

**London Borough of Bromley**

**PART 1 - PUBLIC**

**Briefing for Education Budget Sub-Committee  
Tuesday 23 July 2013**

**JUNE 2013 SPENDING REVIEW**

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**Overview**

- Spending in 2015/16 in Government to total £745bn
- 1% cut in Local Government in 2014/15. Guidance awaited from the DCLG as to how this is to be dealt with.
- Further cuts of £11.5 billion in 2015/16 across Government.
- Local Government resources expenditure being reduced by 10% in 2015/16
- Bromley is a low grant authority and we historically receive a higher proportion of cuts than the average. We also have grant damping protection of £12.6m
- Stimulating growth in three areas where returns are believed to be highest:-
  - Transport
  - Science and innovation
  - Education and skills
  - Business support
  - Reforms to drive competition and red tape

## **Funding Level reductions**

### **Resource Departmental Expenditure Limits (DEL) by Government Department 2014/15 and 2015/16**

<u>Year</u> <u>Source</u>	<u>2014/15</u> <u>Budget 2013</u> <u>£BN</u>	<u>2014/15</u> <u>SR 2013</u> <u>£BN</u>	<u>2015/16</u> <u>SR 2013</u> <u>£BN</u>	<u>Real Term % Change</u> <u>SR 2013</u>
Department				
Education	53.8	52.8	53.2	-1.0%
NHS (Health)	109.8	108.3	110.4	0.1%
Transport	4.4	3.5	3.2	-9.3%
CLG Communities	1.3	1.2	1.1	-10.0%
CLG Local Government	21.7	25.6	23.5	-10.0%
Business, Innovation and Skills	13.8	13.6	13	-5.9%
Home Office	7.4	10.4	9.9	-6.1%
Justice	6.8	6.8	6.2	-10.0%
Law Officers Departments	0.5	0.5	0.5	-5.0%
Defence	24.5	23.9	23.9	-1.9%
Foreign and Commonwealth Office	1.1	1.2	1.1	-6.3%
International Development	8.3	8.3	8.5	1.1%
Energy and Climate Change	1.1	1	1	-8.0%
Environment, Food and Rural Affairs	1.7	1.7	1.6	-9.6%
Culture , Media and Sport	1.1	1.2	1.1	-7.0%
Work and Pensions	7.4	5.5	5	-9.5%

## **Impact on Local Government in general**

The settlement includes:-

- Funding being made available for 2014/15 and 2015/16 for those authorities who freeze their Council Tax. Authorities will receive a grant worth the equivalent of 1% increase
- Those authorities who increase their Council Tax can do so by up to 2%. Otherwise a referendum should take place. This has been confirmed for the next two years.
- £200m extension of the tackling troubled families programme. Payments by results scheme means that Councils could receive up to £4,500 when they get to grips with a family. Unclear at present as to how much will filter down to local government
- £100m Collaboration and Efficiency Fund
- £335m available in 2015/16 so Councils can prepare for the delivery of the reformed social care funding system including the capped costs from April 2106 and universal; deferred payment agreements from 2015
- £350m to support people with a disability or long term health condition to move or stay in work
- £3.8bn to be put into a pooled budget for health and social care services shared between the NHS and Local Authorities. No detail as yet but this is potentially significant funding for Bromley and any use of the funding will require agreement from the CCG and the Health and Well Being Board. May have to be used to fund the cap on care costs, etc.

## **Impact on Education**

The settlement includes:-

- Education Services Grant to be reduced by £200m in 2015/16. This is a cut of around 25%. Loss of funding also dependant on the flow of schools converting to academy status.

- Real terms protection of the schools budget and pupil premium.
- Commitment to consult on how to introduce a national funding formula for schools in 2015-16.
- Continued roll out of academies with the aim to drive down the central costs of the programme and deliver savings of £150 million in 2015-16.
- Funding for 180 new Free Schools, 20 new Studio Schools and 20 new University Technical colleges a year.
- DfE to consult this autumn regarding how these reductions can be implemented.
- The Early Years 15 hours a week of free early education for all three and four year olds will be maintained.
- Confirmed that free entitlement still extended to most disadvantaged two-year olds in September 2013 and to increase to around 40 per cent in 2014-15.