

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 14 January 2016

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Teresa Ball (Vice-Chairman)
Councillors Kathy Bance MBE, Nicholas Bennett J.P.,
Alan Collins and Ellie Harmer

Councillor Peter Fortune, Portfolio Holder for Education
Councillor Tom Philpott, Executive Support Officer to the Portfolio
Holder for Education

Also Present:

James Mullender, Finance Manager
Amanda Russell, Head of Schools Finance Support

20 APOLOGIES FOR ABSENCE

Apologies for absence were received from Jane Bailey, Director: Education.

21 DECLARATIONS OF INTEREST

Councillor Teresa Ball declared that she was employed by JTL Training, a not-for-profit charity which offered apprenticeships and traineeships.

22 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

23 MINUTES OF THE MEETING HELD ON 20TH OCTOBER 2015 AND MATTERS OUTSTANDING

RESOLVED that the minutes of the meeting held on 20th October 2015 be agreed.

24 CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2015/16

Report FSD15072

On 2nd December 2015, the Council's Executive received the 2nd quarterly capital monitoring report for 2015/16 and agreed a revised Capital Programme for the four year period 2015/16 to 2018/19. 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, which included £200k for payment of an outstanding liability to NHS Property Services arising from works carried out to the Phoenix Centre in 2006/7 and a net reduction of £91k for the period 2015/16 to 2018/19 following the confirmation of the 2015/16 Formula Devolved Capital Grant from the Department for Education which was lower than anticipated due to the increasing number of academy conversions. The Council's Executive also agreed an increase of £712k in the Capital Programme budget for Section 106 receipts to match the total funding available.

In considering the report, the Chairman noted the Section 106 funding available within the Education Portfolio and underlined the need to ensure that any time-limitations on the use of this funding was monitored. The Finance Manager confirmed that Section 106 funding continued to be used to contribute towards the provision of sufficient school places through improvement to and the expansion of Bromley schools as part of the Basic Need Programme.

An update on the completion of works related to the introduction of free school meals for all Key Stage 1 pupils would be provided to Members following the meeting.

RESOLVED that the revised Capital Programme agreed by the Council's Executive on 2nd December 2015 be recommended to the Portfolio Holder for Education for approval.

25 EDUCATION PORTFOLIO BUDGET 2016/17

Report ED16011

The Sub-Committee considered a report setting out the draft Education Portfolio Budget 2016/17, which incorporated future cost pressures and initial budget saving options reported to the Council's Executive on 13th January 2016. 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 Finance Manager advised Members that no additional growth pressures had been identified within the initial budget for the Education Portfolio for 2016/17, but that there had been additional allocations of £382k relating to the full year effect of the supplementary estimate for Adult Education, £400k in response to the reduction in Education Services Grant, and £199k relating to increases in National Insurance contributions. A number of savings for the 2016/17 budget had also been identified during 2015/16, which included savings of £76k for Bromley Youth Music Trust and £30k for Early Years.

In considering the draft Education Portfolio budget 2016/17, the Chairman noted that following Members' agreement to discontinue the market testing process for education services, a review was being undertaken of the organisation of the Education Service to ensure it continued to be fit for purpose, the outcome of which would be reported to Education PDS Committee in Spring 2016.

In response to a question from a Member, the Portfolio Holder for Education confirmed that Officers were working to identify if the Southborough Lane campus currently used by the Bromley Youth Music Trust would be needed for the provision of additional school places in Planning Area 5 in future years.

With regard to the academies agenda, the Portfolio Holder for Education highlighted that Bromley was significantly further advanced than most other local authorities and continued to work closely with the Department for Education to share learning and raise any issues which might benefit other local authorities. Further information on how the decrease in grant funding per pupil would impact the Education Portfolio as more schools converted to academy status would be provided to Members following the meeting. This issue would also be raised with the Regional Schools Commissioner for South East England and South London who was attending the next meeting of Education PDS Committee on 19th January 2016.

RESOLVED that:

- 1) The financial forecast for 2017/18 to 2019/20 be noted;**
- 2) Members' comments on the initial draft savings options proposed by the Council's Executive for 2016/17 be noted; and,**
- 3) Members' comments on the initial draft 2016/17 Education Portfolio budget be provided to the meeting of the Council's Executive on 10th February 2016.**

26 DEDICATED SCHOOLS FUNDING GRANT

Report ED16012

The Sub-Committee considered a report providing information on the Dedicated Schools Grant 2016/17 and how it would be allocated.

The Dedicated Schools Grant was made up of three blocks comprising High Needs, Early Years and Schools. In December 2015, the Department for Education had released the final Dedicated Schools Grant for 2016/17 based on the final units of funding that were released in July 2015. Dedicated Schools Grant income was generally in line with what was expected and what had been received in previous years. In 2015/16, a balanced budget had been set at the start of the financial year which took into account planned expenditure to be funded from the unspent Dedicated Schools Grant carried forward from previous years as agreed by the Schools' Forum. Based on the most recent estimates it was likely that the Dedicated Schools Grant budget would be overspent by approximately £52k for 2015/16, and by approximately £4m for 2016/17 due to a range of pressures including the need for bulge classes and the demand for special educational needs provision.

The Local Authority was very concerned about this situation as it demonstrated that the current budget was not sustainable and that further savings would need to

be identified in future years. Officers were working to identify potential savings within the High Needs and Early Years blocks, as well as within the central spend in the Schools block. However, it was anticipated that some savings might also need to be found within the Schools block, and the Schools' Forum had been asked to consider this as part of the Formula Review in preparation for the introduction of the National Funding Formula.

The Finance Manager reported that the Schools' Forum had discussed the Dedicated Schools Grant 2016/17 at its meeting on 14th January 2015. In recognising the funding pressures, the Schools' Forum had agreed to expand an existing working party initially formed to review the funding formula for 2017/18 to include Early Years and Special Schools representatives and to work to review Dedicated Schools Grant expenditure as a whole. The Working Party would be supported by Local Authority Officers to identify areas where potential savings could be made and how this would impact on provision, and would report its findings to the meeting of the Schools' Forum on 14th April 2016.

In considering the report, the Chairman was concerned at the initial projected overspend of approximately £4m for Dedicated Schools Grant for 2016/17 for which savings had been identified to mitigate. There were also measures in place to help contain the future projected overspend, such as the planned alternative provision at Beacon House which would reduce the need for high cost out-of-Borough placements.

In response to a question from the Portfolio Holder for Education, the Head of Schools' Finance Support confirmed that schools managed their finances differently. Larger schools had their own finance officers and multi-academy trusts often shared finance officers. Part of the remit of the Schools' Finance Support service was to provide financial support to schools and the service had a high level of take up, particularly from smaller schools and academies. The Schools' Finance Support service also delivered regular finance forums and training events to share best practice in school finance across Bromley schools.

Councillor Nicholas Bennett JP queried how the Pupil Premium had been impacted following the introduction of free school meals for all Key Stage 1 pupils. The Head of Schools' Finance Support reported that schools were concerned that there had been a reduction in take up of Pupil Premium by some eligible pupils and were working to engage with parents and carers to encourage them to apply for the funding which targeted the gap in attainment for pupils who were eligible for free school meals. When sufficient data was available, modelling would be undertaken to identify how free school meals had impacted the take up of Pupil Premium, which was particularly important to schools as it attracted further deprivation funding which could have a significant benefit to the achievement of the most vulnerable pupils.

RESOLVED that:

- 1) The Dedicated Schools Grant allocation for 2016/17 be noted;**
- 2) Members' comments regarding the proposed allocation and for**

reducing expenditure in future years be noted; and,

- 3) The Portfolio Holder for Education be recommended to approve the Dedicated Schools Grant allocation to the Schools Budget for 2016/17.**

27 ANY OTHER BUSINESS

Members generally discussed the level of recharges to the Education Portfolio. The Finance Manager confirmed that the level of recharges to the Education Portfolio reflected the cost of providing central services such as Human Resources, Finance and Legal Services to the services across the Portfolio, and that an annual baseline review was undertaken to help identify potential savings across these support services which could arise as a result of changes in the services they were recharged to.

Members noted that further details of the new National Funding Formula would be announced in Spring 2016, after which a consultation would take place. It was possible that Bromley would benefit from higher funding under the new formula as it was currently one of the lowest funded local authorities and received significantly less per pupil school funding than some neighbouring local authorities. Further details of the level of per pupil school funding received by other London local authorities would be provided to Members following the meeting.

RESOLVED that the issues raised be noted.

28 DATE OF NEXT MEETING

With Members agreement, the next meeting of Education Budget Sub-Committee due to take place on Tuesday 16th February 2016 was cancelled due to lack of business.

The Meeting ended at 7.51 pm

Chairman