

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 9 September 2014

Present:

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

Councillor Stephen Wells, Portfolio Holder for Education

Also Present:

Carol Arnfield, Head of Service, Bromley Adult Education College
David Bradshaw, Head of Education, Care and Health Services Finance
James Mullender, Senior Accountant

14 APOLOGIES FOR ABSENCE

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

15 DECLARATIONS OF INTEREST

Councillor Judi Ellis declared that her son was the Head Teacher of Biggin Hill Primary School.

16 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

17 MINUTES OF THE MEETING HELD ON 24TH JUNE 2014 AND MATTERS OUTSTANDING

RESOLVED that the minutes of the meeting held on 24th June 2014 be agreed.

18 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2014/15

Report FSD14061

On 16th July 2014, the Council's Executive received the 1st quarterly capital

monitoring report for 2014/15 and agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. The 2013/14 Capital Outturn was reported to the Council's Executive on 10th June 2014. The final capital outturn for Education Portfolio schemes was £5,981k compared to a revised budget of £21,542k, approved the Council's Executive in February 2014. After allowing for minor adjustments, a total of £793k was re-phased into 2014/15. The Sub-Committee considered a report outlining the changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio.

In response to a query from a Member regarding funding for school expansion, the Head of Education, Care and Health Services Finance confirmed that capital works in schools across the Borough were delivered through the Basic Need Programme, which was fully funded by the Department for Education's Basic Need Capital Grant and totalled approximately £62m for 2014/15. In addition to new classrooms, the Basic Need Programme could be used to fund a range of improvements to schools where appropriate, including the refurbishment of dining facilities.

Councillor Nicholas Bennett JP requested that a full update on the current position of education provision across the Borough be provided to the Education Policy Development and Scrutiny Committee at its meeting on 30th September 2014. This should include information on bulge classes and expansions, free school provision, the Bromley Trust Alternative Provision Academy and the demand for pupil places at schools across the Borough.

The Portfolio Holder for Education advised Members that the hydrotherapy pool at the Phoenix Children's Resource Centre would require a major refit or to be replaced over the next few years. There was a significant cost implication to replacing the existing hydrotherapy pool, and the Portfolio Holder highlighted that there was a need to ensure that any queries over the lease and the leaseholder's future plans for the Phoenix Children's Resource Centre site were resolved before any substantial investment was agreed. Members emphasised the value of the excellent provision at the Phoenix Children's Resource Centre, and underlined the importance of ensuring that children with special educational needs and disabilities across the Borough continued to be able to access a high quality hydrotherapy provision. The Head of Education, Care and Health Services Finance would provide further details on the lease of the Phoenix Children's Resource Centre to Members of the Sub-Committee following the meeting.

The Portfolio Holder for Education noted the £387k Government grant to support the introduction of free school meals for all pupils at Key Stage 1 for the 2014/15 academic year, and requested that an update be provided to the next meeting of the Education Budget Sub-Committee on how this requirement was being delivered to schools across the Borough.

RESOLVED that the revised Capital Programme agreed by the Executive on 16th July 2014 be recommended to the Portfolio Holder for Education for approval.

**19 EDUCATION PORTFOLIO BUDGET MONITORING REPORT
2014/15**

Report ED15099

The Sub-Committee considered a report setting out the budget monitoring position for the Education Portfolio based on expenditure to the end of July 2014. The Schools' Budget, funded from the Dedicated Schools' Grant and specific grants was forecast to be in an underspend position of £1,308k, which would be carried forward into the next financial year. The controllable part of the Non-Schools' Budget, funded from Council Tax, Revenue Support and specific grants was forecast to be in an overspend position of £369k, assuming that £519k would be drawn from contingency to offset the shortfall in Education Services Grant.

In considering the budget monitoring position for the Education Portfolio, the Chairman highlighted the £90k overspend in the Youth Service. The Head of Education, Care and Health Services Finance advised Members that this was due to the delayed implementation of savings, and that a further report would be provided to Members at the next meeting of Education Budget Sub-Committee.

The Chairman was concerned to note the overspend of £299k in the Bromley Adult Education College budget. The Head of Service, Bromley Adult Education College confirmed that there had been an annual cut in grant funding for the Adult Education Service since 2010/11, and that there were difficulties in budgeting for the service due to the difference in the financial and academic year, as the annual budget for the Adult Education Service was agreed before the Skills Funding Agency funding was confirmed and therefore had to be developed based on historic figures. Non-accredited courses were generally not run unless they generated at least £120 per hour to cover the course costs and overheads, however there were some instances where courses did not generate at least £120 per hour but cancelling the course would realise a bigger loss.

Work was being undertaken to target the overspend in the Bromley Adult Education College budget. This included a 'health check' undertaken by Liberata during Summer 2014 to consider a range of potential efficiency measures, work to identify the contribution other services based at the Widmore Centre should make to the cost of overheads, and a possible reorganisation of the Adult Education Service to be focused on courses which met Government priorities or those which generated an appropriate level of income. The results of the 'health check' would be reported later in 2014, and a consultation paper on the future operation of the three Bromley Adult Education College nurseries would also be published shortly.

In response to a query from a Member, the Head of Service, Bromley Adult Education College confirmed that current Government priorities for adult education were based around support into employment, upskilling in English and Mathematics and English for speakers of other languages. The cost of delivering these courses was fully funded by the Government. Community learning included the delivery of free family learning in schools, and non-accredited courses, such as cookery, art and leisure activities for which a fee was charged.

A Member suggested that more work be undertaken to generate income for the College by building on the existing canteen provision, introducing parking charges and actively promoting the room booking facility, and requested that this be included in the review of fees and charges report to be considered at the next meeting of Education Budget Sub Committee.

Councillor Nicholas Bennett JP emphasised the need for the budget of the Bromley Adult Education College to be balanced by the end of the financial year, and requested that a report be provided to the next meeting of Education Budget Sub-Committee outlining the proposals in place to target the overspend as well as work undertaken around the potential future commissioning of the service.

RESOLVED that:

- 1) The latest 2014/15 budget projection for the Education Portfolio be noted;**
- 2) The Education Portfolio Budget Monitoring Report 2014/15 be recommended to the Portfolio Holder for Education for approval.**

20 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2013/14

Report ED15104

The Sub-Committee considered a report setting out all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31st March 2014, and providing a comparison to the balances held at the same time in the previous year.

In considering the revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31st March 2014, the Chairman noted that Clare House Primary School had a deficit of -7%. This was an historic deficit from 2012/13 and the school had been working closely with the Local Authority to agree a deficit recovery plan. The school was currently expanding to two forms of entry which would support it to become more financially viable and it was expected that the deficit would be fully repaid in 2014/15. Chelsfield Primary School had an uncommitted revenue surplus of 23% but planned expenditure was expected to reduce this to around 1%.

In response to a question from the Chairman, the Head of Education, Care and Health Services Finance confirmed that the Schools' Finance Support Team worked with schools identified as having a deficit to support them in maintaining their deficits at a reasonable level up to the point of closure. The Schools' Finance Support Team also worked with schools with high balances to ensure that they were being used effectively for the education of current pupils and that they were not being retained to protect against any funding reduction in future years.

The Chairman requested that a report be provided to a future meeting of

Education Budget Sub-Committee on the progress of management action taken by schools highlighted as having a significant budget deficit or surplus. A Member also noted the need for Local Authority Governors of schools with a deficit to be more aware of the salary structure of staff and suggested that this be included in a future Local Authority Governor Forum.

RESOLVED that the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2013/4 financial year be noted.

21 IMPACT OF ALL SCHOOLS CONVERTING TO ACADEMY STATUS ON THE EDUCATION PORTFOLIO BUDGET

Report ED15103

The Sub-Committee considered a report reviewing the impact of Local Authority Maintained schools converting to academy status on the Education Portfolio budget.

Following conversion to academy status, a number of specific roles and responsibilities transferred from the Local Authority to academy schools including improving school attendance, preparing financial accounts and asset management. To support this, new funding arrangements were introduced by the Government for 2013/14 which top-sliced an amount from all Local Authorities based on pupil numbers at £132 per pupil. The Government then introduced the Education Services Grant which was provided to Local Authorities and comprised £15 per pupil (for all pupils, regardless of whether they were in Local Authority Maintained or academy schools), to cover statutory duties, and £116 per pupil (now £113), for each pupil in a Local Authority Maintained School. This methodology disadvantaged the London Borough of Bromley as the top-sliced amount of £132 per pupil was significantly higher than the actual Borough spend of approximately £87 per pupil with a resultant loss of around £3.3m funding to the Local Authority.

The Education Services Grant was not ring-fenced and covered a range of services including School Improvement, statutory and regulatory duties, Education Welfare Service, central support services (mainly music services), asset management and monitoring national curriculum assessment. As more schools converted to academy status, the level of Education Services Grant continued to reduce and this loss of grant would be further accelerated by a recently announced reduction in the level of Education Services Grant from £113 to £87 per pupil, for each pupil in a Local Authority Maintained School, although the £15 per pupil (for all pupils, regardless of whether they were in Local Authority Maintained or academy schools), to cover statutory duties would be maintained. Once all schools in the Borough had converted to academy status, the Education Services Grant allocation would remain static at £727k (assuming pupil numbers remained the same).

In considering the impact of Local Authority Maintained schools converting to academy status on the Education Portfolio budget, the Chairman queried which

other Local Authorities had been similarly disadvantaged by the new funding formula, and the Head of Education, Care and Health Services Finance agreed to circulate a briefing to Members of the Sub-Committee following the meeting.

A Member noted the importance of ensuring that sufficient resources continued to be available to schools for key safeguarding functions, such as Human Resources and Finance to ensure that schools received an appropriate level of support.

RESOLVED that Members' comments on the impact of all schools converting to academy status on the Education Portfolio budget be noted.

22 ANY OTHER BUSINESS

There was no other business.

23 DATE OF NEXT MEETING

The next meeting of Education Budget Sub-Committee would be held at 7.00pm on Thursday 16th October 2014.

The Meeting ended at 7.57 pm

Chairman