amp; B02 Rev Bal as % of 2015/16 SBS</b>	<b>BO1 &amp; B02 Combined Rev Bal</b>	<b>BO1 &amp; B02 Rev Bal as % of 2014/15 SBS</b>	<b>BO1 &amp; B02 Combined Rev Bal</b>	<b>BO1 &amp; B02 Rev Bal as % of 2013/14 SBS</b>	<b>BO1 &amp; B02 Combined Rev Bal</b>	<b>BO1 &amp; B02 Rev Bal as % of 2012/13 SBS</b>	<b>BO1 &amp; B02 Combined Rev Bal</b>	<b>BO1 &amp; B02 Rev Bal as % of 2011/12 SBS</b>		
<b>Primary Schools</b>												
Bickley Primary	£65,439	4%	£149,009	11%	£118,210	10%	£87,800	8%	£41,030	4%		
Blenheim Primary	£61,576	5%	£12,947	1%	£-27,664	-3%	£-28,659	-3%	£40,611	5%		
Bromley Road Primary	£164,749	15%	£85,312	8%	£94,962	10%	£93,202	11%	£79,525	9%		
Burnt Ash Primary	£138,250	6%	£144,181	7%	£198,338	10%	£137,222	7%	£161,319	9%		
Chelsfield Primary	£54,794	10%	£116,813	24%	£139,621	28%	£102,904	20%	£51,755	10%		
Churchfields Primary	£133,433	7%	£125,795	8%	£121,452	8%	£81,007	6%	£109,166	8%		
Clare House Primary	£25,658	2%	£-65,038	-7%	£-117,043	-13%	£-126,722	-16%	£-78,309	-11%		
Cudham CE	£58,543	11%	£46,709	9%	£52,387	10%	£38,487	8%	£23,604	5%		
Darrick Wood Junior	£94,666	6%	£86,747	7%	£43,637	4%	£18,469	1%	£26,660	8%		
Dorset Road Primary	£62,163	14%	£56,466	14%	£17,879	4%	£14,779	4%	£39,672	11%		
Downe Primary	£29,438	6%	£42,901	10%	£39,013	9%	£27,541	7%	£647	0%		
Edgebury Primary	£92,659	10%	£76,555	10%	£83,968	10%	£63,442	8%	£86,650	11%		
Hawes Down Infants	£132,517	14%	£118,031	13%	£113,877	13%	£71,786	9%	£46,418	6%		
Hawes Down Juniors	£36,170	3%	£-8,962	-1%	£-14,252	-1%	£-19,069	-2%	£-5,033	-1%		
Holy Innocents RC Primary	£15,782	2%	£52,666	7%	£15,228	2%	£22,936	3%	£27,231	4%		
James Dixon Primary	£13,182	1%	£154,899	8%	£109,888	6%	£35,085	2%	£38,007	2%		
Marian Vian Primary	£140,480	6%	£155,377	8%	£140,475	7%	£133,710	7%	£90,442	5%		
Mead Road Infant	£43,535	8%	£68,492	15%	£21,741	5%	£27,576	7%	£29,328	8%		
Mottingham Primary	£188,173	9%	£85,446	6%	£96,855	7%	£68,849	6%	£114,600	10%		
Oak Lodge Primary	£167,993	7%	£55,804	3%	£45,769	2%	£43,778	2%	£44,436	2%		
Oakland Primary	£69,922	3%	£34,111	2%	£48,844	3%	£95,641	7%	£52,362	4%		
Poverest Primary	£121,743	8%	£172,861	15%	£116,315	10%	£138,870	13%	£188,209	18%		
Pratts Bottom Primary	£143,776	31%	£67,143	15%	£73,695	17%	£93,878	22%	£102,934	25%		
Red Hill Primary	£368,841	13%	£389,624	16%	£295,651	12%	£176,388	8%	£156,182	8%		
Southborough Primary	£111,581	6%	£252,806	15%	£255,465	15%	£118,943	8%	£86,590	6%		
St Anthony's RC Primary	£65,831	7%	£110,767	15%	£84,603	11%	£61,472	8%	£1,913	0%		
St George's CE (Bickley) Primar	£154,600	11%	£168,639	15%	£7,759	1%	£-48,174	-5%	£-31,637	-3%		
St Pauls Cray Primary	£68,575	5%	£104,046	10%	£82,720	8%	£68,555	6%	£52,328	5%		
The Highway Primary	£46,137	5%	£38,911	5%	£38,703	5%	£-1,025	0%	£1,037	0%		
Unicorn	£77,410	5%	£55,227	4%	£69,221	6%	£79,437	8%	£63,271	6%		
Wickham Common Primary	£116,852	7%	£134,135	10%	£52,097	4%	£9,275	1%	£72,256	5%		
Worsley Bridge Primary	£113,686	7%	£57,283	5%	£34,382	5%	£75,908	11%	£97,457	14%		
<b>Secondary Schools</b>												
St. Olaves	£450,875	9%	£837,518	18%	£563,678	13%	£283,643	10%	£128,777	5%		
<b>Special Schools</b>												
Burwood School	£52,288	6%	£119,207	7%	£80,725	7%	£99,441	9%	£131,234	12%		
Glebe	£212,447	8%	£255,879	6%	£177,518	7%	£173,893	7%	£22,678	1%		
Marjorie McClure	£55,525	2%	£90,514	2%	£90,706	5%	£117,698	6%	£90,177	5%		
Riverside	£247,885	5%	£400,292	8%	£331,569	7%	£253,999	8%	£118,463	3%		

\* includes Academy conversion grant previously allocated across three schools

**SCHOOLS WITH UNCOMMITTED REVENUE BALANCES OF 8% OR MORE****Primary Schools**

**Bromley Road Primary School** **Uncommitted Revenue Surplus £152,668**  
**15%**

**Reason for high balances**

Autumn 2014 LA confirmed delay in building refurbishment until March – September 2015. Original budget assumptions based on original timescale.

School roll will fall over next three years due to restructuring to 1fe Primary. Larger surplus necessary to prepare before roll steadies at 1fe.

Future plans include possible pre-school group, which will require new furniture, resources and outdoor work.

**Management Action to reduce balances with detailed costings**

Additional security – windows	£20,000
- fencing	£15,000
Additional playground equipment works	£10,000
Furniture and resources	£15,000
Technology equipment, ICT software	£5,000
New library bookcases and seating	£3,000

**LA Comments**

The school has been advised to take a prudent approach to budgeting during the transition period until the 1fe school is fully established.

**Chelsfield Primary School** **Uncommitted Revenue Surplus £54,794**  
**10%**

**Reasons for High Balances**

Planning permission for building work delayed

**Management Action to reduce balances with detailed costings**

Build new teaching room onto the back of huts	£56,000
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**LA Comments**

The school has reduced balances significantly from last year and will need to monitor the budget very carefully moving forwards.

**Dorset Road Infant School****Uncommitted Revenue Surplus £43,091****9%**Reasons for High Balances

Headteacher retired December 2014 –no new Headteacher appointed so no salary costs for 3 months

Management Action to reduce balances with detailed costings

3 x Smart TVs to replace old interactive whiteboards in each classroom £11,000

6 more ipads per class plus storage/charging unit £8,340

LA Comments

School due to convert to academy status in 2015/16

**Edgebury Primary School****Uncommitted Revenue Surplus £87,659****9%**Reasons for High Balances

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

Management Action to reduce balances with detailed costings

Health and Safety £5,000

Teaching support £10,000

LA Comments

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

**Hawes Down Infant School****Uncommitted Revenue Surplus £132,517****14%**LA Comments

School converted to academy status on 1<sup>st</sup> April 2015

**Red Hill Primary School****Uncommitted Revenue Surplus £292,833****10%**Reasons for High Balances

School not able to recruit a Phase Leader which had been budgeted for



Tenders for office extension significantly higher than originally anticipated – work originally planned for spring term

Management Action to reduce balances with detailed costings

Main school hall has been on LA planned programme for some time – as this is not planned this year, the school has decided to fund the refurbishment

Cost of extending office space to improve administration facilities	£75,000
Replacement of hall windows	£118,000
Additional toilet block added onto hall	£150,000

LA Comments

As planned expenditure is all capital related this will help to reduce the balances with one off expenditure but there is still risks that the timescales might slip.

**St George's Primary School**

**Uncommitted Revenue Surplus £121,778  
8%**

Reasons for High Balances

Deferred capital projects due to expansion

Management Action to reduce balances with detailed costings

Whiteboard replacements	£37,000
Front car park remodelling	£3,400
Replacement fire doors in corridors	£10,000
SEEd challenge contribution to be held for 2016/17	£30,000

LA Comment

As planned expenditure is all capital related this will help to reduce the balances with one off expenditure but there is still risks that the timescales might slip.

## Secondary Schools

**St Olave's Grammar School**

**Uncommitted Revenue Surplus £450,875  
9%**

### Reasons for High Balances

The school has been managing its cost base and building reserves with great prudence in anticipation of cuts in government funding

### Management Action to reduce balances with detailed costings

Replacement of main heating boilers ( May/June 2015)	£106,000
Replacement of/repairs to Gym roof ( August 2015)	£138,000
Replacement of core IT switch ( August 2015)	£12,000
Replacement of internet filtering hardware	£13,000
Repairs to school organ ( August 2015)	£10,000
Other priority repairs to building fabric and infrastructure	£50,000

### LA Comment

As planned expenditure is all capital related this will help to reduce the balances with one off expenditure but there is still risks that the timescales might slip.