

EDUCATION BUDGET SUB-COMMITTEE

Minutes of the meeting held at 5.30 pm on 15 March 2017

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Julian Benington (Vice-Chairman)
Councillors Kathy Bance MBE, Nicholas Bennett J.P. and
Judi Ellis

Also Present:

Emmanuel Arbenser, Special School Parent Governor
Councillor Tom Philpott, Education Executive Assistant

50 APOLOGIES FOR ABSENCE

There were no apologies for absence.

51 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

52 MINUTES OF THE MEETING HELD ON 31 JANUARY 2017 AND MATTERS OUTSTANDING

The minutes of the meeting held on 31st January 2017 were agreed, and signed as a correct record.

53 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

54 RESPONSE TO THE NATIONAL FUNDING FORMULA SECOND CONSULTATION Report ED17042

Members considered a report providing an overview of the second stage consultation documents including DfE presentation and worked examples relating to Bromley and to individual schools. The second stage of the DfE consultation on the proposed National Funding Formulas (NFF) for Schools and for High Needs was launched on the 14th December with a closing date of 22nd March 2017. LA Officers had recently attended a number of DfE led presentations and seminars which had helped with their understanding of the proposals which were very detailed and complex.

The Schools' Forum had also met to discuss the consultation on 9th March 2017 and its response had been circulated to the Sub-Committee in advance of the meeting with copies tabled at the meeting.

In opening the discussion, the Chairman noted that he had reviewed the response provided by the Schools' Forum and had further noted that the Head Teacher of Chislehurst School for Girls had expressed some dissatisfaction with the response. The Director of Education explained that the concerns of secondary head teachers rested on the ratio between primary and secondary and further reported that secondary schools, in particular, were feeling the effects of budget cuts as a result of the Post-16 Funding regime changes.

The Head of ECHS Finance reported that at its meeting on 9th March 2017, the Schools' Forum had been unable to reach a consensus of opinion in relation to some of the consultation responses. However, it was important that a measured response was provided to the consultation and Officers had tried to achieve this in the response that had been drafted and tabled for the consideration of the Sub-Committee. The Head of ECHS Finance emphasised that there had been a need to provide a collective response from the Schools' Forum and where individual schools were dissatisfied with the response that had been drafted and agreed they were able to submit their own response to the DfE reflecting the unique circumstances of their schools.

The Sub-Committee noted that the Government had previously funded the first year of a free school but were no longer adopting this approach. This had significant implications for Local Authority budgets due to the way in which funding was received. A Member endorsed the comments made in the draft response surrounding the importance of any new free school being a viable size. It was felt by Members that anything opening as a free school below 2 or 3 form entry was not viable. This was a national issue that needed to be addressed. The Director of Education also highlighted that whilst a free school may open as 2 form entry they may not be able to recruit pupils to fill all the available places. Any new school that opened also needed to demonstrate that there was sufficient demand in the area.

In relation to the draft response for Question 17 – Do you support our proposals to limit the reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?, the Chairman suggested that it may be worthwhile to point out that Bromley had a high level of academy conversions.

RESOLVED: That

(1) the Local Authority provide a joint response to the second stage consultation on the Schools National Funding Formula and High Needs National Funding Formula; and

(2) the draft response circulation prior to the meeting be endorsed, subject to the minor amendment to Question 17 outlined above.

55 SEN TRANSPORT BUDGET
Report ED17040

Members considered a report providing an update on the 2016/17 SEN Transport Budget, including information on children travelling independently.

In introducing the report, the SEN Transport Project Manager noted that Members of the Education Budget Sub-Committee had requested the report on the SEN Transport Budget at its meeting on 1 November 2016. At this time SEN Transport was forecast to be overspent by £1.23m. This forecast overspend had been significantly overstated and had subsequently been revised with the current forecast outturn position for the 2016/17 financial year representing an overspend of £653,000. The previous £1.23m overspend was derived from a basic extrapolation of recurring cost for the remainder of the year for the volume and cost of the SEN Transport delivery costs as at July 2016. However, this methodology had not taken into account the academic year delivery of SEN Transport, in which volume is typically at its highest at the end of the academic year but will then reduce from the commencement of the new academic year in September and then rising throughout the year. The SEN Project Manager confirmed that future forecasts would be based on closer working between officers in the SEN Transport Operations Team and the Education Finance Team to establish a suitable methodology for future forecasting which took into account the academic year effect.

The SEN Transport budget overspend was in relation to the direct support costs to pupils for transport. This included: (i) the costs of providing SEN Transport to eligible pupil which was provided through the current Transport Framework contract commencing from the 2015/16 academic year; (ii) the costs of parental mileage payments; and (iii) recoupment income from other services and local authorities purchasing transport through the framework contract.

The report considered by the Sub-Committee provided an overview of the budget and outturn position for the budget lines specifically related to the transport contract, mileage, and recoupment against the contract. Members heard that the latest forecast over spend against the 2016/17 transport support costs was a continuation of an existing level of overspend that had developed in the 2015/16 financial year. 2016/17 expenditure also included the full year effect of the impact of the higher volume and cost for SEN Transport that commenced in the 2015/16 academic year. SEN Transport support costs provided in the report showed the service moving from an underspend position to an overspend from 2015/16 onwards. Key factors for the overspend in 2015/16 and 2016/17 were: (i) increased volume, (ii) increased contract costs, and (iii) increased support costs. Details of the impact of these three factors were set out in the report and the SEN Project Manager highlighted that the young people becoming eligible for SEN Transport had increasingly complex needs that required different transport solutions. In addition, the pupils were also younger, with support starting from 4 years old.

The SEN Transport Project Manager outlined the actions taken and the options available to manage SEN Transport costs. These included:

Route Management: this was key to mitigating increasing costs. The SEN Transport Team constantly reviewed and rationalised routes as pupils joined and left the service. This was a pro-active ongoing process which was vital to containing costs as far as possible.

Transport Framework: The SEN Team was in the process of tendering for a new framework of transport providers, to run in parallel with the existing framework. The aim of this was to broaden the provider base and increase competition for routes. As the number of providers on routes diminished there was less competition which ultimately led to higher costs. Increased competition would go some way to reducing costs within SEN Transport.

Independent Travel Training: A pilot Independent Travel Training programme had been introduced in 2013/14 and subsequently rolled out for a three year period from the 2014/15 to the 2016/17 academic year. This was focused on pupils at the Glebe Special School. The SEN Transport team was currently preparing to retender this provision, subject to authorisation to proceed. However, in retendering the provision, funding for the contract was expected to be sought from the SEN Transport budget where it had previously been funded through Invest To Save. This would add to budget pressures in the short term. The programme was currently funded to support 40 pupils per year. These pupils were in receipt of SEN transport assistance with the expected outcome being that upon completion of travel training they no longer accessed SEN transport assistance. The SEN transport team had reported that the programme had met its target of 40 funded pupils per academic year, with the provider over delivering in participation to ensure the success rate was achieved. The service confirmed that the majority of pupils completing the programme no longer accessed transport support. A minority could revert back to transport assistance, but with further travel training support, this was usually temporary. A small minority were found to be too vulnerable to continue the training.

In response to a question, the SEN Transport Project Manager explained that children were travel trained for their route from home to school and therefore knew how to deal with complications such as changing buses on route.

Parental Mileage: It was reported that an increased take up of the parental mileage offer could reduce specialist transport support costs. However, the mileage rate had been increased in the 2015/16 academic year to above the HMRC approved mileage rate and take up continued to be low. In a 2015 consultation on SEN Transport policy, only 12% of respondents agreed that parents should be encouraged to transport their children to and from school. Parents cited conflicting domestic arrangements for children at different schools and/or work commitments as constraints which prevented them from accepting this offer. The payments for parental mileage had increased from an estimated £35,000 in 2014/15 to an estimated £55,000 in 2016/17. The service would continue to proactively promote this option to parents – although DfE guidelines stated that parental consent was required for mileage to be agreed as a transport solution.

Muster Points: These were an option within the existing SEN Transport policy but had not been introduced, except on a small scale basis in relation to one specific school. As part of the previous review, the logistics of muster points had been investigated and a business case developed. This identified potential savings estimated at £45,000 per annum; however, it was recognised that the implementation of this policy would generate significant stakeholder opposition and was not taken forward at that time. The SEN Transport Project Manager reported that a number of boroughs had been considering this option and in order for the SEN Transport Team in Bromley to further investigate this, direction from Members was needed.

Shared Service between SEN Transport and Adult Transport Service: the current arrangement in Bromley was that the Children and Adults transport arrangements were managed separately. A previous review considered a joint service but this was not taken forward. The Adult Transport Service operated a fleet of vehicles and further investigation as to the viability of shared use of the fleet was needed. However, due to the fixed transport times for children, which must adhere to school attendance times, there could be a need for the Adult Transport Service to be reconfigured to allow sharing of vehicles to take place. This could present its own logistical problems or issues in relation to the practicality and reasonableness of such changes for Adult service users.

Managed Service Transport Contract: when retendering for the SEN Transport contract in 2015/16, an option had been available for transport to be delivered as a managed service, i.e. that an external provider take control of all SEN transport operations, including the delivery of specialist transport provision either directly or through sub-contracts. Only one provider responded to the invitation to tender for that option at that time and as a result it was not taken forward. A transport provider had recently contacted the Council expressing a potential interest in a managed transport solution. This could afford an opportunity to retender for a managed solution, subject to the ability of the Council to implement such a solution prior to the expiration of the current framework contracts for specialist transport assistance. Advice would be sought from both Legal and Procurement, and a Gateway Review conducted on this option.

The Director of Education further reported that she was aware that another borough had been looking at the statutory element and whether this could cease at age 16 with a charge being applied for young people aged 16 years and over. Staff within the Service were reviewing a number of options that could address the continuing overspend within SEN Transport.

In opening the discussion, the Chairman noted that the current contract framework was not index linked so the increased costs set out in the report were a result of factors other than inflation.

In relation to the actions that had been taken and the options available to address the overspend, the Chairman felt that it was worthwhile reviewing the use of muster points once again. The Chairman also felt that a shared service for adults and children's transport should be proactively explored.

The Chairman of the Education Select Committee noted that a report providing an evaluation of the review of muster points that had previously been undertaken should have been provided to what was then the Education PDS Committee. Councillor Bennett requested that the report be provided to the Education Select Committee early in the new municipal year.

Action Point 1: That an evaluation of the review of muster points that had previously been undertaken be provided to the Education Select Committee early in the 2017/18 Municipal Year.

It was suggested that an evaluation of parental mileage should be undertaken with the specific reasons cited by parents for not taking up the offer of increased mileage payments recorded and monitored. It could also be helpful to review what other London Boroughs did in respect of parental mileage. In response to a question surrounding the proportion of parents that had refused parental mileage, the SEN Transport Project Manager reported that whilst she had not brought exact figures to the meeting, the majority of parents refused the payments as parental mileage was always the first offer of support that was made. The SEN Transport Project Manager reminded Members that many parents viewed SEN Transport as an element of respite. This time enabled them to spend time with their other children or have some valuable time to themselves. It was clear that there were a number of reasons why parents were reluctant to accept the offer of parental mileage.

A Member suggested that it may also be worthwhile to look creatively at the admissions process to see if more support could be provided to parents in terms of school places offered to their other children. If siblings were able to attend schools in the same area as the special school attended by their brother or sister this could make the school run more manageable for parents. The importance of putting the child at the centre of thinking in terms of SEN Transport was stressed. It was not always the best option for a child with complex needs to spend an hour on transport. It was also highlighted that often children who used SEN Transport missed out on after school clubs and activities. It was suggested that when parental mileage was offered the benefits to the child should be clearly highlighted, especially for children in primary settings.

In response to a question surrounding whether any children under 4 years old were eligible for SEN Transport or were likely to become eligible for SEN Transport in the future, the SEN Transport Project Manager reported that the legislation was currently being reviewed. It was possible that pre-school aged children with an EHC Plan may have an eligibility but this was still unclear. Officers would continue to review this and explore the impact that any changes in this regard may have on the Service.

The Director of Education noted that the Sub-Committee had given Officers direction on a number of options that would need further review and investigation. This was likely to represent a big procurement exercise and the Director would therefore refer the comments made by the Sub-Committee to the ECHS Divisional Leadership Team for further consideration and action.

Action Point 2: That the Director of Education provide an update to the next meeting of the Education Budget Sub-Committee concerning the action taken by the ECHS Leadership Team in relation to the future of SEN Transport.

RESOLVED: That the report be noted.

56 BUDGET MONITORING REPORT
Report ED17041

The Education Budget Sub-Committee considered a report detailing the third quarter budget monitoring position for 2016/17 for the Education Portfolio based on activity levels up to the end of December 2016.

Members noted that the Portfolio Holder was being asked to (i) agree the release of the £15,000 SEN Regional Lead grant which was carried forward into 2016/17, (ii) agree the release of £80,000 SEN implementation grant which was carried forward into 2016/17, and (iii) agree the release of £40,000 Place Planning Support which was carried forward into 2016/17.

SEN Regional Lead Grant 2015/16 - £15,000

Due to the late announcement of this grant in 2015/16, it was agreed that £15,000 would be carried forward to 2016/17 to fund future expenditure.

SEN Implementation (new burdens) grant 2015/16 - £80,000

Due to the late announcement of this grant in 2015/16, it was agreed that £80,000 would be carried forward to 2016/17 to fund future expenditure. Both funding streams would be used to continue the extra capacity to deliver the transition to statements to EHC plans or pupil resource agreements, review current SEND services and provisions, embed the new policies and practises and develop robust systems for recording and monitoring the EHC process. Members noted that the majority of the expenditure would be used for temporary staff.

Support to improve the information held on place planning - £40,000

Work would be carried out on place planning and future demand for schools places including detailed analysis of the school census, live births and GLA predictions.

The Sub-Committee that the use of bulge classes was an issue across a number of London Boroughs.

RESOLVED: That the Portfolio Holder for Education and Children's Services ne recommended to:

- 1. Endorse the 2016/17 budget projection for the Education Portfolio.**
- 2. Agree the release of the £15,000 SEN Regional Lead grant which was**

carried forward into 2016/17.

3. Agree the release of £80,000 SEN implementation grant which was carried forward into 2016/17.

4. Agree the release of £40,000 Place Planning Support which was carried forward into 2016/17.

**57 CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2016/17 & ANNUAL CAPITAL REVIEW 2017 TO 2021
Report FSD17026**

On 8th February 2017, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2016/17. The report also presented for approval the new capital schemes in the annual capital review process. The Executive agreed a revised Capital Programme for the five year period 2016/17 to 2020/21. The Education Budget Sub-Committee considered a report highlighting the changes agreed by the Executive in respect of the Capital Programme for the Education Portfolio.

The changes to the Education Portfolio approved by the Executive in February included:

Formula Devolved Capital (£446,000 net reduction):

The Formula Devolved Capital scheme was funded by a grant from the Department for Education, which was passed straight on to Council maintained schools. The grant had reduced as schools converted to academy status. Members agreed a total reduction of £446,000 to reflect the revised funding.

Basic Need Programme (£6,896,000 increase in 2018/19):

In the Basic Need Capital Programme Report approved by the Executive on 23rd March 2016, main works at Castlecombe Primary School were included as a Project in Delivery (Unfunded). The Council had now received additional Basic Need Capital Grant for the period 2018-19 of £6,896,000 from the DfE and was now in a position to fund these works. Members had agreed the addition of this amount to the Basic Need capital scheme, and noted that an updated Basic Need Capital Programme was due to be reported to the next meeting of the Executive.

Schemes rephased from 2016/17 into 2017/18:

As part of the 3rd quarter monitoring exercise, a total of £2,433,000 had been rephased from 2016/17 into 2017/18 to reflect revised estimates of when expenditure on Education schemes was likely to be incurred. This had no overall impact on the total approved estimate for the capital programme.

RESOLVED: That the Portfolio Holder be recommended to confirm the changes agreed by Executive on 8th February 2017.

58 DATE OF NEXT MEETING

The next meeting of Education Budget Sub-Committee would be held at 7.00pm on Tuesday 18th July 2017.

The Meeting ended at 6.37 pm

Chairman