

AGENDA



SCHOOLS FORUM

Date : Thursday 10th January 2013

Time : 4.30pm

Place : Badminton Road Offices, Ground Floor, Room 0015

Distribution

Members of the Committee

Dave Baker	Mike Gregory
Nicola Berry	Geoff Howell
Steve Cook	Janet Hoyle
Jon Cooke	Jeremy Hunt
Mark Dee	Keith Lawrence (Chair)
Peggy Farrington	Jane Millicent
Steve Forecast	Steve Morris
Mark Freeman	Max Reed
Amanda Fry/Lisa Williams	David Turrell
Keith Geary	
John Goff	

Richard Badley (sub)

Ann Reed (sub)

Appropriate Officers

Peter Murphy
Martin Dear

Councillors

Ian Blair
Sheila Cook
Robert Jones
Gareth Manson

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AGENDA

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|----|---|---------|
| 1 | WELCOME AND INTRODUCTIONS | 5 mins |
| 2 | APOLOGIES FOR ABSENCE | 5 mins |
| 3 | EVACUATION PROCESS | 5 mins |
| 4 | ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT | 5 mins |
| 5 | MINUTES OF THE MEETING HELD ON 18 OCTOBER 2012 | 5 mins |
| 6 | SECOND BUDGET MONITOR 2012/2013 | 5 mins |
| 7 | INVESTMENT PRIORITIES FOR THE CHILDREN AND YOUNG PEOPLE (CYP) CAPITAL PROGRAMME 2013/2014 | 20 mins |
| 8 | DEPLOYMENT OF THE DEDICATED SCHOOLS GRANT 2013/2014 | 20 mins |
| 9 | COUNCIL BUDGET 2013/2014 | 10 mins |
| 10 | DATES OF FUTURE MEETINGS AND THE WORK PROGRAMME 2012/2013 | 5 mins |
| 11 | ANY OTHER BUSINESS | 5 mins |

Department for Children and Young People

Schools Forum

Thursday 18 October 2012
Badminton Road Offices

PRESENT:

Dave Baker	Headteacher, Bradley Stoke Community School
Nicola Berry	Headteacher, St John's Mead CE VC Primary School
Steve Forecast	Governor, The Crossways Schools Federation
Amanda Fry	Abbeywood Tots
Mark Freeman	Headteacher, St Michael's Primary School, Stoke Gifford
Mike Gregory	School Business Manager (EOTAS/PRU/BST, New Horizons)
Jane Millicent	Headteacher, Patchway Community College

Chair: Keith Lawrence Governor, Culverhill School

Officers: Martin Dear;

Other Attendees:

Tania Craig Headteacher, New Horizons Learning Centre
April Begley, Governor at Hanham High and Christchurch;
Jim Lott, Governor at Stanbridge;
Bob Symonds, Governor at Pucklechurch.

1. **WELCOME AND INTRODUCTIONS**

Attendees were welcomed by the Chair, Keith Lawrence.
A specific welcome was given to the following potential new members of the Schools Forum:
April Begley, Governor at Hanham High and Christchurch;
Jim Lott, Governor at Stanbridge;
Bob Symonds, Governor at Pucklechurch.

2. **APOLOGIES FOR ABSENCE**

Steve Cook, Paul Duvall, Peggy Farrington, Keith Geary, John Goff, Geoff Howell, Janet Hoyle (due to sickness), Max Reed, David Turrell, Richard Badley. Ann Reed, Therese Gillespie

3. **EVACUATION PROCESS**

The Chair drew attention to the emergency evacuation procedure.

4. **ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT**

None

5. **MINUTES OF MEETINGS HELD ON 13TH SEPTEMBER 2012**

The Minutes were agreed as a true record.

6. **SCHOOL FUNDING REFORM AND ARRANGEMENTS FOR 2013/14**

MD explained that the reason for this extra meeting was to consider the consultation responses from schools on the School Funding Reform proposal. The Schools Forum were to make their collective views known prior to the Children and Young People Committee on 24th October. The dispatch date for papers to the CYP Committee was 16th October; hence papers had already gone out. However, a verbal update at the meeting will be given of the Schools Forum views. The dispatched papers already included the responses from schools.

There was support for additional funding for Looked After Children (LAC) through the pupil premium, and support for funding for English as an Additional Language (EAL). MD said he had included £900 (the same rate as the pupil premium in 2013/14).

MD handed out additional papers which included:

- Appendix A (Summary of 2012/13 Final Formula compared to New Funding Model);
- Appendix B (2013/14 New funding Arrangements – Significance of the Minimum Funding Guarantee (MFG)); and
- Responses from mainstream and special schools.

MD said a return had to be sent to the Education Funding Agency (EFA) by the end of this month.

MD explained that next year's funding will be determined by what factors the DfE allow and the data held by the DfE. This does mean that some data might not be up to date. There was general agreement to the approach taken of one of 'best fit' when comparing the new formula to the old formula.

Discussion took place around definitions of small schools and what the split site factor covered. There was some caution about undertaking a detailed formula review if the criteria that could be used was being restricted and if a national funding model was going to be introduced in the near future.

MD said a consultation with Schools and Schools Forum would take place in the near future on further delegations.

No indication of the DSG for 2013/14 is expected before the Chancellor's statement in the House of Commons on the 5th December 2012.

7. WORK PROGRAMME

The dates of the Work Programme for 2012/2013 were agreed.

8. ANY OTHER BUSINESS

Pensions Auto Enrolment

MD produced a paper on Pensions Auto Enrolment. The Council's designated Staging Date is March 2013; however there is an option to defer until October 2017. The Council will need to make a decision within the next few weeks. The Council was seeking the view of the Schools Forum prior to making a decision.

Pensions Auto Enrolment means that employees will automatically be opted into their employers' pension scheme but they have the choice to opt out. After 3 years of being opted out they will be automatically opted in again and they then have to write to opt out.

This is slightly different from the current system and actively encourages individuals to be part of a pension scheme.

If those employees who have currently opted out of the pension scheme were to join, the impact of this scheme on schools has been calculated at £700,000 per annum.

There was a mixed opinion from members as some felt there was a responsibility to staff, but as funding was not increasing it was also felt that there was a responsibility to pupils.

After a short debate, it was decided to support the earlier date, based on principles, but the Schools Forum could also accept the argument for a deferment because schools budgets are tight and there would be no increase in funding to cover this additional cost.

Meeting closed at 18.20

SECOND QUARTER MONITOR REPORT – CAPITAL AND REVENUE 2012/2013

This report provides information on the forecast of the outturn for 2012/13 for the Dedicated Schools Grant (DSG) and the Capital budget. It includes income and expenditure to the end of September 2012 and known commitments at that date.

At this stage in the financial year the 2012/13 outturn for the DSG is estimated to be a break even position against a grant of £168.987 million. Further details in Appendix A.

The position with Capital funding is that total scheme costs are within total budgets. There is a contingency of balance of £549,000 which is held in mitigation against future shortfalls within the capital programme and/or will be used to address other risks or urgent priorities. Further details are provided in Appendix B.

Recommendation

Members of the Forum are recommended to note this report.

DSG Funded Budgets

The budget delegated to schools (the “Individual Schools Budget” or ISB), and many of the pupil related costs, such as Special Educational Needs are funded through the Dedicated Schools Grant.

	Full Year Budget £'000	Outturn £'000	Variance £'000	Variance %
School Central Budgets	4,635	4,635	0	0.00%
Nursery Education Grant	7,897	7,897	0	0.00%
Other (Predominantly Schools Budgets)	152,324	152,324	0	0.00%
Special Educational Needs (SEN)	4,131	4,131	0	0.00%
Total	168,987	168,987	0	0.00%

The Department is forecasting an overall breakeven position at the year end for the Dedicated Schools Grant. There is a £341,000 contingency budget due to the 2011/12 DSG outturn figure being less than the 2011/12 DSG overspend contingency. This is being used to offset Schools unfunded pensions, to cover any excess of budget demand in three to four year old payments of the nursery education grant and pressures within the SEN statemented support budget.

Any pressures on the ISB schools budget and other DSG funded budgets will be contained within the balances held by schools and next year's funding allocations. It will not directly fall on the Council Tax payer.

Progress on Current Schemes

1. There are currently no significant scheme delays to report within the approved programme for the Department for Children and Young People.
2. Appendix 1 lists the planned and forecast completion dates, total approved scheme costs and details of spending against budget this year for all projects with total scheme costs greater than £100k.
3. The following table provides a comparison of the total planned spending for the year against latest outturn forecast.

Forecast figures as at 30 Sept 2012 (Quarter 2)			
Budget (£'000s)	Outturn Forecast (£'000s)	Variation (£'000s)	Spend to date (£'000s)
16,546	16,941	395	8,250

Variations in Total Scheme Costs and Scheme Delivery

4. Variance on total scheme costs (further detail provided in Appendix 2):

	£'000
Approved Total Scheme Costs (Budget) at 1 April 2012	118,728
Budget adjustments in previous quarters	-30
Approved Total Scheme Costs (Budget) at 30 September 2012	118,698
Variance on Total Scheme Costs at 30 September 2012	-544
Current Forecast of Total Scheme Costs	118,154

The significant changes in variances from the first monitor to the second monitor are:

Project	Total Project Budget (£'000)	Variance at Q1 (£'000)	Variance at Q2 (£'000)	Change from Q1 to Q2 (£'000)
Staple Hill Primary – new school	7,001	-184	-284	-100
Warmley Park School – boiler plant and heating	300	0	132	132

Explanations for the changes in variances on total scheme costs from the first to the second monitor are:

Staple Hill Primary

The final account is now agreed with the contractor, resulting in a projected underspend of £284k.

Warmley Park School – boiler plant and heating

The project originally included the provision of two new gas boilers. However, the School has agreed to borrow £30k from the School Energy Saving Fund and has contributed additional devolved capital to enable a biomass boiler to be installed instead of one of the gas boilers.

Installation of the new gas boiler and heating works were carried out at Warmley Park over the summer holidays. Considerable additional works were necessary and as a result the cost of the scheme is likely to exceed the budget by approximately £100k. These included health and safety works in connection with the existing mains cold water supply and the swimming pool, and the complete replacement of the existing heating energy management controls system. It is difficult to accurately estimate the cost of schemes such as this which involve works throughout existing buildings and inevitably encounter some unknown elements.

CYP Unallocated Balance

5. The current unallocated balance is £549k. This will be held in mitigation against future shortfalls within the capital programme, and/or will be used to address other risks or urgent priorities.

New Schemes

Scheme	Amount (£'000)	Funding Source	Constraints	Intended Use (Approval Sought)
Short Breaks for Disabled Children	153	Department for Education (grant)	To be spent by Aug 2013	To enable more accessible accommodation and facilities that offer short break opportunities for parents; and their disabled children. A number of options are being investigated and will be reported at next monitor.
Vinney Green – Art Room	2	Department for Education (grant)	To be spent by Aug 2013	Art Room drainage upgrade

Total Scheme Costs and Current Payments – (All schemes with total scheme costs >£100K)

Appendix 1

Children & Young People		TOTAL SCHEME COSTS			2012/13 PAYMENTS				Comments
Scheme/Block Allocation (in excess of £100k)	Planned (p) Contractual (c) Forecast (f) Completion date	Budget	Forecast	Variation overspend (+)	Budget	Forecast	Variation Overspend (+)	Spend to date	
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
Wick - refurbishment and remodelling	Mar 2014 (p) Mar 2014 (f)	2,042	2,042	0	192	239	47	73	Pre-contract work is progressing in line with the project budget and programme. Planning approval has been received. Works are planned to start on site in early 2013. Enabling works were successfully completed during the 2012 summer holidays.
Hambrook - refurbishment and extension	Jun 2014 (p) Jun 2014 (f)	3,655	3,655	0	334	334	0	41	Pre-contract work is progressing in line with the project budget and programme. The planning application has been submitted. The new extension is due for completion in December 2013, with overall completion in summer 2014. Enabling works were successfully completed during the 2012 summer holidays and the temporary classroom units will be removed in summer 2014.
Pucklechurch - extension and remodelling (phase 2)	Dec 2012 (c) Nov 2012 (f)	700	700	0	527	527	0	254	Works progressing to programme for completion in Nov 2012. Current forecast outturn costs are within budget.
St Michael's S/G - remodelling and extension (phase 1)	Apr 2013 (c) Apr 2013 (f)	967	967	0	854	802	-52	222	Works started on site on 23 July 2012 and progressing on programme. Current outturn costs are within budget.
Filton Hill – refurbishment and remodelling	Aug 2014 (p)	1,200	1,200	0	60	60	0	0	Approved for future financial years with initial design works only during 2012/13.
Shield Road - re-roofing (phase 1) plus windows	Dec 2012 (c) Dec 2012 (f)	200	200	0	93	93	0	33	Re-roofing works now completed. Tendering for the windows works has started. Work to the windows is necessary to comply with Building

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Children & Young People		TOTAL SCHEME COSTS			2012/13 PAYMENTS				Comments
Scheme/Block Allocation (in excess of £100k)	Planned (p) Contractual (c) Forecast (f) Completion date	Budget	Forecast	Variation overspend (+)	Budget	Forecast	Variation Overspend (+)	Spend to date	
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
									Control requirements.
Sir Bernard Lovell – roofing	Dec 2012 (c) Dec 2012 (f)	1,200	1,200	0	1,163	1,164	1	463	Works progressing to programme for completion in December 2012. The works did not impact the start of term. Outturn costs within budget.
Downend - replacement boiler plant	Aug 2012 (c) Aug 2013 (f)	990	990	0	560	566	6	556	Two year programme. First year on programme and schedule.
Warmley Park - boiler plant replacement and heating	Aug 2012 (p) Dec 2012 (f)	300	432	132	293	432	139	260	The School Energy Saving fund is being used to install a biomass boiler (addressing £30k of the overspend). This upgrade has resulted in a planned overall completion of December 2012. Essential additional work has resulted in a further projected overspend of £100k.
Marlwood - replace front elevation	Dec 2012 (c) Dec 2012 (f)	250	250	0	244	246	2	31	On site and on schedule.
Additional Primary Accommodation (Basic Need)	Mar 2014 (p) Mar 2014 (f)	3,499	3,499	0	1,310	1,308	-2	428	Schemes at several schools to install temporary accommodation and improve existing accommodation to increase capacity.
Devolved Formula Capital	Mar 2014 (p) Mar 2014 (f)	2,236	2,236	0	1,258	1,607	349	966	Funding devolved to schools.
Advance Design Fees	Mar 2014 (p) Mar 2014 (f)	222	222	0	70	70	0	8	Ongoing development and feasibility work.
Short Breaks for Disabled Children Grant	Mar 2013 (p) Mar 2013 (f)	153	153	0	94	94	0	28	Capital modifications and equipment to facilitate the provision of short breaks for disabled children.

Children & Young People		TOTAL SCHEME COSTS			2012/13 PAYMENTS				Comments
Scheme/Block Allocation (in excess of £100k)	Planned (p) Contractual (c) Forecast (f) Completion date	Budget	Forecast	Variation overspend (+)	Budget	Forecast	Variation Overspend (+)	Spend to date	
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
Future Years' R&M Schemes	Mar 2014 (p) Mar 2014 (f)	2,500	2,500	0	0	0	0	0	Held for major R&M schemes in 2013/14.
Approved 2014/15 expenditure	Mar 2015 (p) Mar 2015 (f)	6,946	6,946	0	0	0	0	0	Unallocated budget held for schemes in 2014/15.
Schemes under £100k	Various	528	528	0	406	410	4	226	
Completed Schemes									
Pucklechurch Primary – Extension and Remodelling	Nov 2011	2,197	2,188	-9	133	124	-9	37	The project was completed on programme in November 2011.
New Horizons Primary School	Nov 2011	2,984	2,984	0	311	311	0	7	The project was completed and handed over in November 2011.
Gillingstool Primary and New Siblands Primary – Replacement School	Aug 2010	10,166	10,060	-106	276	225	-51	3	Work complete. The final list of outstanding defects has been rectified. Final account now agreed subject to some minor changes.
St Peters Primary - Replacement School	Feb 2011	5,115	5,125	10	183	193	10	19	A small number of major concerns remain to be addressed by the contractor; hence monies are still being withheld. Settlement of the final account ongoing but claim/dispute anticipated.
Abbeywood School BSF Pathfinder Project	Jan 2011	29,735	29,399	-336	661	661	0	76	The contractor has addressed the outstanding defects. The effectiveness will be monitored for a short time prior to making final payments. The final accounts for this project will be agreed within budget, generating some saving.

Children & Young People		TOTAL SCHEME COSTS			2012/13 PAYMENTS				Comments
Scheme/Block Allocation (in excess of £100k)	Planned (p) Contractual (c) Forecast (f) Completion date	Budget	Forecast	Variation overspend (+)	Budget	Forecast	Variation Overspend (+)	Spend to date	
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
Yate Youth Café	Mar 2011	650	650	0	0	0	0	64	Works complete. Project carried out in partnership with Yate Town Council. When the final accounts are agreed, adjustments will be made to the contributions made by each council to address the 2012/13 spend to date.
Staple Hill Primary - Replacement School	Sep 2011	7,001	6,717	-284	548	448	-100	104	Final accounts agreed resulting in an overall saving.
Marlwood - boiler plant (phased replacement)	April 2012	348	391	43	0	43	43	17	Works complete.
New Horizons Secondary School	Aug 2011	8,906	8,905	-1	201	200	-1	0	Works Completed in August 2011.
New Siblands Secondary	Jun 2012	5,827	5,827	0	446	446	0	326	All works complete. Contract now in defects period.
Staple Hill - CC/Nursery reinstatement	July 2012	1,242	1,239	-3	774	774	0	557	Works complete. Current forecast outturn costs are within the project budget.
Yate International Academy – redevelopment	Aug 2012	16,370	16,370	0	5,020	5,019	-1	3,144	The new buildings were opened on programme ready for the start of the September term. Demolitions and external works are on-going, due for completion March 2013.
Blackhorse – Resource Base expansion	Sept 2012	124	134	10	100	110	10	4	Works were completed on site in early September 2012. Outturn costs for construction works within contract sum.
Sir Bernard Lovell - rewire	Aug 2012	445	445	0	435	435	0	303	Works completed on programme and within budget. The works did not impact the start of term.
		118,698	118,154	-544	16,546	16,941	395	8,250	

INVESTMENT PRIORITIES FOR THE CHILDREN & YOUNG PEOPLE (CYP) CAPITAL PROGRAMME 2013/14

Purpose of Report

1. To inform members of the Schools Forum of the CYP capital investment priorities 2013/14 onwards and to seek comments for consideration by CYP Committee.

Background

2. On 7 November 2012, the Children and Young People Committee considered a report on the range of issues relating to the CYP capital investment priorities over the next 2-3 years, the anticipated shortfall in capital funding allocations and a range of options that could be considered to address the priorities.
3. At that meeting a decision was taken that schools converting to academy or Trust status would no longer to be considered for inclusion in the Council's maintenance programme, the agreed priorities for investment (not in order) are summarised as follows:
 - Primary Basic Need
 - Primary Priority 1 maintenance (excl academies and trust schools)
 - Secondary Priority 1 maintenance (excl academies and trust schools)
 - Specialist Provision - ASD resource base and PRU relocation
 - Expansion of Two Year Old places

The Issues

4. **Basic Need:** the Local Authority has a statutory duty to provide sufficient school places in its area and latest pupil projections indicate a need to provide in the region of 300 additional primary reception places each year for the next 3-4 years. A total of 600 additional places have already been provided to meet demand for places in 2011 and 2012.
5. **Condition:** as has been the case in previous years, there is a backlog of high priority repairs and maintenance schemes. Urgent Priority 1 schemes at primary and secondary schools total £14.891M. P1 condition works are where accommodation, infrastructure and/or mechanical or electrical systems require immediate repair or replacement in order to keep buildings operational and to avoid serious health and safety issues arising. The programme of works is broken down into separate primary and secondary priorities. Primary schemes total £3.916M and secondary schemes total £10.975M.

6. **Specialist:** A recent officer review of special educational needs provision highlighted two priority schemes, being the need for a resource base to support high operating secondary age children with Autistic Spectrum Disorders (ASD) and the proposed relocation and co-location of the Pupil Referral Unit (PRU).
7. **Two year olds:** Free early education for eligible two year olds becomes a statutory entitlement from Sept 2013. In accordance with decisions taken in relation to the review of Integrated Services (Early Years), it is proposed to utilise children's centre accommodation to expand free part-time 2 year old places across the area. We are confident that with the number of places already provided and future use of the children's centre accommodation we will be able to meet the target number of 600 places for Sept 2013. The Sept 2014 target of a further 600 places is more challenging however planning work is underway with a range of sector providers to identify options for expanding 2 year old places across the area. A draft Strategy is being consulted on and new revenue and capital funding has just been announced.
8. The level of capital funding received from central government in 2012/13 was less than the previous financial year and lower than anticipated, with £3.263M allocated to support basic need expansion work and £4.543M to support condition related works, providing a total of £7.806M. The programme of work approved by Council in February 2012 included previous commitments and was adjusted to reflect the reduced allocations. An additional £1.5M of prudential borrowing was approved to support the overall programme at the Council meeting in February 2012.
9. The programme for 2013/14 includes £1.5M earmarked for basic need priorities and £2.5M earmarked for Priority 1 condition related schemes. These approved sums along with anticipated future years funding allocations are however insufficient to deliver urgent priorities and the estimated shortfall in funding to meet essential basic need and all P1 maintenance works over the next two years is in the region of £17.9M.

Progress

10. At its meeting on 5 December 2012, the CYP Committee considered the investment priorities in more detail and agreed that:
 - schemes to provide additional primary places for Sept 2013 should proceed and that necessary additional places to meet demand in Area 4 (Bradley Stoke and Stoke Gifford) will be met through expansion of places on primary schools rather than using surplus secondary school accommodation (see Appendix A).

- Free School proposals would be supported in principle as an opportunity to deliver new places and meet basic need provision.
 - Property Services be asked to provide updated cost estimates for both temporary and permanent solutions for urgent basic need schemes required for Sept 2014 and 2015, in order that a final decision can be taken by Council, in Feb 2013 (see Appendix B).
 - the development of a secondary ASD Resource Base located at Chipping Sodbury School, should proceed, with borrowing funded through DSG (High Needs Block).
 - P&R Committee be asked to approve the top five P1 R&M schemes at primary schools within available capital resources and that alternative funding sources to met remaining essential P1 works in primary and secondary schools be identified (see Appendix C).
 - an Options Appraisal for the possible location of the PRU at Charborough Road be available for consideration in Jan 2013.
11. The CYP Committee also noted the recent funding announcement for the expansion of free part-time places for vulnerable 2 year olds and subsequently agreed the draft Strategy for consultation on delivering new places.
12. Arising from this, the Council's Policy & Resources Committee is considering a number of options to identify additional funding to enable urgent and essential works to proceed and to ensure the LA meets its statutory obligations for providing sufficient primary school places including:
- the possible use of corporate capital receipts,
 - use of balances or additional borrowing,
 - short-term use of surplus secondary accommodation for primary age children, in and out of locality area,
 - transporting children out of locality area to schools with surplus accommodation.
- To assist the Policy & Resources Committee a meeting of the Resources Sub Committee will be held on 7 January 2013. A verbal update of the outcome of this meeting will be given at the Schools Forum meeting.
13. Following the Chancellors Autumn Budget Statement, the DfE has advised that the announcement on any new capital funding allocations can be expected at the end of January 2013.
14. The final CYP Capital Programme will be determined by Policy & Resources Committee and approved by Council in February 2013.

Comments are invited from the Schools Forum.

Extracts from Resources Sub Committee Report**Basic Need Programme of Work for Sept 2013 (Approved)**

Essential basic Need work for Sept 2013	Est Cost
Project Description	2013/14 £'000s
Refurb/remodelling schemes to provide places at Beacon Rise, Christchurch Hanham, Stoke Lodge,	350
Phase 2 of expansion of Barley Close Primary from 1FE to 2FE. Ph 2 incl relocate nursery, provide temporary classroom/group room, and expand hall for Sept 2013.	700
Provision of additional 60 places in Area 4 through expansion (temps) located at appropriate primary schools (see below)	250
	1,300

Background: The Implementation Plan (of the Commissioning of Places Strategy) sets out the need for additional places and the Council's plans to secure these in the short, medium and longer term. The Plan identifies that, in the medium term, additional places will be secured across Planning Area 4 (covering Patchway, Filton, Bradley Stoke and Stoke Gifford) by considering the options for expansion at existing local primary schools. Thus far additional places have been provided at the following schools across the area:

- St Chad's Primary School increased temporarily from 30 to 60 in 2011 and 2012
- Little Stoke Primary School increased temporarily from 30 to 60 in 2011 and 2012
- Callicroft Primary School increased temporarily from 30 to 60 in 2012
- Bailey's Court Primary School increased from 60 to 90 in 2012 for one year only
- Charborough Road Primary School increased from 35 to 65 in 2012 for one year only

The continued expansion of these schools cannot be considered for the following reasons:

- St Chad's - whilst this is a large site and could physically accommodate an increase to 2 FE on a permanent basis, there are likely to be significant planning problems associated with opposition from local residents mainly about on access, parking and highways issues.
- Little Stoke - increases agreed in previous years have had limited impact on easing the pressure for places as this has to date not been a school of preference for parents and often parents choose to remain on waiting lists for other schools. Provision at Little Stoke will however need to re-visited for 2014 onwards.
- Callicroft Primary School - demand for places west of the A38 is stable and currently supports a 1FE school only. An increase in number was agreed for Sept 2012 though even with major development at Charlton Hayes, the school attracted just 36 children. Further expansion at this stage is unlikely to ease pressures which are on the east side of the A38.
- Bailey's Court Primary school – there are site constraints with no further space for expansion
- Charborough Road Primary school – there are site constraints

Additional places in 2013: The Council needs to supply 120 -150 places across Planning Area 4 for Sept 2013, with more required in the following years. Demand for places is not evenly spread. Much of the pressure for places is east of the A38 and

there is particular pressure in the south of Bradley Stoke, Stoke Gifford and Filton. The Council has already secured the following additional places to help meet the deficit in September 2013:

- Stoke Lodge – approval for an increase from 60 to 90 in Sept 2013 and possibly a permanent increase in the future.
- Cheswick Village – the Cabot Learning Federation were commissioned to establish a new Primary Academy to serve the new development at Cheswick Village. This will provide 60 Reception school places in Sept 2013.

The above proposals will provide 90 places. While the new school will help to meet demand across Filton, it will not help to meet localised demand in the southern part Bradley Stoke/Stoke Gifford. A further 30 to 60 places are required across the south eastern area of Bradley Stoke/Stoke Gifford. Options to expand existing primary schools in these areas are limited by site and accommodation constraints.

CYP Committee approved: Expansion of other Primary Schools, in particular to consider St Michael's (Stoke Gifford) and Meadowbrook.

St Michael's Primary School (Stoke Gifford): Expand to 4 forms of entry in September 2013. This would be initially be a one or possibly two year breach and could be accommodated in a temporary classroom which will become available following completion of the current project on site to provide a permanent 3 class extension (which was intended to replace the temps).

Meadowbrook Primary School: Place a temporary unit on site to expand the school to 3 forms of entry in Sept 2013. This would be a one or possibly two year breach.

Appendix B

Essential BN projects to deliver places in Sept 2014 and Sept 2015

Indicative Costs (being updated by Property Services)

Essential for Sept 2014 onwards	Temps Solution	Temps Solution		Trad Build Solution	Trad Build Solution
Project Description	2013/14 £'000s	2014/15 £'000s		2013/14 £'000s	2014/15 £'000s
For Sept 2014					
Ongoing expansion of Barley Close Pry from 1FE to 2FE - Phase 3.	300	1,000		300	1,000
Ongoing expansion of Tynings Pry by 1FE – Phase 2	-	1,800		-	1,800
Expansion of Beacon Rise Pry by 1FE	1,600	1,000		2,000	1,500
Area 4 – 2FE – expansion on primary school sites		250			
For Sept 2015					
Expansion of Mangotsfield CE Pry by 1FE and re-provision of sports pitch.	tba	tba		1,000	3,000
New Free School proposal - (2FE) located in Kingswood	2,000	3,600		2,000	3,600
Remodelling to support breaches at primary schools	-	250		-	250
Total Estimated Cost	4,900 (est)	10,900 (est)		5,300 (est)	11,210 (est)

NB All figures being revisited before Feb 2013.

Why these Expansion Projects

The Commissioning of Places Strategy (COPS) highlights the current and future projections for primary and secondary schools across South Gloucestershire. The COPS Implementation Plan update report to the CYP Select Committee in Jan 2012, shows the excess of demand for places in specific areas and in particular the need for the provision of additional primary places in

- Planning Area 4 – Filton, Patchway, Bradley Stoke & Stoke Gifford
- Planning Area 5 – Downend, Mangotsfield, Emersons Green & Pucklechurch
- Planning Area 6 – Hanham & Kingswood

Work was undertaken across each of the planning areas to establish the preferred solutions for providing additional places, taking into account the availability of existing accommodation and increasing ANo's wherever possible. Where projections indicate longer term demand for places, schools have been identified where it would be possible to expand accommodation either in temporary or permanent construction to increase in the size of school. Additionally the physical accessibility of the site and parental preference were also considered, although it has not always been possible to expand a preferred school.

The schools highlighted in the Table above, are all located in areas of the community where there is a projected long term excess of demand for places over availability and that feasibility work has identified a temporary and/or permanent build solution to provide sufficient places in the next 2-3 years.

It should be noted that the provision of these additional places will only just meet demand and allow a little flexibility for the allocation of places into Reception classes.

Available funding

	2013/14	2014/15		2013/14	2014/15
Programme Option	Temp	Temp		Perm	Perm
	£'000s	£'000s		£'000s	£'000s
Programme cost	4,900	10,900		5,300	11,210
Funding Source					
Unallocated Basic Need	200	-		200	-
Contingency	525	-		525	-
Basic Need allocation (est)	-	3,250		-	3,250
Total funding available	725	3,250		725	3,250
Shortfall in funding	4,175	7,650		4,575	7,960
Revised Shortfall if Free School proposal successful	2,175	4,050		2,575	4,360

Temporary v Permanent Solutions

For many years, the provision of temporary or demountable buildings to provide classrooms and teaching accommodation on school sites, was not considered to be a long-term or cost effective solution. However in recent years there have been advances in the design and specification of temporary accommodation and all provision is required to meet latest Building Regulation approval.

Ideally, where the expansion of a school by a form of entry has been determined, it would be appropriate to provide a permanent accommodation solution on site, but in light of current budgetary pressures, consideration must now be given to all options including the provision of temporary accommodation solutions.

Whilst it is fair to say that a permanent construction will provide a long term solution on the school site, the initial capital investment costs are higher. An alternative solution provided in temporary buildings, will offer a medium term option and initial capital investment costs will in most cases be lower.

Appendix C

List of Primary Priority 1 R&M Schemes

Overall Priority List Number	School	Work (in priority order)	Priority Year	Total Cost £k	Cumulative Total £k
1	Beacon Rise Primary	Dining Block & Kitchen replacement or fabric improvement	1	655	655
2	Parkwall Primary*	Rewire, Heating, Hot & Cold Water Services System Replacement, incl replacement of suspended ceilings. <i>Total scheme cost £1.095m. Yr 2 cost £425k in 2014/15.</i>	1 2 yr prog	670	1,325
3	Manorbrook Primary	Roofs	1	200	1,525
4	Crossways Junior	Cladding / roof	1	300	1,825
5	Raysfield Infants	Rewire & Heating incl. boiler replacement, H&CWS Replacement + suspended ceiling replacement	1	581	2,406
6	Raysfield Junior	Rewire & Heating incl. boiler replacement, H&CWS Replacement + suspended ceiling replacement	1	581	2,987
8	The Tynings Primary	Rewire (£277k) and replacement of existing hot and cold water systems (£70K)	1	347	3,334
10	Barley Close Primary	Replacement of Hot & Cold Water Services	1	102	3,436
11	Beacon Rise Primary	Rewire	1	100	3,536
13	Stanbridge Primary	Re-cladding, Part Replacement of Windows	1	230	3,766
16	Stoke Lodge Primary	KS1 re-roofing	1	150	3,916

in view of the extensive work involved, the Parkwall Primary project must be split over 2 years and Phase 2 (£425k) will need to be first call on the 2014/15 programme. The cost in 2013/14 is estimated to be £670k.

Top 5 schemes approved by CYP Committee 5th Dec 2012
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Appendix C

List of Secondary Schemes Only (Estimates)

Overall Priority List Number	School	Work (in priority order)	Priority Year	Total Cost £k	Cumulative Total £k
7	The Grange	External wall cladding, replacement windows and doors £1m; Re-roofing £250k; M&E systems £1.725m; internal refurb to floors/ceilings etc £350k; external works and road surface repairs £400k	1	3,735	3,735
9	Marlwood	Window replacement and external cladding £200k; Sports hall roof £250k	1	450	4,185
12	Patchway	Mechanical heating, boiler and electrical systems upgrade £4.555m Internal floors and ceilings £95k	1	4,650	8,835
14	Mangotsfield	Roof replacement £300k; External windows & doors £210k; Internal ceilings, floors £315k; Lab refurb £330k; M&E refurb £10k	1	1,165	10,000
15	Hanham	Mechanical & electrical replacement £375K; Window replacement £50k; roof replacement £50k	1	475	10,475
17	Sir Bernard Lovell	Window replacement £200k; Re-roofing £150k; Lab refurbishment incl floor £150k	1	500	10,975

Options to fund secondary school condition projects

A decision has been taken that any school converting to academy or trust status should no longer be considered for inclusion in the Council's capital maintenance programme.

A recommendation has been made to the Policy & Resources committee, that Secondary R&M schemes be considered on a H&S reactive basis only and that a £1million allocation be earmarked for this purpose over the next 2 years.

DEPLOYMENT OF THE DEDICATED SCHOOLS GRANT 2013/2014

The purpose of this report is to update members on the progress made and the next steps to be taken in respect of the deployment of the dedicated schools grant (DSG) 2013/2014.

This report covers:

1. Decisions made by the Children and Young People Committee on the factors to be used in the allocation of funding to schools for 2013/2014
2. Further Delegations in 2013/2014
3. Further Trading Options in 2013/2014
4. Setting planned places for the academic year for special schools and resource bases in mainstream schools
5. Dedicated Schools Grant 2013/2014
6. New Regulations
7. Timetable for consultation and decision making

1. Decisions made by the Children and Young People Committee

Following consultation with schools, Headteachers representatives, governor representatives, trades unions and the schools forum, the Children and Young People Committee have decided to use the following factors in the allocation of funding to schools for 2013/2014:

Factors that will be used in the Schools Formula 2013/2014

- (1) Basic per- pupil entitlement
 - i. Different rates for Primary, Key Stage 3 and Key Stage 4
- (2) Deprivation
 - i. Based pupils entitled to free school meals according to the Autumn census.
- (3) Looked After Children
 - i. Pupils who are looked after.
- (4) Low Cost, High Incidence Special Educational Needs
 - i. Primary Sector - Early Years Foundation Stage Profile all pupils who do not achieve 78 points.
 - ii. Secondary Sector all pupils who do not achieve Level 4 or above in both English and Maths at Key Stage 2.
- (5) English as an Additional Language
 - i. Pupils with EAL and who have entered compulsory education within the last 3 years in England.

- (6) Lump Sum
 - i. A single rate for all schools.
- (7) Split Sites
 - i. Applicable to one primary school.
- (8) Rates
 - i. Based on actual cost.
- (9) Rent
 - i. Based on actual cost for three primary schools.

It was also agreed to restrict school gains to 1.5 % in order to fund the minimum funding guarantee.

Factors that will be used for the High Needs Block 2013/2014

- (1) Statemented support
 - i. Notional Allocation of £1.5m through low cost high incidence SEN factor in the formula.
 - ii. Notional Allocation of a lump sum based on £6,000 per statement for those schools where the number of statements compared to the total number of pupils on roll is in excess of 1.25%. The allocation excludes the first 1.25%.
 - iii. The threshold remains at 105 units. The Notional Allocation, where pupils have statements in excess of 105 units, will be based on £33.33 per unit for the first 105 matrix units and £100 per unit for matrix units over 105.
- (2) Special school
 - i. Allocate £10,000 per planned place.
 - ii. Allocate an additional amount up to the place category rate when a pupil is placed in the special school.
 - iii. Allocate a lump sum to special schools that have a split site and newly built schools which are subject to new floor area occupation rates.
- (3) Resource bases
 - i. Allocate £10,000 per planned place.
 - ii. Allocate an additional amount up to the place category rate when a pupil is placed in the resource base.
- (4) Alternative provision
 - i. Allocate £8,000 per planned place.
 - ii. Allocate an additional amount up to the place category rate when a pupil is placed in alternative provision.

(5) Hospital provision

- i. Allocate an equivalent amount to the 2012/2013 funding level.

The decisions made above fully reflect the options within the letter sent to schools on 10 September 2012 with the addition of allocating some funding based on Looked after Children and English as an Additional Language.

The final rates to be used within each criteria needs to be determined by 22 January 2013. An update will be given at the meeting.

Expanding Schools and Infant Class Size Regulations

The DfE have said that with the agreement of the Schools Forum the Local Authority may hold a central contingency to be allocated to schools where;

- schools incur additional expenditure due to a significant growth in pupil numbers as a result of the local authority's duty to secure efficient primary education and secondary education to meet the needs the population of the area; and
- schools incur additional expenditure in order to make provision for extra classes to comply with the school infant class size regulations.

The allocation will be based on 7/12ths of the appropriate Basic Entitlement multiplied by the number of pupil/places in the planned expansion.

The Schools Forum must agree the criteria to be used for pupil growth funding and consulted before any allocations are made.

2. Further Delegations to Schools 2013/2014

There are areas of services, which are currently funded centrally, which will need to be delegated to schools from 2013/2014. Although these areas for further delegations are determined by Central Government, the allocation of these funds through the formula is not.

The areas of further delegation are:

- Pensions/Severance costs
- Ethnic Minority and Traveller Achievement Service (EMTAS)
- Behavioural Support Service
- School Meals (Light and Heat)
- Union Facility Time

The allocation of the funding for these delegations must be made by using the funding factors identified earlier. The proposal is

- to use basic per pupil entitlement to allocate funding in respect of Pensions/Severance costs, School Meals (Light and Heat) and Union Facility Time;
- to use the basic per pupil entitlement, Deprivation and English as an additional Language factors for Ethnic Minority and Traveller Achievement Service;
- for the Behavioural Support Service to use basic per pupil entitlement, deprivation and the Low Cost, High Incidence Special Educational Needs factors.

3. Other Opportunities for trading with schools

While reviewing the areas that are now offered as traded services with schools it is apparent that there are some further areas that schools might welcome as trading arrangements these include:

- Education Welfare
- Education Psychology
- Inclusion Support
- Special Educational Needs (SEN)
 - Resource Bases
 - Special Schools

Trading Proposals

Work is currently being undertaken to identify core work, which would continue to be funded centrally, and elements of the service that could be offered as a traded service. There is a need to identify the budgets to be delegated, the appropriate formula factors to be used and the opportunities for a trading arrangement with schools.

With regard to the items above the following proposals are being developed.

EMTAS/Inclusion/Behavioural Support Service	Determine the core work and offer a more comprehensive traded service for vulnerable groups (replacing the current 'Closing the Gap' service).
Pensions/Severance Costs	Offer a traded service as an 'insurance' for primary/special schools. Commitment from schools must be for the current trading period.
Union Facility Time	Offer a traded service in the form of a brokerage.

Welfare/Psychology SEN	Small traded element. Offer a traded service to assist schools in dealing with the new funding arrangements. SEN Section to agree, in principle, requests from other authorities before forwarding papers to the school. Traded Finance section to collect the funds from the other authorities, once the placement has been made.
School Meals (Light and Heat)	This relates to Primary Schools only. Schools to meet costs from the delegated funds.

As these further delegations must take place from April 2013, it is proposed that, where trading options are being taken forward, an 'in and out' arrangement is made to allow for the service to continue until the end of the academic year with the new trading arrangements starting from September 2013.

4. Planned places for the 2013/2014 academic year for special schools and resource bases in mainstream schools

The local authority must determine annually the number of places to be funded at special schools and resource bases in mainstream schools. Work is currently being undertaken with the respective schools by the SEN section

5. Dedicated Schools Grant Settlement 2013/2014

The Dedicated Schools Grant (DSG) allocation for 2013/2014 is presented in three blocks. The Schools Block and the Early Years Block have been set at cash flat per pupil. The High Needs Block brings together funding for all high needs pupils/students to enable commissioning of places for young people from 0-24 from a single stream.

For South Gloucestershire, the DSG 2013/2014 settlement is as follows:

	£million
Schools Block	137.937
Early Years Block	10.956
High Needs Block	23.952
	172.845

An update on the deployment of the DSG with regard to the school budget allocations will be given at the meeting.

Note that for 2013/2014 the Pupil Premium will rise to £900 per pupil and the Service Premium will rise to £300.

6. New Regulations

There are changes to the regulations as to how the DSG can be utilised for 2013/2014. The main changes are as set out below.

- i. There are greater restrictions on the expenditure which can be held centrally within the schools budget and schools forum approval is required for each heading. Some services which could previously be held centrally will now have to be delegated to schools through the formula. Others relating to historic commitments can only be retained centrally if the planned expenditure does not exceed that reported in the 2012-13 financial year.
- ii. Some budgets can be retained centrally without any limit if the schools forum agree. Local authorities will be able to retain funding centrally for pupil growth related to basic need or to enable schools to meet the requirements of the infant class size legislation. The growth criteria must be approved by the schools forum.
- iii. Some services can be retained centrally by maintained primary or secondary schools if their schools forum representatives vote to do so. This is known as “de-delegation” and means that the budgets are initially included in the funding formula calculation but are then removed before schools receive their budgets.
- iv. The Regulations also reflect the transfer of funding for pupils with special educational needs or in further education with a learning difficulty assessment up to the age of 25. The definitions of eligible schools budget expenditure and eligible central high needs expenditure have been amended accordingly.
- v. Funding for disadvantaged two year olds is moving into the schools budget from 1 April 2013. The Regulations relating to the Early Years Single Funding Formula have been amended to allow places to be funded for two year olds, to support capacity building, and to remove the requirement to have a deprivation factor for these children, as they are all from disadvantaged groups.
- vi. The date by which Local Authorities must inform maintained schools of their budget allocation is brought forward from 31 March to 15 March.

7. Timetable for consultation and decision making

January 2013	Determine formula for further delegations and trading arrangements
January 2013	Determine Planned Places for the 2013/2014 Academic year for special schools and resource bases in mainstream schools
8 and 15 January	Consultation with the South Gloucestershire Governor Association
9 January 2013	Consultations with the Departmental Consultative Committee (Unions)
10 January 2013	Consultation with the Schools Forum
11 January 2013	Discussion with Lead Members of the CYP Committee
21 January 2013	Decision by Director of Children, Adults and Health
22 January 2013	Local Authority submission of final school budget pro-formas and underlying data in respect of the Schools Block element of the DSG
23 January 2013	Meeting of the CYP Committee
23 January 2013	Dissemination of information at the meeting of Primary and Special Schools Headteachers
31 January 2013	EFA agrees LA submission of final school formula data and values for each criteria
31 January 2013	Dissemination of information at the meeting of Secondary Headteachers
15 March 2013	Local Authority confirmation of budgets to schools

Recommendation

Members of the Forum are recommended to:

- Note and consider this report
- Determine the comments to be made regarding the deployment of the schools block element of the DSG
- Agree the criteria to be used for pupil growth and infant class size funding
- To receive a further report on the budget implications of the DSG 2013/2014 at the next meeting on 7 March 2013

COUNCIL BUDGET 2013/2014

South Gloucestershire Council's Policy and Resources Committee received a report on the Council Budget 2013/2014 on the 5 November 2012. The report is attached as Appendix A.

Note that this report does not include the Dedicated Schools Grant.

Recommendation

Members of the Forum are recommended to note this report and to provide comments to the Children and Young People Committee.

South Gloucestershire Council

POLICY AND RESOURCES COMMITTEE

5 November 2012

2013/14 – 2016/17 BUDGET CONSULTATION AND BUDGET UPDATE (ALL WARDS)

Purpose of Report

- 1 To outline the budget consultation proposals for 2013/14 - 2016/17, to report any feedback from Service Committees arising from their consideration of the draft Base Budget report approved at the September Policy and Resources Committee meeting and to report on the latest information about factors affecting next year's budget cycle.

Policy

- 2 The Council has an obligation to consult on its budget and council tax proposals. The form is not prescribed, but the expectation is that the results should be available to Members before the budget and council tax are approved.
- 3 This Committee has previously outlined a budget process which includes consulting with Service Committees at various stages.
- 4 A number of new announcements have been made since the September Policy and Resources Committee which have a bearing on the budget and which will need to be incorporated in the budget planning.

Background

- 5 An outline budget timetable was included in the draft Base Budget report to the September Policy and Resources Committee. This envisaged that public consultation would commence after the November Policy and Resources Committee confirmed the proposed questions so that the consultation could conclude by Christmas which would enable the results to be available for consideration before final budget decisions are made.

The Issues

- 6 Council will need to make choices about how it will deliver a sustainable budget and how it will bridge any gap between the estimated available resources and its draft expenditure plans as set out in the draft Base Budget 2013/14 – 2016/17. The choices will be

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10th January 2013

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informed by the consultation process. This process is made more difficult because some funding elements are currently unknown or uncertain, including the Local Government Finance Settlement.

Consultation

- 7 The proposed Consultation process and the proposed questions are set out in more detail in Appendix 1. Consultation will include a residents' survey covering 2500 randomly selected residents as well as consulting the 1600 people comprising the Council's Viewpoint Panel. There will be 7 shopping centre "roadshow" events which will each be supported by at least 3 Members and appropriate officers where there will be the opportunity to seek the public's views first hand. Survey forms will also be available on line through the Council's public website and in paper form from various Council outlets such as One Stop Shops and Libraries or can be obtained from the Consultation Team (ext 8154).
- 8 There will be consultation meetings with each Area Forum as well as with each Service Committee where feasible. Representatives of Business Ratepayers and various other stakeholders will also be consulted through this process. Responses can be made on line or by returning the survey form using the Freepost address. The public Consultation will commence on 10 November and conclude on 21 December.

Draft Base Budget Feedback

- 9 There have been no specific comments on the draft Base Budget report from those Service Committees which have met since the September Policy and Resources Committee meeting. The PTSE Committee and the Communities Committee will be considering the draft Base Budget report at their 5th and 7th November meetings respectively.

Latest Information Impacting on Budget

- 10 There have been a number of announcements since September which will need to be taken into account as part of the Budget planning for 2013/14 - 2016/17.
 - a) *Date of the Chancellor of Exchequer's Autumn Statement.*
This is normally early/mid November but will be 5th December this year. This will delay the Local Government Finance Settlement and as a consequence the date of the December Policy and Resources Committee meeting has now been changed from the 3rd to 17th December so that officers have time to consider the implications for the Council's budget. There are indications that as the national economic position is worse than previously anticipated that there will be further

austerity measures which will potentially impact on the public expenditure control levels and thus on the Local Government Finance Settlement.

b) New Council Tax Freeze Grant 2013/14

It has been announced that there will be a further Council Tax Freeze Grant for 2013/14. Full details will be announced in December, however the main parameters are that the grant will only be available to authorities which bring their underlying Council Tax increase to no more than 1%. The grant will be the equivalent of 1% of the 2012/13 Council Tax and it is understood that the grant will be for two years and therefore built into the Local Government baseline for 2014/15 although it is unclear whether it will continue into the subsequent Spending Review period. The Council's draft Base Budget and MTF is currently based on annual Council Tax increases of 2.5% so there would need to be reductions of around £1.8m in the draft Base Budget if the Council wishes to access this new grant. This would increase to a total reduction of around £3m by 2015/16 if the grant is time limited to two years.

c) Reduction in Referendum Threshold for Council Tax Setting for 2013/14

It has also been announced that the Government is minded to reduce the trigger point for holding a referendum where a Council wishes to increase its Council Tax by more than a prescribed threshold. The threshold for Local Authorities was 3.5% for 2012/13 and the Government's intention is that this will be reduced to 2.0% for 2013/14. Given the Council's current budget planning assumptions are based on an annual increase of 2.5% p. a., this will trigger a referendum requirement plus the estimated £0.5m cost of holding a referendum unless the Council reduces the draft Base Budget by around £0.6m.

d) Cessation/Transfer/Reductions in a Number of Specific Grants for 2013/14

The DCLG Consultation Paper on the proposed new Retained Business Rates system for 2013/14 indicated that the Government intends to end a number of Specific Grants some of which will be rolled into the mainstream Revenue Support Grant on a variety of bases. DCLG has recently issued an exemplification of what this might mean using 2012/13 grant allocations and the proposed 2013/14 methodology set out in the recent consultation. The numbers are purely illustrative and give a general indication of what might emerge in the Local Government Finance Settlement in December, however, there will be other changes including reduced control totals, updated data sets and a number of modified formulae within the Needs element which will also impact on the actual settlement. The table below lists the specific grants where changes have been identified provisionally for 2013/14.

Grant	2013/14 Draft Base Budget Assumption £m	2013/14 Latest Indicative Position on Transfers to RSG £m	Comments
2011/12 – 2014/15 Council Tax Freeze	2.826	2.826	£593m nationally will be rolled into RSG on an on-going basis. The SGC element remains at £2.826m.
Council Tax Support Funding	14.000	10.041	10% reduction nationally on the transfer of responsibility for Council Tax Benefit to Local Authorities; new pro rata relative spending distribution; new split over billing authorities and major preceptors; reduced grant then rolled into RSG at £3,387m nationally in 2013/14 [£3,383m in 2014/15]. Indicative sum for SGC for 2013/14 £10.041m. Reduction being met partly by proposed adoption of new Council Tax Exemption and Discount arrangements (see report elsewhere on your agenda). This potentially equates to a reduction of around 15% for SGC. Taken together these changes could add additional funding pressures over and above that already assumed to in the region of £0.7-£1m. (See reasons and mitigation later)
Early Intervention	8.828	6.426	£150m is being topsliced by DfE nationally for central initiatives; £534m in 2013/14 [£760m in 2014/15] for free education for 2 year olds being

			transferred to DSG [SGC sum not yet available]; national balance of £1,726m [£1,633m in 2014/15] being rolled into RSG using the 2012/13 Early Intervention distribution formulae including the 2% damping floor so that no authority loses by more than 2% below the average.
Homelessness Prevention	0.113	0.100	£80m nationally being rolled into RSG on broadly the same distribution formula as used in 2012/13. Indicative sum for SGC for 2013/14 £0.100m rolled into RSG.
Part of Lead Local Flood Authority	0.176	0.125	£21m nationally being rolled into RSG using the 2011/12 Lead Local Flood Authority allocation formula. Additional £15m S31 funds nationally as per previous announcements. Indicative sum for SGC for 2013/14 £0.125m rolled into RSG with £0.051m S31 grant.
Learning Difficulties and Health Reform	15.287	15.681	£1,398m nationally [£1,433m in 2014/15] being rolled into RSG on basis of the 2012/13 distribution. Additional S31 grant for the full costs of Deprivation of Liberty Safeguards and local Healthwatch to be announced in Autumn.
Part of Sustainable Drainage System Maintenance Costs	0	n/a	Final decisions are still to be confirmed. DEFRA expect to allocate at least 50% through RSG in 2013/14.
Local Authority Central Spend Equivalent Grant (LACSEG) Adjustment	6.394	n/a	In 2012/13 this was an element of RSG. From 2013/14, £1,218m [£1,246m in 2014/15] will be transferred to DfE as a new un-ring-fenced specific

			grant which will be paid to Academies and to LEAs pro rata pupil numbers in October 2012.
Community Safety Fund	0.109	0	Funding transfers to the Police and Crime Commissioners.

- e) *Start of Potential City Region Deal Arrangements Deferred to 2014/15*
The current negotiations over the City Region Deal arrangements are now targeting a start in April 2014. It is proposed that the cost neutral principle approach is maintained for the current budget cycle.
- f) *Taxbase and NNDR1 Business Rates Assumptions*
The usual annual Taxbase report will be presented to the December Policy and Resources Committee for approval. In addition, there is a new requirement for a formal decision to be made in respect of the Business Rates estimates for 2013/14 under the new Retained Business Rates system and a report to ratify the NNDR1 return Business Rates assumptions will need to be made each December before submission to DCLG for use in the new national system.
- g) *Auto Enrolment*
The Council's designated Staging Date under this national scheme is March 2013. There is an option to defer the activation of auto enrolment to October 2017. Deferral in itself does not prevent any eligible job holder from opting into the Pension scheme at any stage but would defer the point at which the Employer must enrol all those eligible to join the pension scheme who had not joined by October 2017. After activating auto enrolment, each member of staff then has the right to opt out, as applies to all staff currently. All those staff who choose to join the Pension scheme or who are auto enrolled will pay the appropriate LGPS/Teachers scheme employee contributions and the Employer will pay the appropriate employer contributions which are currently 17.3% for LGPS and 14.1% for Teachers.

A snapshot analysis has indicated that if all eligible staff who are not currently in the LGPS/Teacher pension schemes became members of the relevant schemes, there would be an additional cost to the Council of around £0.750m p.a. and around £0.700m p.a. to schools budgets. In practice, not all these staff will wish to join the relevant scheme and will choose not to opt in at all and can be expected to exercise their rights to opt out after auto enrolment. The impacts on the Council's budget and the Schools' budgets therefore are likely to be less than that indicated by the above snapshot analysis. Given the financial pressures and risks facing the council over the next few years, it is recommended that this risk is mitigated and the transitional delay option is taken up. Taking up this option does not stop any eligible

employee joining their respective pension fund. The council should continue to support every employee adequately preparing for their retirement, and on this basis it is recommended any decision to delay should be matched with an on-going commitment to encouraging employees to properly prepare for their future.

The schools forum has been consulted on this issue. After debate it was decided that they could support the earlier date, based on principles, but could also accept the argument for a deferment because school budgets are tight and there would be no increase in funding to cover this additional cost. The views of the unions have been taken and they were not supportive of the option of deferring the date of auto-enrolment.

h) Schools Funding

During 2012 the Government has consulted about changes to schools funding arrangements from 2013/14. The CYP Department has been consulting with schools about the changes that are needed to comply with the new arrangements. The DfE will introduce a national funding formula in the next Spending Review period which will ensure that schools in similar circumstances and with similar intakes receive similar levels of funding. To assist in this journey, the way that local authorities fund schools will be simplified from 2013/14. There is a significant reduction in the number of factors that local authorities can use in their formulae for allocating funding to schools. The allowable factors are weighted towards pupil characteristics rather than school organisation or premises characteristics. There is also a presumption that the budgets for services provided by the local authority are delegated to schools and are then either traded or the Schools Forum agree that the funding should remain centrally. The changed formulae arrangements will mean that some schools will gain but other schools will lose resources relative to their historic funding allocations. A detailed report is due to be considered by the CYP Committee on 24 October. This may lead to changes in centrally held DSG funded budgets within CYP and for budgets in CECR.

Options

- 11 Council will need to amend its current draft Base Budget 2013/14 - 2016/17 to reflect the latest available indicative technical information. An update on the implications will be included in the December budget report once the provisional Finance Settlement is available. The confirmed changes will be incorporated in the draft budget report to the February Policy and Resources Committee once the Finance Settlement announcement has been made. Clearly the Committee will need to give early consideration to what approach is needed to avoid triggering a referendum and whether or not to meet the conditions for access to the 2013/14 Council Tax Freeze grant.

Risk Assessment

Financial Implications

- 12 The Council is required to make a balanced and sustainable budget and to take into account the advice given by the Chief Financial Officer. The technical changes and other factors listed in paragraph 10 above will need to be incorporated in the draft budget proposals for the February Policy and Resources Committee meeting at which budget and council tax recommendations will be made to Council. An estimate of the impact will be provided in the report to the December Policy and Resources Committee meeting based on the provisional Finance Settlement. (Chris Manvell tel 01454 865140)

Legal Implications

- 13 The Council is obliged to set a balanced and sustainable budget, and Members must exercise their fiduciary responsibilities when making decisions on the budget. The consultation options set out in the report would meet the legal requirements. (John McCormack tel 01454 865980)

Human Resources Implications

- 14 The expected level of savings over the next four years has had and will continue to have a significant impact on the Council's workforce. Robust workforce change procedures have operated successfully during the first phases of the Transformation Programme and these will continue through the subsequent phases. (Claire Kerswill tel 01454 866348)

Sustainability Implications (includes environmental, social and economic impacts)

- 15 There are no direct implications arising from this report. Employees will still be entitled to opt into their respective pension schemes as set out above.

Equality Impact Assessment

- 16 Equalities Impact Assessments are made where there are potential implications for service delivery arising from the Transformation Programme. (Chris Manvell tel 01454 865140)

Risks, Mitigations & Opportunities

- 17 A more detailed risk and budget issues assessment will be provided to the Policy and Resources Committee as part of the Chief Financial

Officer's comments in the main Budget report to the February 2013 meeting. Some high level risk comments were set out in the September Budget report and these are still applicable.

Other Implications

- 18 Government has indicated that it is minded to introduce a referendum threshold of 2% for 2013/14. If the Council decides in February to propose a Council Tax increase above this level, Council must set a budget and Council Tax increase of no more than 2% as well as its main proposal and a referendum must be called within a prescribed period to allow Council Tax payers to vote on whether to confirm the Council's higher increase proposals or to limit the increase to the prescribed 2% increase. Council would need to budget to meet the costs of a referendum if it wished to exceed the threshold.
- 19 The potential liability around the Local Council Tax Support Scheme has arisen as a result of two primary changes since the June report to P&R committee, which was based on best available information at that time. Firstly, in September the Government confirmed the baseline on what the 90% grant figure would be calculated against. This will not be based on actual Council Tax benefit spend for each council, but a Treasury forecast which assumes a fall in CTB claims and payments nationally. Secondly, there is also a national redistribution factor impact which was not anticipated in June. Government has reduced the national estimated spend by the 10% austerity measures cut as expected, but this has then been distributed pro rata to previous year spending shares before splitting over the major preceptors at Billing Authority level. Given our relative economic position to the rest of the country this probably indicates a smaller share of the national Council Tax Benefit spend than our traditional historical spend.
- 20 These additional impacts are in part offset for next year by two one off potential funding sources. Firstly, the reserve set aside by members as part of the quarter 1 budget report (£330,000), and secondly, a new transitional grant announced recently by government for qualifying schemes. Assuming the scheme agreed by member qualifies, early indications are this grant could be in the region of £270,000 for South Gloucestershire.

Conclusions

- 21 The draft Base Budget 2013/14 – 2016/17 considered at the September Policy and Resources Committee meeting was based on the assumption that the Council Tax increase would be 2.5% p.a. This will exceed the recently announced 2% referendum requirement threshold and additional reductions to the draft budget will be needed to avoid triggering the referendum. Figures presented in the December report will be rebased on an assumed increased in Council Tax of 2%.

If Council wishes to take up the offer of the new 2013/14 Council Tax Freeze grant, Council will have to make further reductions so that the underlying Council Tax increase is no more than 1% for next year, in which case it would then be able to receive the new grant and could freeze the Council Tax at current levels. In this scenario, further savings to the base budget would be required as set out in the report in order to offset the reduced Council Tax income.

RECOMMENDATION

The Committee is asked:

- a) to consider the implications arising from this report and to indicate its approach to the changed circumstances in respect of the reduced referendum threshold for 2013/14 and to the availability of a new Council Tax Freeze grant in 2013/14
- b) to request a further report to the December Policy and Resources Committee meeting on the implications for the 2013/14 – 2016/17 Budget after the provisional Finance Settlement announcement
- c) to approve the council utilising the transitional period allowed under the auto-enrolment process and delay automatic enrolment of eligible employees until 2017, subject to a positive communications campaign over this time supporting employee admission to the pension scheme.
- d) To approve the budget consultation arrangements and questionnaire as set out in the report.

Author

Dave Perry Deputy Chief Executive and Director of Corporate Resources

Departmental Contact

Chris Manvell Deputy Head of Finance tel 01454 865140

Background Papers

Policy and Resources Committee 17 September 2012 Report 14
- Budget and Capital Programme 2013/14 to 2016/17
Budget Working Papers

Appendix 1 Draft Consultation Document



Date:
 Enquiries to: Consultation Team
 Tel: (01454) 868009
 Fax: (01454) 868420
 E-mail: consultation@southglos.gov.uk

Council budget consultation – have your say

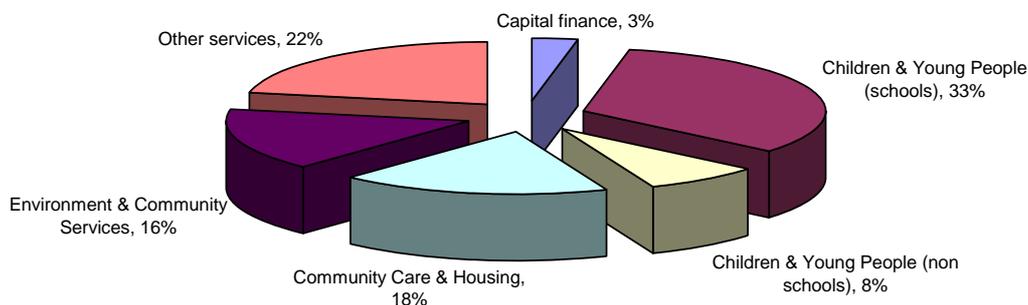
Dear Resident,

Your local area receives services from South Gloucestershire Council. South Gloucestershire Council is responsible for a range of services such as refuse collection, street cleaning, planning, education, social care services and road maintenance.

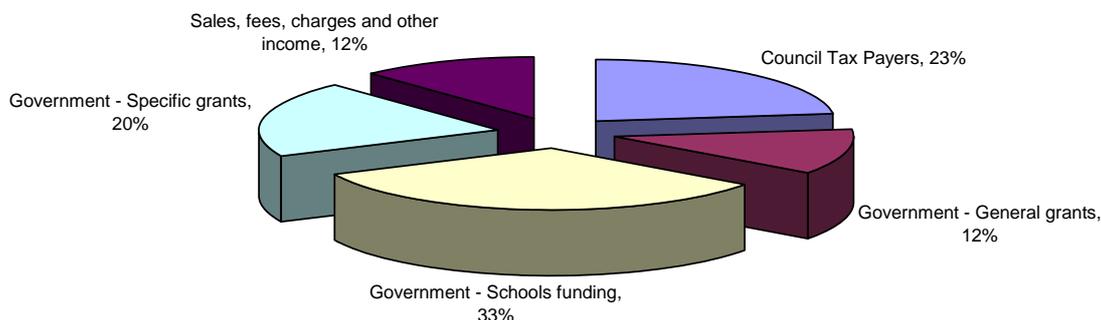
South Gloucestershire Council is currently consulting on its budget and council tax levels for next year. The council asks council tax payers their views each year before agreeing its budget and council tax. This is your opportunity to comment on the council's priorities, its council tax and proposals to improve services and increase efficiency.

Excluding schools, we spend over £338m million a year. Central Government provides about £104m million in grants towards these costs. In addition we spend about £169 million on our schools and this is fully funded by Government grant. The first pie chart below shows how we currently spend your money, the second one shows where we get our income.

How the council has spent £506.9M in 2012/13



How the council financed £506.9M expenditure in 2012/13



Funding from Government is falling by 28% in real terms over the four years to 2014/15 which means difficult decisions are having to be made. We have already saved £25 million from our running costs over the past couple of years steered by consultation results. A large proportion of this has been made by improving our administrative processes and professional support services, through changes to procurement, and by reducing our management structure. This approach has helped protect the provision of front line services to the community. By 2014/15 we need to be saving in total £43 million a year based on the current national austerity measures. Plans are already in place to deliver a high proportion of the remaining amount. The council is now thinking about how it might approach further austerity measures after 2014/15.

As a local resident we welcome your views so that we can ensure that we spend our limited resources in the wisest possible way. We would be grateful if you could complete the attached questionnaire and return it using the FREEPOST address provided by Friday 21st December 2012. **(Consultation now closed)**

**You can also complete this survey online at:
www.southglos.gov.uk/budget**

You may also like to attend one of our road shows:

- Yate Shopping Centre on Thursday 8 November 10am - 2pm
- Bradley Stoke Tesco on Tuesday 13 November 3pm - 7pm
- Patchway Hub on Friday 16 November 10am – 1pm
- Emersons Green Sainsburys on Monday 19 November 3pm – 7pm
- Staple Hill Library on Thursday 29 November 10am – 1pm
- Kingswood Shopping Centre on Friday 30 November 10am – 2pm
- Thornbury Shopping Centre on Thursday 6 December 10am - 2pm

If you any questions about this survey, please call us on 01454 868009 or e-mail: consultation@southglos.gov.uk

DATES OF FUTURE MEETINGS AND THE WORK PROGRAMME 2012/13

All meetings at 4.30pm at Badminton Road, Yate

7th March 2013 Room 1009 First Floor	9th May 2013 Room 0012 Ground Floor
<ul style="list-style-type: none"> • 2013/2014 Budget Implications (DSG) • 3rd Budget Monitor 2012/2013 	<ul style="list-style-type: none"> • Trading Arrangements

4th July 2013 Room 0012 Ground Floor	12th September 2013 Room 0012 Ground Floor
<ul style="list-style-type: none"> • Preparing for 2014/15 (if known) • Provision Outturn 2012/13 	<ul style="list-style-type: none"> • 1st Budget Monitor 2013/14

ANY OTHER BUSINESS