

## **EDUCATION BUDGET SUB-COMMITTEE**

Minutes of the meeting held at 7.00 pm on 25 September 2012

### **Present:**

Councillor Neil Reddin FCCA (Chairman)  
Councillor Nicky Dykes (Vice-Chairman)  
Councillors Nicholas Bennett J.P. and David McBride

Councillor Stephen Wells, Portfolio Holder for Education  
Andrew Spears, Co-opted Member to Education PDS Committee  
Representing Bromley Youth Council

### **Also Present:**

David Bradshaw, Head of ECS Finance  
Dr Tessa Moore, Assistant Director: Education  
Amanda Russell, Head of Schools Finance Support

#### **1 APPOINTMENT OF VICE-CHAIRMAN**

**RESOLVED that Councillor Nicky Dykes be appointed Vice-Chairman for the 2012/13 municipal year.**

#### **2 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Lydia Buttinger.

#### **3 DECLARATIONS OF INTEREST**

The Chairman noted that Declarations of Interest made by Members at the meeting of Education PDS Committee on 12<sup>th</sup> June 2012 were taken as read.

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

No questions had been received from members of the public.

#### **5 MINUTES OF THE MEETING HELD ON 31ST JULY 2012 AND MATTERS ARISING**

The Chairman noted that a number of the issues arising from the minutes would be considered during the meeting.

**RESOLVED that the minutes of the meeting held on 31<sup>st</sup> July 2012 be agreed.**

**6 EDUCATION PORTFOLIO BUDGET MONITORING REPORT  
2012/13**

**Report ED12048**

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of July 2012. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants, was forecast to spend in line with budget. The controllable part of the Non-Schools' Budget, funded from Council Tax, Revenue Support and specific grants, was forecast to be in an underspend position of £575,000.

**RESOLVED that:**

- 1) The latest 2012/13 budget projection for the Education Portfolio be noted; and,**
- 2) The Education Portfolio Budget Monitoring Report 2012/13 be recommended to the Education Portfolio Holder for approval.**

**7 CAPITAL PROGRAMME - 1ST QUARTER MONITORING 2012/13 &  
FINAL OUTTURN 2011/12**

**Report RES12149**

On 25<sup>th</sup> July 2012, the Executive received the 1<sup>st</sup> quarterly capital monitoring report for 2012/13 and agreed a revised Capital Programme for the four year period 2012/13 to 2015/16. The Sub-Committee considered a report highlighting the changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio, and noted that post completion reports on expansion schemes at Bickley and Princes Plain Primary Schools, a partial rebuild at The Highway Primary School, the Hawes Down co-location scheme and a local learning centre at The Priory School would be submitted to the Education PDS Committee during 2012/13

In considering the capital monitoring report, the Vice-Chairman noted that only one scheme was reported as overspent as at 31<sup>st</sup> March 2012. The Head of ECS Finance confirmed that the former Children and Young People PDS Committee and the Executive had previously been advised of contractual issues and an overspend position in relation to the partial rebuild at The Highway Primary School and that £650k of Basic Need grant had been allocated to support the scheme. The overspend as at 31<sup>st</sup> March 2012 had been covered by this, with the remaining £509k being included in the scheme budget for 2012/13. In discussion, Members requested that a progress report be provided on this scheme to the next meeting of Audit Sub-Committee. This was agreed by the Chairman of Audit Sub-Committee, Councillor Neil Reddin.

Councillor Nicholas Bennett JP highlighted the need to identify what Section 106/Community Infrastructure Levy funds were currently available for education purposes. The Head of ECS Finance confirmed that £500k was currently

available for investment in Education as capital funds, and that more funds were expected from future developments. Following consideration, Members requested that a report be provided to the next meeting of Education Budget Sub-Committee around Section 106/ Community Infrastructure Levy funds.

**RESOLVED that:**

- 1) A progress report be provided to the next meeting of Audit Sub-Committee with regard to the rebuild at The Highway Primary School.**
- 2) The revised Capital Programme agreed by the Executive on 25<sup>th</sup> July 2012 be recommended to the Education Portfolio Holder for approval; and,**
- 3) The following post-completion reports be provided to Education Budget Sub-Committee during 2012/13;**
  - Bickley Primary School – Expansion**
  - Princes Plain Primary School – Expansion**
  - The Highway Primary School – Partial Re-build**
  - Hawes Down – Co-location**
  - The Priory School – Local Learning Centre**

**8 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2011/12**

**Report ED12039**

The Sub-Committee considered a report setting out all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31<sup>st</sup> March 2012, and also providing a comparison to the balances held at the same time in the previous year.

In considering spending by Primary, Secondary and Special Maintained Schools in 2011/12, the Chairman highlighted the recent consultation undertaken by the Department for Education to ensure that local authorities were working closely with schools with deficits of 2.5% or more and surplus balances in BO1 and BO2 of 15% or more. The Head of Schools Finance Support confirmed that no further guidance had yet been issued around the role the Department for Education would take to ensure schools were supported in reducing deficits or surplus balances.

It was noted that all schools with high level balances had now provided a response to the Local Authority and plans for management action had been put in place by each school to reduce the balances held. The Local Authority was also working with schools to ensure that expenditure plans were incorporated into the school budget. Details of the management action being taken to reduce balances had now been received from Manor Oak Primary School and would be circulated to Members of the Sub-Committee.

Councillor Nicholas Bennett highlighted that the uncommitted revenue surplus at Chislehurst (St Nicholas) CE Primary School was largely a result of funding held back by the school due to possible relocation to a new site. The Portfolio Holder confirmed that the potential relocation was still under consideration but that no decision had yet been made.

In response to a question from a Member, the Head of Schools Finance Support confirmed that the Local Authority monitored school budgets and if serious issues were identified, a notice of concern could be issued to the school which enabled the Local Authority to put controls in place and become more involved with decision making. Work would be undertaken with the Governing Body to implement a solution, and if this was not achieved in a set period of time, delegated funding could be withdrawn. Maintained schools with deficits were also required to sign up to the Gold level Financial Services Service Level Agreement offered by the Local Authority which provided advice and support on financial matters.

The Chairman queried what would happen to the deficit held by Hillside Primary School when it converted to sponsored academy status in September 2012. The Head of Schools Finance Support confirmed that schools which converted as sponsored academies were able to retain any Revenue surplus but that any deficit returned to the Local Authority. Work had been undertaken with Hillside Primary School to reduce the deficit held prior to conversion and funding had been identified within the Dedicated Schools Grant headroom to absorb any remaining cost to the Local Authority. It was noted that deficits held by other schools moving to sponsored academy status would similarly return to the Local Authority however the two schools currently identified as sponsored transfers both had surplus balances.

**RESOLVED that the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2011/12 financial year be noted.**

## **9 SCHOOL FUNDING REFORM: ARRANGEMENTS FOR 2013/14**

### **Report ED12049**

The Sub-Committee considered a report setting out details of the Government's proposals for School Funding Reform arrangements for 2013/14.

In considering the Government's proposals for School Funding Reform arrangements for 2013/14, the Chairman queried the delegation of certain budget items which were currently held centrally. The Head of Schools Finance Support confirmed that this would only impact a limited number of budget lines and that the Department for Education was working to simplify funding arrangements for academies and ensure funding for maintained schools and academies were more closely aligned.

The Chairman also queried whether headroom could be maintained on the Dedicated Schools Grant. The Head of Schools Finance Support noted that this could not be confirmed until funding for 2013/14 had been announced, but

highlighted that the Dedicated Schools Grant would be split into three blocks in future which comprised early years, schools and high needs. The Chairman also noted changes that had been made to early years funding within the Dedicated Schools Grant which would reduce Local Authority funding from 90% of early years pupils, regardless of the numbers accessing free entitlement, to 85% or actual take up, whichever was highest. The Head of School Funding Support confirmed that the take up of early years places had increased and that this change would have no impact on the level of funding received.

The Portfolio Holder noted that at the last meeting of the Schools' Forum held on 20<sup>th</sup> September 2012, Members of the Forum had agreed a range of proposed financial modelling options for the new funding formula for 2013/14 to be released to schools for consultation. A briefing session on the funding formula would be provided for Head Teachers, Governors and Bursars on Thursday 27<sup>th</sup> September 2012 at the Education Development Centre as part of the consultation.

**RESOLVED that:**

- 1) The Government's proposals for School Funding Reform arrangements for 2013/14 be noted; and,**
- 2) The Local Authority's progress to date in implementing these changes be noted.**

**10 CONSTITUTION OF THE SCHOOLS FORUM**

**Report ED12047**

Members of the Forum considered a report outlining changes to the Schools' Forum constitution proposed by the Local Authority following the introduction of the Schools Forums (England) Regulations 2012, which would come into affect from October 2012.

The Head of ECS Finance outlined the main changes which included the inclusion of a representative of the Pupil Referral Unit to the membership of the Forum, new restrictions to voting arrangements which would allow only school and academy representatives (and private, voluntary and independent sector members) to vote on the funding formulae, and a requirement for Forum meetings to be public and for Forum papers, minutes and decisions to be published on the Local Authority website. The Education Funding Agency would also be given Observer Status on the Forum and would be able to attend future meetings.

**RESOLVED that:**

- 1) Members' comments on proposed changes to the Schools' Forum constitution be noted; and,**
- 2) The proposed changes to the Schools' Forum constitution be recommended to the Education Portfolio Holder for endorsement.**

## **11 ANY OTHER BUSINESS**

Members considered the range of services within the Education Portfolio.

The Chairman queried why Blenheim and Community Vision Nurseries received funding from the Local Authority (as opposed to being operated by a PVI provider, as was the norm elsewhere in the Borough). The Assistant Director: Education confirmed that these nurseries were funded through Social Care funding to provide full day care places for working parents, statutory free places for 3 and 4 year olds, funded places for 2 year olds and placements for children in need.

Following a query from a Member regarding the Access and Admissions Service, the Head of ECS Finance confirmed that Access and Admissions was a statutory duty of the Local Authority, however the Local Authority was not required to provide this service directly. Some elements of the Education Business Partnership were also statutory and funded by the Revenue Support Grant, other elements of the service had been marketed as 'sold services' and it was noted that the service had achieved full cost recovery and had a positive impact on the number of young people classified as 'not in employment, education or training' in the Borough.

In considering the future delivery of Behaviour Support Services it was noted that the London Borough of Richmond-upon-Thames did not have a Pupil Referral Unit and had developed a model where schools had taken ownership of providing alternate provision which was delivered via a Behaviour Partnership.

In discussing future areas for the Education Budget Sub-Committee to consider, the Chairman requested that a report on School Improvement be provided to a future meeting of the Sub-Committee. It was also requested that a report be provided on Section 106/Community Infrastructure Levy funds. Councillor Nicholas Bennett JP requested that following the move of Adult Education to the Education Portfolio, Further and Higher Education also be moved to Education Portfolio.

**RESOLVED that the issues raised be noted.**

## **12 DATE OF NEXT MEETING**

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

## **13 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

**RESOLVED that the press and public be excluded during consideration of the items of business listed below as it was likely in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present, there would be disclosure to them of exempt information.**

**14 EXEMPT MINUTES OF THE MEETING HELD ON 31ST JULY 2012**

**RESOLVED** that the exempt minutes of the meeting held on 31<sup>st</sup> July 2012 be agreed.

The Meeting ended at 8.32 pm

Chairman