



THE LONDON BOROUGH  
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To: Members of the  
**SCHOOLS' FORUM**

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
1 x vacancy	Primary Maintained Governor
David Dilling	Primary Academy Governor
Richard Edmunds	Primary Academy Head Teacher
Patrick Foley	Primary Maintained Head Teacher
Neil Miller	PRU Head Teacher
Paul Murphy	Secondary Academy Head Teacher
Sam Parrett	Non-School Representative (14-19 Partnership)
Karen Raven	Secondary Academy Head Teacher
Keith Seed	Special Head Teacher/Governor
1 x vacancy	Primary Academy Head Teacher
1 x vacancy	Non-School Representatives (Joint Teacher Liaison Committee)
1 x vacancy	Non-School Representative (Catholic Church)
1 x vacancy	Non-School Representative (Early Years)
David Wilcox	Secondary Academy Governor
Aydin Önaç	Secondary Maintained Head Teacher

A meeting of the Schools' Forum will be held at the Bromley College of Further and Higher Education, Rookery Lane, Bromley, BR2 8HE on **THURSDAY 21 SEPTEMBER 2017 AT 4.30 PM** \*

**\* PLEASE NOTE STARTING TIME AND VENUE**

MARK BOWEN  
Director of Corporate Services

## A G E N D A

- 1 APOLOGIES FOR ABSENCE**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES OF THE MEETING HELD ON 9 MARCH 2017 (Pages 3 - 10)**
- 4 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2016/17 (Pages 11 - 24)**

5 **PROVISIONAL OUTTURN REPORT 2016/17** (Pages 25 - 38)

6 **UPDATE ON 2017/18 DSG EXPENDITURE** (Pages 39 - 50)

7 **SCHOOLS REVENUE FUNDING 2018/19** (Pages 51 - 58)

8 **PRIMARY INCLUSION OUTREACH STRATEGY**

*(to follow)*

9 **ANY OTHER BUSINESS**

10 **DATE OF NEXT MEETING**

**All meetings are at Bromley College unless otherwise stated.**

29 June 2017

21 September 2017

23 November 2017

11 January 2018

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## SCHOOLS' FORUM

Minutes of the meeting held at 4.30 pm on 9 March 2017

### Present:

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
Colin Ashford	Primary Academy Governor
David Dilling	Primary Academy Governor
Richard Edmunds	Primary Academy Head Teacher
Patrick Foley	Primary Maintained Head Teacher
Neil Miller	PRU Head Teacher
Sam Parrett	Non-School Representative (14-19 Partnership)
Karen Raven	Secondary Academy Head Teacher
Alison Regester	Non-School Representative (Early Years)
Keith Seed	Special Head Teacher/Governor
David Wilcox	Secondary Academy Governor
Aydin Önaç	Secondary Maintained Head Teacher

### Also Present:

Jane Bailey	Director: Education
David Bradshaw	Head of ECHS Finance
Amanda Russell	Head of Schools Finance Support
Carol Arnfield	LBB Head of Service, Education
Philippa Gibbs	Democratic Services Officer
Dr Martin Airey	Head Teacher Darrick Wood
Mr Steve Whittle	Principal Hayes School

## 34 APOLOGIES FOR ABSENCE

No apologies for absence were received.

The Chairman provided the Forum with an update on the current status of the membership of the Schools' Forum. Following the changes to the constitution endorsed at the last meeting and a further resignation there were now 4 vacancies on the Schools' Forum (1 x Primary Academy Head Teacher, 1 x Primary Academy Governor, 1x Joint Teacher Liaison Committee, 1 x Catholic Church Representative).

A Member questioned whether there should be a Special Academy School Representative on the Forum. The Chairman noted that this would require a change to the constitution which currently made provision for a Special School Representative. The Head of ECHS reported that he did not believe that it was necessary to have a academy representative for Special Schools but agreed to review the guidance and report back to the next meeting.

### **35           DECLARATIONS OF INTEREST**

There were no additional declarations of interest.

### **36           MINUTES OF THE MEETING HELD ON 12 JANUARY 2017**

In relation to the accuracy of Minute 29, two Members stated that they did not recall that the Forum had noted Sam Parrett and Neil Miller were representatives from the same multi academy trust. The Chairman clarified that this had been mentioned at the very end of the meeting and stressed that no decision had been taken. Following discussion, the Vice Chairman suggested that as there was not unanimity concerning the discussion at the end of the last meeting the reference should be left in the minutes. The Chairman confirmed that Sam Parrett remained the 14-19 Partnership Representative and that in terms of more than one representative from the same multi academy trust (MAT) the issue was ensuring that no school or MAT had disproportionate influence.

In relation to Minute 28, the Chairman tabled the email (sent at 09:23 on Wed 25/01/17) that had accompanied the electronic circulation of the minutes from the meeting on 12<sup>th</sup> January 2017. This noted that:

*“Following the meeting of the Schools Forum last week there are a number of issues that were raised in the meeting where we would like to add some additional points of clarification.*

*Schools Forum report number ED 17032 page 13 paragraph 3.16 – due to an administrative error the AWPU values for all schools show a decrease of £58 per pupil. Please note that these figures are incorrect and the correct figures are as follows:*

*Primary AWPU reduced from £2,938 to £2,930 ( reduction £8)  
Secondary KS3 AWPU reduced from £4,168 to £4,160 (reduction £8)  
Secondary KS4 AWPU reduced from £4,559 to £4,550 (reduction £9)*

*Please be assured that all other figures in the report have been thoroughly re-checked and we can confirm that they are correct.*

*LA officers have checked and confirmed that email notifications were received to confirm receipt of all previous consultation responses.*

*As the maintained school members of the Schools Forum did not agree to the proposed de-delegation relating to statutory duties previously funded through the ESG the proposed budget no longer balances with a shortfall of £97,590. As it is not practicable to adjust school’s funding levels at this late stage it is proposed that this funding will be found from within the £3m growth fund.”*

Some members reported that they had not seen the email before and the Director of Education asked those Members to check their email inboxes. The evidence on the email was that the information was sent to all Members and Officers would

need to confirm that they had the correct email addresses and that there were no other problems with the delivery of emails to Schools' Forum Members.

The Head of ECHS Finance reported that on 31<sup>st</sup> January 2017, the Education Budget Sub-Committee had noted the comments made by the Schools' Forum around funding and had agreed the budget with no changes. The budget had then been ratified by the Executive on 8<sup>th</sup> February 2017.

In response to a question from the Vice-Chairman, the Head of ECHS confirmed that the changes outlined in the email of 25<sup>th</sup> January 2017 had not changed the budget. The Forum also noted that the Chairman had been sent copies of the acknowledgements confirming that the consultation responses had been received by DfE.

The minutes of the meeting held on 12<sup>th</sup> January 2017, were approved, and signed as a correct record.

### **37 NATIONAL FUNDING FORMULA PRESENTATION** **Report ED17039**

The second stage of the DfE consultation on the proposed National Funding Formula for Schools and High Needs was launched on 14 December 2016 with a closing date of 22 March 2017. LA Officers had attended a number of DfE led presentations and seminars which had helped develop understanding of the proposals which were detailed and complex.

The Head of Schools' Finance Support introduced the item. The Forum reviewed the information provided by the DfE and Members noted that individuals schools were able to access detailed school-level illustrations through the COLLECT system.

The Head of Schools' Finance Support reported that in her opinion most turbulence in Bromley schools would arise from using IDACI bands for the deprivation factor as this was something that had not been used in Bromley before. Another concern surrounded proposals to fund the growth factor on the basis of historic spend in 2018-19 with the DfE putting forward a proposal to adopt a lagged growth methodology from 2019-20. The implication of this was that there would be no more bulge class funding for schools. A further significant issue for the Schools' Forum to consider was the proposal to include a funding floor in the formula. Although this would provide much needed protection for primary schools the flip side was that secondary schools would not receive the much needed additional funding that had been anticipated.

The Head of Schools' Finance Support had produced a funding formula comparison reproducing the elements of the funding formula. This demonstrated a shift towards funding away from primary schools towards secondary schools. The proposals appeared to indicate a considerable reduction in primary school funding and a modest increase in secondary school funding in the Borough. It was noted that a pupil could attract 3 elements of funding: Ever6 FSM, Current FSM plus 1 ADACI element. The Vice-Chairman noted that the figures reproduced in the comparison were pre funding cap. The Head of Schools'

Finance Support confirmed that funding cuts would be capped but that this protection was not guaranteed beyond two years.

The Schools' Forum moved on to considering its response to the consultation. The Director of Education suggested that where Members had firm thoughts about what should be included in the response they should email these to the Head of ECHS Finance following the meeting. A Member suggested that at the meeting the Schools' Forum should seek to reach a consensus on the general principles that should be included in the response to enable LA Officers to expand on these principles in the draft produced following the meeting.

**Question 1: In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

*No. The delivery of a fairer system of school funding has been undermined by an inadequate level of overall funding. Whilst the mechanics and financial impact of the new funding system are set out in detail, the government does not provide evidence that thousands of schools have the ability to maintain or improve performance levels with reduced cash budgets. This is a real concern for schools at a time when savings of 8 per cent are already required to meet wider cost pressures by 2019/20<sup>1</sup>. X% of Bromley schools are set to face funding cuts as a result of the funding formula. The redistribution method is wrong. It should be a methodology which analyses what schools need, not how the funding is redistributed.*

Members noted that the general principle was that the Forum considered that no schools should be disadvantaged and that the only way to achieve this was to increase levels of funding across the board. It was now clear that Bromley schools were being adversely affected by the proposals. In addition to this Members felt that it was important to highlight the disparity of funding between inner and outer London Boroughs and the unfairness this created.

**Question 2: Do support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?**

Members felt that it was important to challenge the DfE to provide evidence to support the proposals. It was felt that the ratio was arbitrary and would only add to the pressures surrounding recruitment already faced by primary schools.

The Vice-Chairman challenged the premise of the question, highlighting that secondary schools in Bromley were not going to be funded 29% higher because the 3% cap would distort this figure.

Members felt that it was important to explain in the commentary why the Schools' Forum felt unable to provide an answer.

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<sup>1</sup> *Financial Sustainability of Schools*, National Audit Office

The Head of Schools' Finance Support suggested that the response should clearly state that there was divided opinion on the Schools' Forum (between primary and secondary schools) as there was insufficient funding available. There would be more comfort if the DfE were able to provide evidence to support the proposed ratio.

The Primary Maintained Head Teacher representative stressed that in his opinion a key question had to be 'Why do deprived children cost more to educate in Key Stage 3 and Key Stage 4?' The DfE had not provided an answer to this question. The Primary Academy Governor representative suggested that a fundamental reappraisal of need was required and this had not been done. The DfE had provided insufficient information to enable the Forum to provide a suitable response.

As time was critical, Members agreed that general responses to the consultation questions should be agreed at the meeting with a draft consultation response being produced by Officers and circulated to Schools' Forum members for endorsement prior to the Education Budget Sub-Committee meeting on 15 March. If any further minor amendments were required the Chairman could agree these prior to submission of the consultation response.

**Question 3: Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?**

*Yes. Bromley already aims to channel as much funding as possible through pupil-led factors locally, in line with national guidelines. Whilst this should continue under a national formula, it is equally important that schools with exceptional characteristics - such as split sites and PFI contracts - continue to be recognised fairly in the new funding system.*

**Question 4: Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?**

*Yes.*

**Question 5: Do you agree with the proposed weightings for each of the additional needs factors?**

*No. Members of the Schools' Forum challenge the evidence on which this proposals is based as there is no basis for it.*

**Question 6: Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? Not Applicable**

**Question 7: Do you agree with the proposed lump sum amount of £110,000 for all schools?**

*No. The proposed formula could be challenging for schools with a particular faith or community focus, some of which can be as small as 1 FE. The impact on these*

*schools should be considered specifically as part of the equalities impact assessment.*

*To support school place planning, the revenue and capital funding systems should work together to encourage the creation of new schools that are of an efficient size and able to deliver a full curriculum. The level of the lump sum is an important part of this incentive, so clearer national guidance on the minimum size of a sustainable new school would be beneficial.*

**Question 8: Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools? Not Applicable**

**Question 9: Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? No.**

**Question 10: Do you agree with the principle of a funding floor that would protect schools from large overall reductions as a result of this formula? This would be in addition to the minimum funding guarantee.**

The Schools' Forum noted that the principle of a cap had always operated. The Vice-Chairman suggested that in response to this question the Schools' Forum needed to emphasise that there needed to be more money in the system.

**Question 11: Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?**

Yes. The Schools' Forum agreed however that assurances surrounding the continuation of the stability measures beyond the proposed two years should be sought.

**Question 12: Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?**

No. The response to this question needed to cross reference back to question 9.

**Question 13: Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.**

Yes.

**Question 14: Are there further considerations we should be taking into account about the proposed schools national funding formula?**

*Yes. The system of funding new schools from 2018/19 will need to be considered carefully and separate arrangements are likely to be required. Without a baseline against which to apply floors and caps, an unadjusted application of the new formula would lead to severely distorted funding levels for new schools. Factors based on historic spend are unlikely to meet actual costs in high growth areas. For example, the business rates factor will not meet the cost of bills for new and expanding schools. A mechanism for retrospective or in-year adjustment should be introduced for these factors.*



**15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?**

*Many of the cost pressures facing schools, as identified by the National Audit Office, are the direct result of government policy, such as changes to national insurance and pension contributions. Any action the government can take to ease these cost pressures would make the introduction of a fair funding formula less challenging. For example, the apprenticeship levy will apply inconsistently across schools. Whilst standalone academies are likely to be exempt, community and voluntary schools will be eligible for the levy because the local authority is classed as the employer. Bromley does not believe that this different approach can be justified and we call on the government to apply a consistent exemption to all schools with a pay bill under £3 million. London has a higher number of unaccompanied asylum seeking children (UASCs) than other regions and some areas have specific funding arrangements in place locally for this potentially key cost driver. UASCs are an example of an exceptional school-level pressure that a 'hard' formula will struggle to capture accurately at a national level but are currently picked up locally. The impact of the formula on similar cost drivers – uncommon, but highly significant for individual schools - will need to be considered carefully. London's schools are facing considerable pressure to recruit high quality teaching staff across a range of subjects, as well as retaining them in the long term. TES reports in 'A Question of Quality: TES Teacher Recruitment Index'<sup>2</sup> that London is the region that has the most difficulty currently recruiting teaching staff. Funding reductions could further exacerbate this situation and impact on pupil outcomes.*

**Question 16: Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

*Yes. Deprivation needs to be reviewed on a more local level and not borough-wide.*

**Question 17: Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

*Yes. We support the inclusion of a funding floor in the new central school services block, but the protection that this isolated mechanism provides in 2018/19 will be insignificant when compared to the cuts to funding for central functions in 2017/18.*

**Question 18: Are there further considerations we should be taking into account about the proposed central school services block formula?**

The Schools' Forum noted that there appeared to be no focus on area cost adjustment.

It was also noted that as a result of the Ofsted Inspection, there would be a number of continuing demands on central services for the most vulnerable young people in the Borough and no funding to support this.

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<sup>2</sup> A Question of Quality: TES Teacher Recruitment Index, TES, April 2016

In relation to the consultation concerning the High Needs Block, it was agreed that following the meeting, the Special Head Teacher/Governor representative and the PRU Head Teacher would draft a consultation response based on the document provided by London Councils and this would be circulated to Members of the Schools' Forum on Monday 13<sup>th</sup> March, for endorsement in advance of the meeting of the Education Budget Sub Committee on 15<sup>th</sup> March 2017.

**38 ANY OTHER BUSINESS**

The Early Years representative reported as a result of a number of the recent changes to Early Years provision and the introduction of the 30 hours Initiative, 2 pre-school settings in the Borough would be closing. As it would likely that this would be a continuing trend this was something the Local Authority may wish to monitor.

**39 DATE OF NEXT MEETING**

The next meeting was scheduled to take place on 29<sup>th</sup> June 2017.

The Meeting ended at 6.22 pm

Chairman

Report No.  
ED18026

## London Borough of Bromley

### PART ONE - PUBLIC

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Decision Maker: **Schools' Forum**

Date: **21<sup>st</sup> September 2017**

Decision Maker: **Education, Children and Families Budget and Performance Monitoring Sub-Committee**

Date: **26<sup>th</sup> September 2017**

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

**TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2016/17**

Contact Officer: Mandy Russell, Head of Schools' Finance Team  
Tel: 020 8603 3572 E-mail: amanda.russell@liberata.com

Chief Officer: Jane Bailey, Director of Education

Ward: Boroughwide

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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 2017, 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 Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2016/17 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**
- 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 2016/17
  4. Total current budget for this head: £265m
  5. Source of funding: DSG
- 

### 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: 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 2017 the end of the 2016/17 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 2017.

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 10% of School Budget Shares compared to 11% at the end of 2015/16, which is a decrease of 1%. Secondary school balances have also increased by 1% to currently stand at 10%. Special School balances remain constant at 7%.

3.5 A comparison of the levels of school balances as at 31 March 2016 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: 31.03.17</b>			
Committed Revenue Balances (BO1)	320 ( 2%)	40 (1%)	66 (0.6%)
Uncommitted Revenue Balances (BO2)	929 ( 8%)	461 (9%)	717 (6.6 %)
	1,250 (10%)	501 (10%)	783 ( 7.2%)
<b>Revenue balances only as at: 31.03.16</b>			
Committed Revenue Balances (BO1)	63 (0.5 %)	0 (0%)	86 (1 %)
Uncommitted Revenue Balances	1,359 (10.5	461 (9%)	588 (6 %)

(BO2)	%		
	1,422 ( 11% )	461 (9%)	674 ( 7%)

- 3.6 Full details of schools balances can be seen at **Appendix 1**
- 3.7 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. One Primary school has ended the financial year with a deficit and has been asked to provide a deficit recovery plan.
- 3.7 The DFE also 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 (i.e. it is 2% or more in deficit)
  - B:** LA has underspent its Dedicated Schools Grant by 5% or more (i.e. 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** – for 2016/17 no schools fall into this category.

- 3.8 This report also provides information on those schools with a deficit revenue balance. As at 31 March 2017, one primary school has a deficit balance.
- 3.9 In accordance with DfE requirements the Schools Finance Team (SFT) will work 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.
- 3.10 **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.

#### 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, Procurement and Personnel Implications
Background Documents: (Access via Contact Officer)	With the Schools Finance Team

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	2016-17						Appendix 1				2015-16			
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/17	Total Balances 31/03/17	BO2 Rev Bal as % of 2017/18 SBS	BO1 & BO2 Rev Bal as % of 2017/18 SBS	School Budget Share 2017-18	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Appendix 1 Total Balance C/fwd as at 31-Mar-17	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/16	BO2 Rev Bal as % of 2016/17 SBS	BO1 & BO2 Rev Bal as % of 2016/17 SBS
<b>Primary Schools</b>														
Bickley Primary	129,354	71,699	201,053	4%	12%	1,651,241				201,053		211,532	13%	13%
Blenheim Primary		140,419	140,419	12%	12%	1,127,791				140,419		71,521	6%	6%
Bromley Road Primary	31,091	298,943	330,034	35%	38%	857,338	21,833			351,867	14,299	306,714	31%	33%
Churchfields Primary		-46,702	-46,702	-3%	-3%	1,681,749				-46,702		104,048	5%	5%
Downe Primary		658	658	0%	0%	479,247		4,911		5,569		21,322	4%	4%
Edgebury Primary		82,699	82,699	8%	8%	1,010,858				82,699		165,309	16%	16%
Poverest Primary	157,634	90,529	248,163	7%	18%	1,385,217			4,823	252,987	37,475	196,613	12%	15%
Southborough Primary	2,393	176,854	179,247	10%	10%	1,777,977			12,074	191,321	2,729	146,677	8%	8%
St Anthony's RC Primary		32,666	32,666	3%	3%	958,508			1,389	34,055	8,685	83,960	9%	9%
St Pauls Cray Primary		81,954	81,954	6%	6%	1,271,943				81,954		51,310	4%	4%
<b>Sub-total</b>	<b>320,472</b>	<b>929,720</b>	<b>1,250,192</b>	<b>8%</b>	<b>10%</b>	<b>12,201,869</b>	<b>21,833</b>	<b>18,374</b>	<b>4,823</b>	<b>1,295,222</b>	<b>63,188</b>	<b>1,359,006</b>	<b>10%</b>	<b>11%</b>
<b>Secondary Schools</b>														
St. Olaves	40,000	460,677	500,677	9%	10%	5,036,287				500,677	0	460,919	9%	9%
<b>Sub-total</b>	<b>40,000</b>	<b>460,677</b>	<b>500,677</b>	<b>9%</b>	<b>10%</b>	<b>4,926,506</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,676.75</b>	<b>0</b>	<b>460,919</b>	<b>9%</b>	<b>9%</b>
<b>Special Schools</b>														
Glebe		178,440	178,440	6%	6%	2,948,762	962		40,490	219,892		182,762	7%	7%
Marjorie McClure	66,273	107,303	173,576	4%	7%	2,406,793				173,576	85,798	51,049	2%	6%
Riverside		431,123	431,123	8%	8%	5,479,138			0	431,900		354,630	7%	7%
<b>Sub-total</b>	<b>66,273</b>	<b>716,866</b>	<b>783,139</b>	<b>7%</b>	<b>7%</b>	<b>10,834,693</b>	<b>962</b>	<b>0</b>	<b>41,266</b>	<b>825,367.71</b>	<b>85,798</b>	<b>588,441</b>	<b>6%</b>	<b>7%</b>
<b>TOTAL</b>	<b>426,745</b>	<b>2,107,263</b>	<b>2,534,008</b>	<b>8%</b>	<b>9%</b>	<b>27,963,068</b>	<b>22,795</b>	<b>18,374</b>	<b>46,089</b>	<b>2,621,266</b>	<b>148,986</b>	<b>2,408,366</b>	<b>8%</b>	<b>9%</b>

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## Appendix 2

	<b>2016/17</b> BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2017/18 SBS	<b>2015/16</b> BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2016/17 SBS	<b>2014/15</b> BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2015/16 SBS	<b>2013-14</b> BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2014/15 SBS	<b>2012-13</b> BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2013/14 SBS
<b>Primary Schools</b>										
Bickley Primary	£201,053	12%	£211,532	13%	£211,532	13%	£149,009	11%	£118,210	10%
Blenheim Primary	£140,419	12%	£71,521	6%	£71,521	6%	£12,947	1%	-£27,664	-3%
Bromley Road Primary	£330,034	38%	£321,013	33%	£321,013	31%	£85,312	8%	£94,962	10%
Churchfields Primary	-£46,702	-3%	£104,048	5%	£104,048	5%	£125,795	8%	£121,452	8%
Downe Primary	£658	0%	£21,322	4%	£21,322	4%	£42,901	10%	£39,013	9%
Edgebury Primary	£82,699	8%	£165,309	16%	£165,309	16%	£76,555	10%	£83,968	10%
Poverest Primary	£248,163	18%	£234,088	15%	£234,088	12%	£172,861	15%	£116,315	10%
Southborough Primary	£179,247	10%	£149,406	8%	£149,406	8%	£252,806	15%	£255,465	15%
St Anthony's RC Primary	£32,666	3%	£92,645	9%	£92,645	9%	£110,767	15%	£84,603	11%
St Pauls Cray Primary	£81,954	6%	£51,310	4%	£51,310	4%	£104,046	10%	£82,720	8%
<b>Secondary Schools</b>										
St. Olaves	£500,677	10%	£460,919	9%	£460,919	9%	£837,518	18%	£563,678	13%
<b>Special Schools</b>										
Glebe	£178,440	6%	£182,762	7%	£182,762	7%	£255,879	6%	£177,518	7%
Marjorie McClure	£173,576	7%	£136,847	6%	£136,847	2%	£90,514	2%	£90,706	5%
Riverside	£431,123	8%	£354,630	7%	£354,630	7%	£400,292	8%	£331,569	7%

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**Primary Schools over 8%**

**Blenheim Primary School** **Balance at 31/3/17 £140,419**  
**12%**

**Reason for High Balances:**

Low numbers in current year 2 due to the school taking a bulge class in reception 2014. Bulge funding was given to the school to make up the numbers while the pupils were in KS1. As they move to KS2 in September 2017 the bulge class funding ceases.

**Description of planned expenditure to reduce balances**

Funding to support current Year 2 class as they move to Year 3 In September 2017	£32,074
To support bulge class in 2018/19	£54,984

**Management Comment**

The school is holding balances to the bulge class with low numbers after the LA funding ceases in September 2017. The school is planning to convert to Academy status early in the Autumn term.

**Bromley Road Primary School** **Balance as at 31/3/17 £298,943**  
**35%**

**Reason for High Balances:**

Late delivery of LBB window project and delays to academy conversion have delayed some planned expenditure in 2016/17 – particularly IT, playground, group room refurbishment. The school was also unable to pursue alternative options to reduce the surplus further due to insufficient time before year end.

**Description of planned expenditure to reduce balances**

The initial 2017/18 draft budget takes into account the delayed activities from 2016/17. However, as part of the acadamisation process, the surplus balance will be incorporated into the revised 2017/18 budget setting discussions for the school under the new MAT agreement. This will take effect from 1/9/17.

**Management Comment**

The school has been holding high balances for a number of years while it transitions from a 3 form entry infant school to a 1 form entry primary school. The school is planning to convert to Academy status early in the Autumn term.

## Southborough Primary School

Balance as at 31/3/17 £176,854  
10%

### Reason for High Balances

During 2016/17 it became apparent that our budget share for 2017/18 would be reduced by approximately £60,000. Therefore we took the strategic decision to reduce expenditure on non-essential items in order to preserve staffing numbers in 2017/18.

### Description of planned expenditure to reduce balances

Use of balances to support planned in year deficit in 2017/18 £115,592

### Management comment

The school has been advised that the reliance on balances to support current staffing levels is not sustainable in the long term.

## Secondary Schools over 8%

### St Olaves Grammar School

Balance as at 31/3/17 £460,677  
9%

### Reason for High Balances

Historical reserves have been slightly inflated by current year surplus of £40,000. This year's surplus was a direct result of being unable to convert to Academy status and thereby saving at least £40,000 in conversion costs. Government funding continues to be below the cost of running the school and without parental donations and contributions from the foundation totalling £151,400 in 2015/16 and PA donations of £47,600 in 2016/17 the reserves would be significantly lower.

### Description of planned expenditure to reduce balances

Estimated 1.2%payrise for all staff	£50,500
Apprenticeship levy	£1,500
Training costs of Schools Direct Training scheme for 4 trainee teachers not covered by grant	£24,000
Refurbishment of two main IT suites	£40,000
Higher Utility costs	£10,000
Roof repairs – Main School building	£50,000
Cover of sixth form funding loss, lagged by one year due to high number of leavers after census	£27,000
Governors 10% contribution of LCVAP funding	£25,000
Professional fees for site development	£30,000
Total Planned Expenditure	£258,000

### **Management Comment**

If all planned expenditure is achieved then 2017/18 balances should be well below the 8% threshold.

### **Schools in Deficit**

**Churchfields Primary School**

**Balance as at 31/3/17 £-46,702**

**-3%**

### **Reason for Deficit**

Combination of overstaffing (relative to budget) and period during the year without a school business manager has meant that the financial control and monitoring were not as tight as they might have been

### **Management Action to achieve Recovery Plan**

- Reorganisation /realignment of staffing including reducing the number of specialist teachers in relation to classroom teachers
- Very careful recruitment in terms of cost of new staff
- Line by line analysis of expenditure to ensure best value in all areas
- New SBM to review and renegotiate all contracts
- Afterschool club to be run in house to increase income
- Review charging policy for breakfast club and all extra- curricular activities

### **Management Comment**

The School has produced a deficit recovery plan showing a full recovery of the deficit in 201/18 – this is currently being reviewed by the LA. The school is expected join a MAT trust during the Autumn term at which point the outstanding deficit will be repaid to the LA by the DfE.

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Report No.  
ED18027

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:**                      **Thursday 21 September 2017**

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

**Title:**                      **PROVISIONAL OUTTURN REPORT 2016/17**

**Contact Officer:**      David Bradshaw, Head of ECHS Finance  
Tel: 020 8313 4807      E-mail: David.Bradshaw@bromley.gov.uk

**Chief Officer:**              Director: Education (ECHS)

**Ward:**                      (All Wards);

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1.    Reason for report

This report provides the Schools Forum with financial information reported to the Education, Children and Families Budget and Performance Monitoring Sub-Committee at their July meeting.

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2.    **RECOMMENDATION(S)**

**The Schools Forum is invited to discuss and note the contents of this report.**

### **3. COMMENTARY**

- 3.1 The attached report with supporting appendices was presented to the Education, Children and Families Budget and Performance Monitoring Sub-Committee at the meeting in July. The Schools Forum is asked to note the contents of this report, particularly the carry forward balance in paragraph 3.5 as this is referred to in other reports on the agenda.
- 3.2 The Schools Forum is invited to discuss and note the contents of this report.

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**Decision Maker:** EDUCATION, CHILDREN AND FAMILIES BUDGET AND PERFORMANCE MONITORING SUB-COMMITTEE

**Date:** 18<sup>th</sup> July 2017

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

**Title:** PROVISIONAL OUTTURN REPORT 2016/17

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

**Chief Officer:** Deputy Chief Executive & Executive Director ECHS

**Ward:** (All Wards);

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1. Reason for report

1.1 This report provides the provisional outturn position for 2016/17.

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2. **RECOMMENDATION(S)**

2.1 **The Education, Children and Families Budget and Performance Monitoring Sub committee are invited to:**

- (i) **Note that there was an underspend of £109,000 on controllable expenditure at the end of 2016/17 and consider any issues arising from it;**
- (ii) **Note that the Executive on the 20<sup>th</sup> June have agreed the net carry forwards as detailed in Appendix 2.**

2.2 **The Portfolio Holder is asked to:**

- (i) **Endorse the 2016/17 provisional outturn position for the Education Services Portfolio.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Care Services Portfolio
  4. Total current budget for this head: £632k
  5. Source of funding: Care Services Approved Budget
- 

### Staff

1. Number of staff (current and additional): 341 Full time equivalent
  2. If from existing staff resources, number of staff hours: N/A
- 

### Legal

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

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2016/17 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Education Services Portfolio PDS Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The provisional outturn for the “controllable” element of the Care Services budget in 2016/17 is an underspend of £109,000 compared to the last reported figure of £75,000 overspend which was based on activity at the end of December 2016.

#### FINAL POSITION (NON SCHOOLS BUDGET)

- 3.3 The £109k underspend is summarised in table one. All of the pressures and savings are further detailed and broken down in Appendix 1b.

<u>DIVISION</u>	<u>£'000</u>
Adult Education Centre - Reduction in income and business rates payment	147
Nursery recharge income partially offset by additional schools income and staff vacancies	31
SEN Transport overspend partially offset by Education Psychologists income, additional grant and staff vacancies	391
Recharge overspend offset by corresponding amount in non controllable expenditure	87
YOT - staffing and running costs	- 20
Early Intervention Service - Staffing and running expenses plus additional recharge of Public Health grant	- 699
Other minor over/underspends	- 46
	<u>- 109</u>

#### FINAL POSITION (SCHOOLS BUDGET)

- 3.4 An element of the Education budget within the 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.
- 3.5 The Schools’ Budget has underspent by £226k during 2016/17, which will be added to the £1.4m remaining carry forward from 2015/16, giving a total of £1.6m to be carried forward into 2017/18
- 3.6 A summary of the main variations is provided in the table below, and further details of the variations can be found within Appendix 2.

	<b>£000</b>
	<b>Outturn</b>
	<b>Variance</b>
Beacon House Refurbishment	1,572
Bulge Classes (inc Modular classroom renta	379
SEN - Placements	Cr 482
SEN - Other Variations	Cr 353
Free Early Education	Cr 651
FAP Payments	117
Standard Fund Grant	Cr 745
Other Variations	Cr 63
<b>Final Outturn</b>	<b>Cr 226</b>

### **CARRY FORWARDS**

- 3.7 On the 20<sup>th</sup> June 2017 the Executive were asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2017/18. Appendix 3 provides a detailed breakdown of all of the carry forward requests. These amount to £217k and all of the expenditure is covered by grant funding, so there will be a net zero effect on the budget. As you will see from Appendix 3 the carry forwards included relate to grants which will not have to be repaid if not agreed but will impact on service delivery in 2017/18. Future reports to the Portfolio Holder and/or Executive will be required to approve their release.

### **FULL YEAR EFFECTS MOVING INTO 2017/18**

- 3.8 Appendix 4 provides a breakdown of any full year implications arising from the final 2016/17 outturn. Overall there are £755k of full year effect pressures in 2016/17. This is in the SEN Transport area. As part of the budget setting process these full year effects have been dealt with and additional funding has been added to the budgets for 2017/18.

### **COMMENTS FROM THE DEPUTY CHIEF EXECUTIVE & EXECUTIVE DIRECTOR OF EDUCATION, CARE AND HEALTH SERVICES**

- 3.9 The Adult Education Service overspent in year by £147k. The service has been restructured with a significant reduction in expenditure. Most of the overspend related to associated one-off costs of downsizing the service and vacating the Widmore premises. This area continued to pay business rates for the Widmore Centre since vacating the site at end of August 2016 whilst alternative uses for the site were found. This should cease once the new lease is signed with the EFA.
- 3.10 The two in house nurseries overspent by £95k due to lack of use/income by social care clients. There is a proposal to mitigate this.
- 3.11 Transport continues to see pressures emerge, although steps are being taken to address this as far as possible. Increased numbers of children with complex needs requiring EHC plans (27 per cent increase in new plans this year as compared with the previous year). There is a root and branch review of SEND currently being commissioned which will include a review of all high needs block. Members have acknowledged the pressure in SEN Transport and additional

funding has been made available in 2017/18.

- 3.12 In Workforce development there has been a reduction in income following a restructure which resulted in a deficit position. Savings for 2017/18 will result in this area no longer contributing to overheads of the Widmore Centre.
- 3.13 Public Health has contributed to the Early Intervention agenda which has resulted in the Education Portfolio being in an underspend position overall.

#### 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 2017/18 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 financial implications are contained within the body of the report. A detailed breakdown of the projected outturn by service area is shown in appendix 1 with explanatory notes in appendix 2.

<b>Non-Applicable Sections:</b>	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2016/17 Budget Monitoring files in ECHS Finance Section

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2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 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 233	Adult Education Centres	Cr 288	Cr 288	Cr 141	147	1	83	0
231	Alternative Education and Welfare Service	250	254	258	4		8	0
264	Schools and Early Years Commissioning & QA	391	401	432	31	2	140	0
5,141	SEN and Inclusion	4,869	5,090	5,481	391	3	512	755
207	Strategic Place Planning	205	253	211	Cr 42		0	0
Cr 15	Workforce Development & Governor Services	18	19	26	7		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,274	Cr 1,274	0	4	471	0
	Education Funds Held in Contingency		0	0	0	4	Cr 471	0
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,222	Cr 1,135	87	5	0	0
1,757	Bromley Youth Support Programme	1,438	1,536	1,516	Cr 20	6	Cr 96	0
175	Other Strategic Functions	179	261	246	Cr 15		0	0
<b>4,482</b>		<b>4,115</b>	<b>5,030</b>	<b>5,620</b>	<b>590</b>		<b>647</b>	<b>755</b>
<b>Children's Social Care</b>								
1,872	Early Intervention Services	1,130	1,137	438	Cr 699	7	Cr 572	0
<b>1,872</b>		<b>1,130</b>	<b>1,137</b>	<b>438</b>	<b>Cr 699</b>		<b>Cr 572</b>	<b>0</b>
<b>6,354</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION</b>	<b>5,245</b>	<b>6,167</b>	<b>6,058</b>	<b>Cr 109</b>		<b>75</b>	<b>755</b>
11,061	<b>Total Non-Controllable</b>	4,198	Cr 8,602	Cr 8,602	0		0	0
3,396	<b>Total Excluded Recharges</b>	3,240	3,067	3,067	0		0	0
<b>20,811</b>	<b>TOTAL EDUCATION PORTFOLIO</b>	<b>12,683</b>	<b>632</b>	<b>523</b>	<b>Cr 109</b>		<b>75</b>	<b>755</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 134	Cr 116	} 8	Cr 170	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 32	Cr 16	16		Cr 19	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	Cr 11	11	22		0	0
0	Governor Services (DSG/RSG Funded)	Cr 6	Cr 6	3	9		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	16	16		113	16
Cr 23	Blenheim Nursery (RSG Funded)	0	3	82	79		54	79
0	Business Partnerships (RSG Funded)	0	0		0	0	0	
	<b>Total Sold Services</b>	<b>Cr 68</b>	<b>Cr 64</b>	<b>Cr 38</b>	<b>26</b>		<b>16</b>	<b>95</b>

## **REASONS FOR VARIATIONS**

### **1. Adult Education Centres - Dr £147k**

The restructure that took place in Adult Education at the start of the Academic year has now started to settle down and is producing an overspend of £147k for this year. The pressure is being caused by a reduction in income (mainly from the SFA grant), the continued costs of Business Rates for the now empty Widmore Centre and unexpected payments to staff for Lieu of notice. These pressures have been partially offset by under spending in running costs.

As part of the restructuring of the Adult Education Service, they vacated the Widmore, one of the properties they occupied. This property was to be used by the EFA to provide extra school places in Bromley. As yet this sale has not gone through. The property has now passed its exemption period and Business Rates totalling £44k have been paid for 2016/17 that was not budgeted for. This pressure is likely to be on-going until the property is taken over by the EFA.

### **2. Schools and Early Years Commissioning & QA - Dr £31k**

The two in-house nurseries have over spent by £95k. This has been caused by under collection of recharge income from Children's Social Care (CSC). This overspend is offset by an underspend in CSC, and therefore has a £0 effect across the council. The nurseries have offset this over spend by collecting additional income for the places that are not being used by CSC.

A report recently went to the Commissioning Board relating to the two in-house nurseries within this area. The Commissioning Board has requested a management action plan be drawn up to put the nurseries on a break even position going forward. As the management action is likely to involve the reorganisation of the service, it is likely that the management action plan will not be fully implemented until the new financial Year.

The overspends in the nurseries has been offset by underspends of £64k in the remaining parts of this area. These underspends are, in the main, made up of extra income collected from schools (£26k) and underspends in staffing costs (of 20k).

### **3. SEN and Inclusion - Dr £391k**

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 Implementation (New Burdens) Grant. LBB's allocation of this grant for 2016/17 is £201k, of which £180k was approved for drawdown by Executive in March 2016, in addition to the carry forward of £108k of the 2015/16 grant that was not used.

Additionally the Department for Education has provided LBB with a SEND Regional Lead Grant in 2016/17 that is used in partnership with Enfield to support the role of regional lead for the implementation of the Special Educational Needs reforms. LBB's allocation of this grant for 2016/17 is £28k, along with a carry forward of £15k of the 2015/16 grant that was not used.

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport has overspent its budget by £504k. This has reduced since the last report as income came in higher than forecast. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases. The remainder of the overspend is due to the increased number of routes required during the year and the complexity of the clients using them (i.e. the need to have assistants on the transport due to the young age of the client).

Central Government pay Councils the Extended Rights to Free Travel grant (funding for children to get to school). This has resulted in a £4k underspend as the budget was less than the actual income we are now receiving.

The Education Psychologists Trading Account has collected income over its budget by £116k this year. This is offset by an overspend of £40k in the Education Psychologists to do with the schools in Bromley. This results in a net underspend of £76k.

Other variations total a net underspend of £33k and are mainly associated with staffing.

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

The Education Services Grant (ESG) allocation for 2016/17 came in £454k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. 8 Schools converted during the year. The full year effect of these conversions is £552k. The shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

### **5. Schools Budgets - Dr £87k**

There is an overall variance on the Schools Budget this year on controllable expenditure of £87k. This is offset by an underspend of £87k in the non-controllable spend due to lower overheads being charged to the DSG related budgets.

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 qualifying expenditure in the Schools Budget. Any overspend or underspend must be carried forward to the following year.

In 2016/17 there has been an in-year underspend of £226k. £3.7m was carried forward in 2016/17 and has been partly offset by planned one off growth of £2.3m. This means the Council will carry forward £1.6m DSG into 2017/18.

The in-year underspend is broken down as follows:-

During the year the remaining balance for the costs of the refurbishment of Beacon House to allow it to be used for a school has been contributed to the capital project (£1,572k).

Bulge classes have overspent by £150k for this financial year. Additionally there has been an overspend of by £229k on modular classroom rentals during the year.

Free Early Years Education has underspent by £651k this year. This is due to a £141k underspend for the 2 year old age group and an underspend £510k for the year in the 3 & 4 years age group.

The Primary Support Team is in the process of being re-organised and a number of posts were kept vacant during the year which has resulted in an underspend of £58k.

The FAP budget has overspent by £117k due to a prior year payment being paid in the current year for the Secondary FAP.

Standards Fund Grant has been allocated to DSG amounting to £745k and has been used to offset current expenditure.

SEN has underspent by £835k. There are many factors that make up this figure including:- SEN placements has underspent by a total of £482k, mainly due to fewer placements being made in independent boarding schools partially offset by increases in day placements.

There has also been underspends on pre-school services due to staffing vacancies and in other stated services due to an underspend in a contract. This has been partially offset by the Home and Hospital service which has seen an increase in Agency tutors.

Other minor variations total a net underspend of £5k.

	Variations	£'000
Bulge Classes		150
Modular classroom rentals		229
Free Early Education - 2 year olds	Cr	141
Free Early Education - 3 & 4 year olds	Cr	510
Primary Support Team	Cr	58
FAP Payments		117
Standards Fund Grant	Cr	745
Beacon House		1,572
Other Small Balances	Cr	5
SEN:		
- Placements	Cr	482
- Support in FE colleges	Cr	37
- Home & Hospital		80
- SIPS	Cr	12
- Pupil Support Services	Cr	61
- High Needs Pre-school Service	Cr	41
- Other Stated	Cr	194
- Disability Services	Cr	88
	Cr	<u>226</u>

#### **6. Bromley Youth Support Programme - Cr £20k**

The £20k underspend is derived from Youth Services and the YOT and are made up of various underspends and overspends in staffing and running costs.

	Variations	£'000
Youth Services		13
Youth Offending Team	Cr	33
	Cr	<u>20</u>

#### **7. Early Intervention Services - Cr £699k**

Bromley Children's Project variance is due to a underspends in staffing of £84k due to in year recruitment, reduced running costs and additional income of £103k and a recharge from Public Health to support the Children Centres of £500k.

Information Advice and Support Service underspend is due to in year recruitment.

	Variations	£'000
Bromley Children's Project	Cr	687
Information Advice and Support Service	Cr	12
	Cr	<u>699</u>

#### **8. 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, four waivers have been actioned and they all have an annual value range of £123k to £424k each.

#### **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, three virements have been actioned. These relate to adjustments to realign the SEN budgets and the re-alignment of overhead budgets.

**Carry Forwards from 2016/17 to 2017/18**

£                      £

**Grants with no Explicit Right of Repayment****EDUCATION PORTFOLIO**

<b>15</b>	<b>Early Years Grant - Supporting early education of disadvantaged children</b> It has taken longer than expected to work through the IT related agreements to purchase software and implement the changes needed with the introduction of additional hours of early years funding. To support this there will be a need to use the grant for additional hours for staff to steer the activity through to completion which the conditions of the grant allow.	14,800
<b>16</b>	<b>LA conversion Academies sponsor support</b> This grant is to support the conversion of our remaining Schools into Academies. The grant was received late in 2016/17 and was unable to spent in 2016/17	28,000
<b>17</b>	<b>High Needs Strategic Planning Fund</b> Grant received late in 2016/17 and was unable to spent in year. Grant is to be used to review the services we support via the High Needs DSG Block. We are currently in the process of employing someone to carry out the review.	139,624
<b>18</b>	<b>SEN Reform Grant</b> This grant is to support a three year Government specified programme for the transition of statements into Education Health and Care Plans (EHCP). The underspends in 2016/17 are required to continue to support this work in 2017/18 to meet the three year Government deadline. Bromley is the lead partner with Enfield.	20,703
<b>19</b>	<b>SEN Pathfinder Grant</b> This grant is to support our role as a Pathfinder Champion. This role has benefited the local authority in accessing high quality training and innovative practice. The carry forward of this grant allows the delivery of the training programme to continue.	14,427

**Education Portfolio**

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**217,554****Total Expenditure to be Carried Forward****217,554****Total Grant Income****-217,554**

Description	2016/17 Final Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
SEN Transport	3,645	504	SEN Transport carries Children with special needs to and from school. Over the last few years there has been an increasing pressure on the budget. The causes of this include the new contract that was agreed in 2015/16 and the change in the age profile of the children to a younger age range that requires shorter travel time and more care during the trip. The full year effect of the pressures are £755k

**LATEST APPROVED BUDGET**

<b>Reconciliation of Latest Approved Budget</b>	<b>£'000</b>
<b>Original Budget 2016/17</b>	<b>12,683</b>
SEN Implementation Grant 2015/16	
- expenditure	28
- income	Cr 28
YOS Service Strategy Review	97
SEN Implementation Grant 2016/17	
- expenditure	180
- income	Cr 180
SEN Regional Lead Grant 2016/17	
- expenditure	28
- income	Cr 28
High Needs Strategic Planning Fund 2016/17	
- expenditure	140
- income	Cr 140
SEN Regional Lead Grant 2015/16 (Carried Forward)	
- expenditure	15
- income	Cr 15
SEN Implementation Grant 2015/16	
- expenditure	80
- income	Cr 80
Consultancy Support (Place Planning & Schools)	40
Transfer of SEN Transport staffing post	20
Transfer of staff as part of the Commissioning	12
LSSG - Extended Rights to Free Travel Grant	Cr 15
Transfer of Education Transport Staff to SEN	47
ESG Contingency	454
Merit Awards	38
<b>Memorandum Items</b>	
Capital Charges	Cr 14,030
Insurance	6
Repairs & Maintenance	Cr 11
IAS19 (FRS17)	1,236
Excluded Recharges	55
<b>Latest Approved Budget for 2016/17</b>	<b><u>632</u></b>

Report No.  
ED18025

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:**                    **Thursday 21 September 2017**

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

**Title:**                    **UPDATE ON 2017/18 DSG EXPENDITURE**

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

**Chief Officer:**         Director: Education (ECHS)

**Ward:**                    (All Wards);

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1.    Reason for report

This report provides an update on DSG expenditure in 2017/18 with particular focus on the High Needs and Early Years Block.

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2.    **RECOMMENDATION(S)**

**The Schools Forum is asked to discuss and to note this information**

## Impact on Vulnerable Adults and Children

1. Summary of Impact:
- 

## Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
  2. BBB Priority: Children and Young People
- 

## Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Various across ECHS
  4. Total current budget for this head: £265m
  5. Source of funding: DSG
- 

## Personnel

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: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
  2. Call-in: Applicable Not Applicable: Further Details
- 

## Procurement

1. Summary of Procurement Implications:
- 

## 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 Earlier this year the Schools Forum agreed a balanced budget for the Dedicated Schools Grant for 2017/18, on the basis that a balancing figure of £1.057m from the Schools block was used to offset an overspend within the High Needs Block – the Early Years Block was deemed at that time to be self - funding. The funding was presented as follows – full details at Appendix 1:

High Needs Block		Early Years Block		Schools Block		Total
	£m		£m		£m	£m
DSG Grant	(46.005)	DSG Grant	(20.029)	DSG Grant	(200.009)	(266.043)
Less				Less		
High Needs Block adjustment	6.774			Academy recoupment	178.812	185.586
Funding available after DfE adjustments	(39.231)		(20.029)		(21.197)	(80.457)
Less		Less		Less		
Expenditure	40.288	Expenditure	20.029	Expenditure	20.140	80.457
Overspend	1.057	Balance	0.000	Underspend	(1.057)	0.000

3.2 In August the Council received notification of an adjustment to the Early Years Block due to reduced pupil numbers on the January 2017 census. As a result of this the overall income for 2017/18 has reduced from £20.029m to £19.096m with the reduction relating specifically to 3 and 4 year old and 2 year old funding. The Council has reviewed the expenditure based on these numbers and is anticipating a potential underspend in the Early Years Block as a result of the reduction in numbers. However it is recommended that this be held in contingency as this is likely to be recouped retrospectively by the DfE in 2018/19.

3.3 The Council was also notified at this time of a retrospective adjustment to the Early Years funding for 2016/17 - £475k will be deducted from this year's DSG to reflect a decrease in pupil numbers in 2016/17.

3.4 The Local Authority has also identified that there has been a significant increase in High Needs expenditure during the year. This is due mainly to the increased pressure which has resulted in increased place numbers for several of the special schools as this is deemed to be the most economical way for accommodating this pressure as opposed to sending the pupil to out of borough placements which are often far more costly, and once placed it is then very difficult to bring these pupils back in borough at a later stage. However, as there is no adjustment to the DSG grant to reflect the needs of these pupils this puts additional pressure on the High Needs Block.

3.5 The High Needs Block had already been charged with finding around £750k of savings in year – some of this has already been achieved by applying a 1.5% MFG reduction to top up funding for special schools and units and also to matrix funding for SEND pupils within mainstream schools. Other savings were identified within the central SEND expenditure.

The Council has commissioned a company called SEND4Change to carry out a full review of the overall High Needs Block and whilst it is envisaged that this will highlight areas of best practice where savings may be made it is expected that this will be a long term strategy and will not identify any additional savings within the current financial year.

3.6 The revised DSG as at August 2017 is therefore summarised as follows with full details at appendix 2;

High Needs Block		Early Years Block		Schools Block		Total
£m		£m		£m		£m
DSG Grant	(46.005)	DSG Grant	(19.096)	DSG Grant	(200.009)	(265.110)
Less				Less		
High Needs Block adjustment	7.264			Academy recoupment	179.528	186.792
Funding available after DfE adjustments	(38.741)		(19.096)		(20.481)	(78.318)
Less		Less		Less		
Expenditure	40.178	Expenditure	19.096	Expenditure	19.421	78.695
Overspend	1.437	Balance	0.000	Underspend	(1.060)	0.377

3.7 This now shows a net overspend of £0.377m across the whole of the Dedicated Schools Grant, with the focus specifically on the increased overspend in the High Needs Block. However, the Council has identified an underspend of £1.623m to be carried forward from 2016/17 which can be used to offset this (please refer to DSG Outturn report). This means that the Council will move into 2018/19 with an expected underspend of £771k calculated as follows;

	£'000
2016/17 DSG Underspend	1,623
Prior year adjustment – EY Block	(475)
Estimated DSG overspend 2017/18	(377)
Estimated DSG underspend as at 31/3/2018	771

3.8 In April and May 2017 DfE carried out another exercise to collect information from Councils on spend in order to baseline DSG grant funding and mirror expenditure in each block as far as possible. The intention is that this was then used to inform the starting positions of the 2018/19 DSG allocations. The movement between the High Needs and the Schools Block of £1.05m has been consolidated into the re-baselined figures for 2018/19. There is a further adjustment from the High Needs Block to the Schools Block of £1.54m relating to the proposed changes to funding for unit places in mainstream schools (this process is explained in detail in the report Schools Revenue Funding 2018/19). As there is no information at this point regarding Early Years Funding the anticipated DSG figures for 2018/19 are as follows – please also note the introduction of the new fourth Block – Schools Central Services Block.

High Needs Block £m		Early Years Block £m		Schools Block £m		Central Schools Block £m	
Restated Baseline	47.062	Income	tbc	Restated Baseline	196.980m	Restated Baseline	1.976
Less Transfer of funding to the Schools Block	1.538			Add Transfer of funding from the High Needs Block	1.540m		
2018/19 Funding	45.523	2018/19 Funding	tbc	2018/19 Funding	198.520m	2018/19 Funding	1.976

3.9 At this early juncture it is not possible to estimate the expenditure for next year however it should be assumed that any increased expenditure in the High Needs block from this year will recur next year, and will probably increase to reflect full year costs where applicable unless any adjustments/savings are identified. The Schools Forum should be aware that this is likely to put pressure on the DSG as a whole and as such could impact on the other blocks.

Non Applicable Sections	<a href="#">Policy, personnel, legal, procurement and financial</a>
Background Documents:	<a href="#">Held in ECHS Finance</a>

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## 2017/18 Funding Estimate

## Appendix 1

High Needs Block Income	£	Early Year Block	£	Schools Block	£	£
High Needs Block restated	46,005,328	3/4 yr old funding	15,298,067	Pupil numbers	43,018	
Academy units	-3,080,000			Baseline £ per pupil	4,649	
PRU places recoupment	-1,490,000	Additional 15 hours	2,642,159		200,009,610	
HN recoupment	-920,000					
Post 16 SEN	-252,000	2 year old funding	1,938,409			
Burwood adj	-450,000	EY Pupil Premium	76,683			
Post 16 transfer	-582,000	Disability Access Fund	73,800			
	-6,774,000					
	<b>39,231,328</b>		<b>20,029,118</b>		<b>200,009,610</b>	<b>259,270,056</b>
<b>Expenditure</b>						
Special Schools - pre 16	9,685,988	Maintained	1,348,904	Academy Recoupment	178,811,931	
Bromley Beacon places	395,833			Primary SBS	12,211,937	
Bromley Beacon top up	1,475,201			Secondary SBS	2,952,254	
PRU	1,472,006					
Units - maint places	400,000					
- LA funded Academy places	35,000					
- maint top up	150,670					
- academy top up	1,371,837					
		<b>Central</b>		<b>Central</b>		
		PVI	13,257,552	Access and Admissions	488,820	
<b>Central</b>				Supply Staff costs	0	
Darrick Wood HIU	674,230	2 yr old exp	2,099,000	Dedelegated FSM eligibility	0	
Excluded pupils recoupment	-175,000	EY Pupil Premium	76,683	Growth Fund	3,000,000	
PRU - school contributions	-100,000	EY Admin Team	85,700	Licences	219,350	
Progression Courses	360,380	SEN Support in Preschools	375,320	Capital	59,270	
Home and Alternative Provision	953,720	add central spend	70,000	Schools Forum	1,000	
SEN Support in Mainstream	251,450			Pupil Support Advisory team	363,805	
Matrix funding	2,700,000	Additional 15 hours	2,642,159	Support to Schools	46,180	
		Disability Access Fund	73,800	Business Support	5,060	
Social Communication Difficulties Team	308,830			Workforce Development	37,650	
Sensory Support	908,020			ESG related		
Outreach and Inclusion	201,290			Education welfare	366,210	
Specialist Support and Disability	459,330			Asset management	42,210	
Complex Needs Team	292,630			Stat/Reg duties	346,340	
Phoenix Pre School Service	1,193,060					
Early Support Programme	91,350					
SEN Transport	230,000					

Special Central	41,490			
Other Statemented	384,940			
SEN Outborough Fees	11,566,566			
SEN in fe Colleges	4,948,540			
Special capital	11,560			
<b>Total</b>	<b>40,288,921</b>	<b>20,029,118</b>	<b>198,952,017</b>	
	<b>-1,057,593</b>	<b>0</b>	<b>1,057,593</b>	

## High Needs Block

### Income

£

High Needs Block restated	46,005,328
academy units	-3,245,833
PRU places recoupment	-1,490,000
HN recoupment	-920,000
post 16 SEN	-264,000
BBA adj	-595,833
BBA post 16	-166,667
Post 16 transfer	-582,000
	-7,264,333
	<b>38,740,995</b>

## Early Year Block

3/4 yr old funding
Additional 15 hours
2 year old funding
EY Pupil Premium
Disability Access Fund

### Expenditure

Special Schools - pre 16	10,259,741
Bromley Beacon places	104,167
Bromley Beacon top up	1,727,175
PRU	1,472,006
Units - maint places	400,000
- LA funded Academy places	58,333
- maint top up	156,933
- academy top up	1,244,869

Maintained

### Central

Darrick Wood HIU	716,863
Excluded pupils recoupment	-175,000
PRU - school contributions	0
Progression Courses	377,505
Home and Alternative Provision	891,169
SEN Support in Mainstream	243,227
Matrix funding	2,483,124
Social Communication Difficulties Team	179,227
Sensory Support	911,781
Outreach and Inclusion	176,604
Specialist Support and Disability	239,304
Complex Needs Team	261,472
Phoenix Pre School Service	1,395,087
Riverside nursery	52,750
Early Support Programme	83,775
SEN Transport	434,339
Special Central	41,490
Other Statemented	384,940
SEN Outborough Fees	11,607,148
SEN in fe Colleges	3,767,299
YOS	46,000
CSC	625,000
Special capital	11,560

### Central

PVI
2 yr old exp
EY Pupil Premium
EY Admin Team
SEN Support in Preschools
add central spend
Additional 15 hours
Disability Access Fund
Contingency for 18/19 adjustr

<b>Total</b>	<b>40,177,888</b>
<b>Under/overspend</b>	<b>-1,436,893</b>



**Schools Block**

£		£	£
14,638,880	pupil numbers	43,018	<b>265,111,023</b>
	Baseline £ per pupil	4,649	
2,642,159		200,009,610	
1,649,448			
91,798			
73,800	Academy Recoupment	<b>-179,528,023</b>	
<b>19,096,085</b>		<b>20,481,587</b>	<b>78,318,667</b>
1,352,687	Primary SBS	11,414,127	
	Secondary SBS	2,933,594	

**Central**

12,182,875	Access and Admissions	488,820	
	Supply Staff costs	0	
1,639,901	Dedelegated FSM eligibility	0	
91,798	Growth Fund	3,000,000	
85,700	Licences	219,350	
375,320	Capital	59,270	
70,000	Schools Forum	1,000	
	Pupil Support Advisory team	363,805	
2,642,159	Support to Schools	46,180	
	Business Support	5,060	
73,800	Workforce Development	37,650	
	Education welfare	366,210	
	Asset management	42,210	
581,845	Stat/Reg duties	443,930	

nent

19,096,085

0

19,421,206

1,060,381

78,695,179

-376,512

Report No.  
ED18028

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:**                    **Thursday 21 September 2017**

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

**Title:**                    **SCHOOLS REVENUE FUNDING 2018/19**

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

**Chief Officer:**        Director: Education (ECHS)

**Ward:**                    (All Wards);

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1.    Reason for report

This report provides an overview of the operational guidance issued to local authorities in August to help them to plan the local implementation of the national funding formula for the 2018 to 2019 financial year.

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2.    **RECOMMENDATION(S)**

**The Schools Forum is asked to note information in this report and to agree a process for consulting with all schools on the appropriate funding methodology to be used for 2018/19.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact:
- 

### Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
  2. BBB Priority: Children and Young People
- 

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: various across ECHS
  4. Total current budget for this head: £265m
  5. Source of funding: DSG
- 

### Personnel

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

### Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
  2. Call-in: Applicable Not Applicable: Further Details
- 

### Procurement

1. Summary of Procurement Implications:
- 

### 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 In August the DfE published new operational guidance to help local authorities and their school forums to plan the implementation of the new national funding system for the 2018/19 financial year. The full national funding formulae for 2018/19 and 2019/20 will be confirmed in September with indicative LA level allocations for the schools, central school services and high needs blocks. Final allocations will be issued in December, based on pupil numbers recorded in the October census.
- 3.2 The government has confirmed that there will be an additional £1.3 billion for schools and high needs across 2018/19 and 2019/20. This will mean an increase for all local authorities over their planned spending for 2017/18.
- 3.3 In 2018/19 and 2019/20 the national funding formula will be used to calculate notional allocations for each school, which will be aggregated and used to calculate the total schools block for each authority, however in those year local authorities will continue to determine final funding allocations for schools through their local formula – effectively this would seem to be two years of what has previously been describe as a “soft formula”.
- 3.4 There are a number of significant changes to the funding system as follows;
- i. The central school services block has been created from within the school block to separately identify the local authority spend on ongoing responsibilities such as statutory and regulatory duties, education welfare and asset management.
  - ii. Each of the four blocks of the DSG will be determined by a separate national funding formula.
  - iii. Baselines have been adjusted to take account of local authorities’ most recent spending patterns – the recent baseline exercise ensures that future allocations reflect the pattern of 2017/18 planned expenditure.
  - iv. Within the schools block, the government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula. In addition, for the first time schools block allocations will be expressed as separate per pupil primary and secondary rates for each local authority.
  - v. The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 1- and 11 by 2019/20. A new factor will be allowed in local authority formulae so they can set a transitional amount of per pupil funding in 2018/19 as a step towards the target of £4,800 in 2019/20. Nb this refers to overall per pupil funding (ie including all pupil related factors) not just to AWPU funding.
  - vi. Within the high needs block, the government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula.
  - vii. The minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0 and minus 1.5% per pupil. In past years this has been set a minus 1.5%, however this flexibility will allow local authorities to offer higher levels of protection locally.
  - viii. The schools block will be ring-fenced from 2018/19 but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. Authorities will be expected to demonstrate that they have consulted locally with all schools and academies when seeking agreement to transfer any

funding out of the schools block- nb for Bromley 0.5% equates to around £992k. However, in order to do this the authority must submit a disapplication request to the Secretary of State in cases where the authority wishes to move more than 0.5% of the schools block or where the schools forum has turned down a proposal from the authority to move funding out of the schools block (either above or below the 0.5% limit) but the authority nevertheless wishes to proceed with the transfer. The initial disapplication request should be submitted by 30<sup>th</sup> November 2017 using the best estimates available – where this may need to be amended for example because the need or high needs provision has changed significantly or unexpectedly a revised application must be submitted by 19<sup>th</sup> January 2018.

3.5 In addition to these significant changes there are also a number of smaller changes to be aware of as follows;

- i. Local authorities can now use both current free school meals and “ever 6” free school meals measures within their deprivation factor ( previously they have been able to use one of these measures but not both). This is in addition to the IDACI factor which can also be used alongside one or both of the FSM measures. NB Historically Bromley has only used ever 6 FSM as a measure of deprivation.
- ii. The DfE will be increasing Pupil Premium Plus rates for 2018/19 rather than including a looked after children factor in the funding formula.
- iii. Local authorities will no longer need to request a disapplication to increase pupil numbers where there is an increase in a school’s admission limit or a local reorganisation.
- iv. Detailed guidance is provided regarding adjustments to schools budgets relating to excluded pupils – this effectively allows local authorities to recoup funding related to other factors for excluded pupils in addition to AWPU and pupil premium. It should be noted that this can be applied not only to excluded pupils but also to pupils who leave a mainstream school for reasons other than a permanent exclusion and are receiving education funded by the local authority other than at a (mainstream) school.
- v. There will no longer be a deduction to schools block pupil numbers for high need places in mainstream schools. Instead, the school’s budget share or equivalent academy funding will be determined on the basis of the total number of pupils on roll at the school, including those in the special unit or resourced provision. It is assumed that this will provide the first £4,000 of the place funding. An adjustment has been made to move funding from the high needs block to the schools block to reflect this. This has been calculated at £1.54m for Bromley to reflect the increased cost of funding pupils in units through the funding formula. The substantive place funding of £6,000 (was previously £10,000) will continue to be paid from the High Needs block.
- vi. There is further clarification of the methodology where an academy that is funded on estimates is expanding to meet basic need growth within the local authority.

3.6 The local authority must engage in open and transparent consultation with all schools and academies, as well as with the schools forum, about any proposed changes to the local funding formula including the method, principles and rules adopted. Any consultation must include a demonstration of the effect of any changes on individual schools or academies. It is assumed that there are three options available to local authorities:

- To continue to use the existing LA funding formula
- To move directly to the national funding formula
- To adjust the existing formula to move towards the national funding formula over a period of either one or two years.

3.7 The allowable school funding factors are detailed below.

Factor	Details	Currently used by Bromley LA
Basic entitlement (compulsory)	Funding allocated according to age weighted pupil unit (AWPU).  Single rate for primary pupils must be at least £2,000  Different rates for KS 3 and 4 must be at least £3,000	Yes  Primary - £2,930  KS3 - £4,160  KS4 - £4,550
Deprivation (compulsory)	LAs may choose to use FSM and /or IDACI  From 18/19 LAs can also choose to use current FSM eligibility as an additional factor	Yes – based on FSM Ever 6  Primary - £1,500  Secondary - £1,500
Prior attainment (optional)	Acts as a proxy indicator for low level, high incidence special educational needs  Based on pupils not achieving the expected level of development in the EYFSP for primary and pupils not reaching the expected standard in KS2 at either English or Maths for secondary	Yes  Primary - £1,450  Secondary - £1,000
Looked –after children (LAC) (optional)	Additional funding for any child recorded on the LA SSD903 return  Will not be included in the NFF	No
English as an additional language (EAL) (optional)	Pupils identified on the October census as having a mother tongue other than English funded for up to three years after they enter the statutory school system	Yes  Primary - £1,000  Secondary - £1,129
Pupil mobility (optional)	This measure counts pupils who entered a school during the last three academic years	No

Sparsity (optional)	For schools where pupils would have to travel a significant distance to the nearest alternative	No
Lump sum (optional)	Flat amount to be paid to all schools	Yes Primary - £130,000 Secondary - £130,000
Split Sites(optional)		No
Rates (optional)	Based on LAs estimate of actual costs	Yes
PFI (optional)		No
London Fringe (optional)		No
Exceptional premises factor (optional)		No
Minimum level of per pupil funding for secondary schools (optional)	New factor allowable in 2018/19 to allow local authorities to implement this policy locally	To be decided

- 3.8 Local authorities can choose to include a new element in the formula in 2018/19 to allow them to set a transitional minimum amount of per pupil funding in 2018/19 as a step towards £4,800 in 2019/20.
- 3.9 DfE have announced that the national funding formula will provide for at least a 0.5% per pupil increase in respect of each school in 2018/19. These increases will be reflected in the local authority level schools block allocations to be published in September, on the basis of aggregated notional school allocations. Local authorities will continue to set a minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year on year changes and to allow changes in pupil characteristics to flow through. However, for 18/19 and 19/20 local authorities can set their own MFG between 0 and -1.5% to adjust the impact on individual schools.
- 3.10 The Schools Forum is asked to agree that the LA will consult with all schools providing at least two comparisons i.e. current funding formula and national funding formula to agree the funding methodology for 2018/19 and also possibly 2019/20.
- 3.11 In addition the SF may want to consider whether there should be additional consultation with schools regarding the current recoupment process for excluded pupils/pupils educated out of school:
- i. whether the total funding to include all elements should be recouped from schools for permanently excluded pupils



ii. whether this funding should also be recouped for pupils educated elsewhere e.g. at the Nightingale PRU

3.12 It is proposed that the timeframe for consultation would be as follows;

21 <sup>st</sup> September 2017	Schools Forum to agree consultation process
13 <sup>th</sup> October 2017	Consultation document to be issued to all schools
10 <sup>th</sup> November 2017	Consultation response deadline
23 <sup>rd</sup> November 2017	Schools Forum to consider responses as part of budget setting process
30 <sup>th</sup> November 2017	Disapplication request to be submitted to SoS (if required)
11 <sup>th</sup> January 2018	Final budget to be agreed
19 <sup>th</sup> January 2018	Final disapplication request to be submitted ( if required)
26 <sup>th</sup> January 2018 (tbc)	2018/19 APT to be submitted to DfE
Date tbc	Budget to be approved by Members

Non Applicable Sections	Policy, personnel, legal, procurement and financial
Background Documents:	Held in ECHS Finance

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