

BIRMINGHAM CITY COUNCIL SERVICE REVIEWS

GREEN PAPER: EDUCATION SERVICES

INTRODUCTION

Birmingham City Council is facing a big challenge, having to cut the part of the budget we can control by half over seven years. In the past we have often made changes to improve our services and to get better value for money. But we now face cuts in government funding on a scale that has never been seen before.

We will need to make big changes to balance the books in the years ahead. These changes will have an impact on everyone in the city, so we want to discuss them with you before going ahead.

The key question we are seeking to answer is:

How can we continue to provide essential services to residents and guide the city through such difficult times, whilst supporting greater fairness and future prosperity?

We will need to be clearer on our priorities and ensure that we only spend money on things that support those priorities. We will need to develop new structures and ways of working with services such as the NHS. And we will need to work with the people of Birmingham to get maximum value from all the resources available to the city.

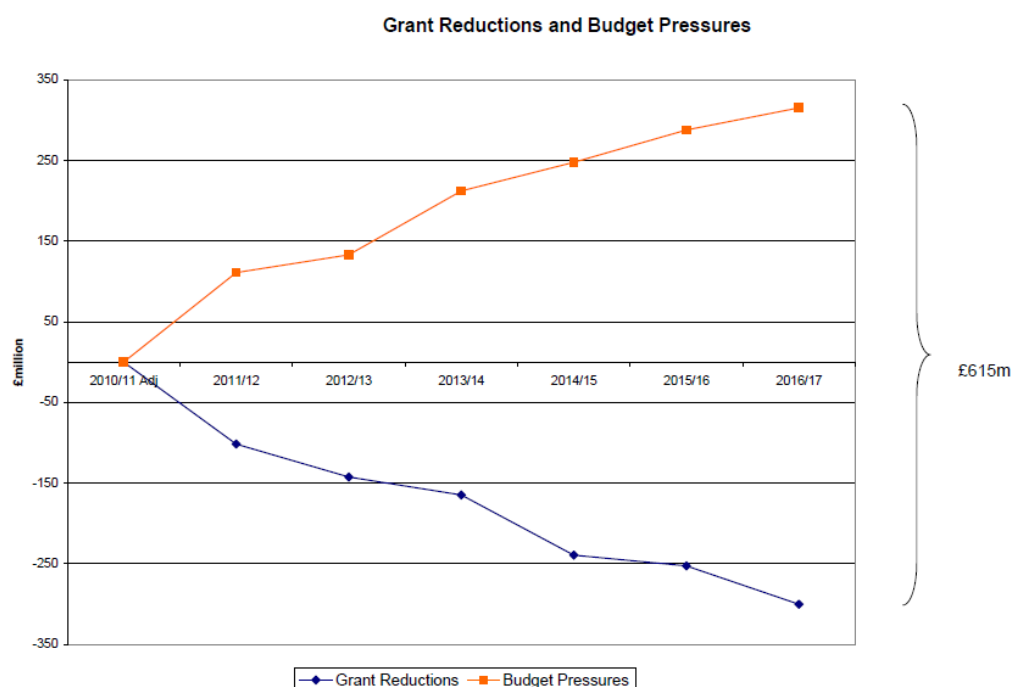
To do this we have begun a detailed programme of reviews looking at all our services and how the council works overall. This has never been done before on this scale and it might well lead to fundamental change in how services are provided and how key priorities are delivered.

THE BUDGET NUMBERS

The Government's programme to cut public spending has meant a severe reduction in council funding. At the same time, there are big pressures to spend more to meet inflation, the changing population, changes in the law and so on.

If we are to respond to this in time we must plan ahead and work out what the funding situation will be over the next three to five years. The forecast we produced in February is shown in the graph overleaf. This will be updated following new government announcements on spending at the end of June.

The council faces huge cuts in its grants from Government and increases in demand.



Source: BCC Business Plan and Budget 2013+

The Council has already made significant savings in recent years, for example £275m has been saved in the last two financial years, with the non-school workforce reduced by 27% since April 2010. But despite this we still need to save at least a further £340m by 2016/17, including over £100m of savings in the current financial year.

The total saving of over £600m is about half of the funding that we have any choice over how to spend. Because of this combination of cuts and spending pressures we may not be able to deliver many of the services we now offer, and it may even become more and more difficult to deliver those that we are required to provide to an appropriate quality.

BACKGROUND TO THIS REVIEW

Birmingham is one of the youngest cities in Europe and our children are our future. Education and early years services are a vital part of Birmingham's economic prosperity and a key to opportunity and better life chances for our young people. The city's schools as a whole have been a great success story in recent years, surpassing national performance levels. Any failure is unacceptable but there is now a historically low number of failing schools in the city.

The gross expenditure of the Children's and Family Services Directorate is £1.2bn. Of that, £816m comprises the Direct Schools Grant (which goes to schools); £268m is related to education services, and £162m to children's social care.

For the purpose of this review the focus has been solely on education services not children's social care - that area will be reviewed later in the year.

Although there are clear links between the social care and education services parts of the budget, it was decided to restrict this initial review to education services, because of the on-going work to deliver the improvement necessary in our children's social care services.

The continuing review of education services will seek to address the shift in balance between the council's ability to spend on service provision and the role of schools in commissioning services, alongside the need to tackle historic high levels of spending in some areas of the education service.

The budget allocated to the education service covers both:

- Statutory services, that is those we are legally required to provide or to ensure that they are provided by someone else, and
- Discretionary services, that is services which the council may choose to provide or pay for over and above the duty placed on us legally.

In both cases there are some services we are allowed to charge for (whether to an individual or a school) and others that we are not.

All this presents us with choices, albeit difficult ones, but we must consider all the choices open to us to meet council priorities. For example, to set aside statutory services from further detailed review would be a mistake. Often such services can be provided in different ways, and with differing degrees of effectiveness and efficiency. At the same time many of our discretionary services are also critical and could not realistically be withdrawn, but the threshold for support may need moving. Critical discretionary services may also help avoid the need for statutory services at higher costs.

In addition to the changing financial situation we also have to address the changing national policy for education, especially the conversion of schools to more independent academies. By September this year we expect 55% of secondary and 31% of primary schools in Birmingham to have converted to 'Academy' status. As this trend continues the funding the council will receive from central government will continue to reduce as it is transferred directly to schools.

The Government have made it clear that a key aim of the recent changes to funding arrangements is to increase decisions made by schools through reducing the amount of funding provided to the council specifically for schools (Direct Schools Grant) that can be held by the council. This means the schools have more direct control on how they spend their money.

This means the council will have less ability to provide extra-curricular activities within schools and we will have to work differently with schools and parents if these services are to continue. Part of the Direct Schools Grant is funding provided by the Government to the council for children and young people with 'high needs'. This includes funding for children and young people up to the age of 25 years with the

most severe and complex special educational needs, and excluded children and young people.

Despite this changing environment, and the shift of funding from councils to schools, we are still legally required to ensure that several services are delivered. These include:

- Services to children with special educational needs and disabilities (SEND). A new code of practice due in the autumn may introduce a duty to complete assessments, provide specialist support and make sure that all schools are meeting their statutory duties.
- Ensuring there are enough early education places for two year olds in need. These are sourced from public, voluntary and private providers.
- Ensuring every child has a school place, but schools can choose whether to buy in support for admissions procedures from the council or elsewhere.
- Managing admissions appeals, when parents and carers have not been able to secure the place they wanted.
- Keeping a record and monitoring those who opt for home schooling.
- Securing alternative education for those who have been excluded from mainstream schools.

The local authority is held to account for the performance of all schools in the City through the inspection by Ofsted of Local Authority School Improvement functions. This new requirement was introduced from June 2013.

Schools are also identifying what support they now need to buy in. Some schools are working individually and others are coming together to pool resources.

Some services that we currently offer such as the Outdoor Learning Service and the city learning centres are not statutory and for them to continue we need to maximise the income they make.

Where is the money spent?

The table overleaf lists some of the main areas of spending within the education services budget. It indicates which services are statutory but also those that we can or do charge for.

Major areas of spending on education services

Service area	Net Budget (£m rounded)	Type of service
Home to School Transport	16.4	Statutory; chargeable but not currently generating income
Special Educational Needs & Disability	14.1	Statutory
Services for children in care	2.6	Statutory
Admissions & Placements	3.5	Statutory; chargeable but generating only a small income
Schools Setting and Improvement	2.4	Statutory
Early Years Provision (childcare and nurseries)	69.8	Statutory
Access to Education	8.1	Non statutory
Outdoor Learning Service	0.3	Non statutory; chargeable.
Education Welfare	1.4	Statutory; chargeable
Commissioning various services including children in care, short breaks and teenage mothers	5.2	Statutory
Strategic leadership, education and commissioning	1.7	Management costs
Strategic Management	2.5	Management costs
Business Support	21.5	Management costs

This spending totals around £150m. Much of the balance of the £268m referred to earlier is accounted for by spend that sits within this budget but relates to educational elements of children's social care, so is not included in this review for reasons explained earlier. We have now begun to ask questions about how much of these budgets we need to spend, how much can be delivered differently and whether the council should provide some of these services at all.

INITIAL PROPOSALS ARISING FROM THE REVIEW

The need for change

We found that the Directorate had not yet re-focused or re-organised itself to meet the new realities of education funding and power, with significant lack of clarity about future needs. For example there seemed to be a lack of distinction between different roles such as regulation, support and service provision (including contracts). The organisational structure is more suited to historical ways of working and funding

streams. While this is disappointing it does offer up the opportunity for significant realignment and rationalisation, including at management level, to both improve services and contribute to financial savings.

Given that the capacity of the council to support school services is very much reduced, we need to engage with schools and communities to determine different ways of working, if they wish to continue to receive the quantity and quality of services that are currently provided. To do this we will have to explore other ways of providing and funding such services.

So we acknowledge that considerable changes will have to take place. We will continue to make available a range of services to schools, children, parents and vulnerable young people, but with reduced resources and changed roles. To do so we have begun the process of developing stronger partnerships with schools.

Three areas of change

The Birmingham Education Partnership (a cooperative trust including local universities, schools and the business community).

The **aims** of the Trust are:

- To support a world class system that delivers innovation and excellence through schools and other partners, sharing expertise and knowledge.
- To work with the whole family of Birmingham schools with the ultimate aim that all children are able to achieve their potential.
- To share expertise with the local universities, schools, the business community and not for profit organisations and charities.
- To take robust action in relation to school improvement issues where excellent schools work with those that are struggling.

A shadow body has already been set up and will meet monthly until the handover to the permanent arrangements. The Birmingham Education Partnership will be fully operational by September 2013. It is proposed that Birmingham City Council is a partner along with the Chamber of Commerce. Its role will be developed in three stages:

1. Supporting collaboration across all schools and partners in the city, to learn from the very best practice and encourage innovation. This will provide timely and efficient data sharing, bring in best practice from outside the city and abroad, an annual conference, the sharing of school improvement resources and a programme of cutting edge seminars hosted at our universities.
2. A feasibility study into the establishment of a trading arm around specific school functions, for example school and governor support. This would be a wholly owned company of Birmingham City Council.
3. Schools developing closer working relationships. The aim would be to closely support, promote and assist any school to achieve excellence through the shared

commissioning of services; sharing of capital resources and sports and recreation equipment; sharing of staff resources and assisting schools choosing academy status by mutual support or sponsorship.

The partnership will provide a platform for the council to identify areas where schools and other partners can provide services themselves, what they can purchase in the market and what will continue to be better provided by the council.

But we also need to make radical changes in the following two ways:

We need to personalise services for each child and their needs. The current system often does not work well for children and families due to delays and difficulties in accessing services and this leads to poor outcomes. The introduction of personal budgets will aim to achieve improvements in the lives of disabled children and their families by allowing people to choose and influence how to meet their own needs (perhaps with their own budgets for services rather than a standard provision). We are planning to run a small number of projects to allow shared understanding between the council, families and partners of the possible challenges involved in this approach and to learn what it will mean in practice.

We need to look at how we deliver things. The council provides a number of services to schools in Birmingham, including school meals, transport for those who qualify and extra activities such as outdoor education centres.

We have to accept that in order to serve our most vulnerable children, it may be appropriate to look to the market to provide some services that are now too costly for the council to provide. Careful consideration of such services needs to take place and we are interested to hear views on what services would run more efficiently and effectively if left to the market to deliver.

We also recognise that there are a number of services that other organisations could provide. These may include admissions, school meals and the provision of transport and travel arrangements for children.

Our initial scoping work indicates that these changes, combined with reductions in management costs and overheads will provide annual savings in excess of £20m.

KEY QUESTIONS

1. What are the future roles of the council in education?

We have suggested roles for the City Council in which we continue to provide a range of services to schools, but do this in different ways. We have also described the importance of working in partnership with schools to support their improvement. But there may be other roles that the council can play.

What are your thoughts?

2. Different children need different levels of support. How can we make sure the service provided meets all their needs?

We want a fair chance for all our children, particularly those with special educational needs and disabilities (SEND) and to make sure that support is provided for those children with the greatest need wherever they live in the city. Through consultation and discussion in previous years some young people have said they want more choice and independence. How can we continue to make sure that children with SEND get the support they need, rather than simply receiving the same service as we have always delivered?

What are your thoughts?

3. How can schools support each other?

School-to-school improvement partnerships have delivered outstanding results in Birmingham primary schools over the last year and there is the potential to extend these. We have to encourage and support this and recognise the expertise schools have and the support they can provide to each other and the community. This will involve schools being more involved in the community around them. Other existing school networks have also been very effective in supporting each other.

What are your thoughts?

4. How can services be provided differently?

The council currently provide a range of extra services which are not statutory but which enrich the school experience, such as outdoor learning. If schools want to continue to access such services we will need to explore different ways of delivering them with schools and the wider community.

What are your thoughts?

5. How can we improve support to vulnerable children as they grow up in Birmingham?

The council needs to be more joined up across services. We are developing joined up working with Adult Services, Planning and Regeneration to encourage better

provision for vulnerable children leaving mainstream education as they progress into adulthood. We are keen to understand your views on how to improve the journey of a child to an adult, their educational needs and their employability.

What are your thoughts?

6. How should schools relate to their communities?

Schools are not only teaching establishments, but vital community hubs. In many areas they are the largest local business and employer. As council maintained schools transfer to academy status and as free schools begin to increase, it is important that schools remain at the heart of their communities.

How can we work with schools and local people to help achieve this?

THE DIALOGUE

The first round of this dialogue will continue until September 2013. Following that there will be a formal budget consultation for 2014-15 – that will be a separate exercise which we are legally required to carry out.

All the information you need will be posted at:

<http://www.birmingham.gov.uk/servicereviews>.

You will be able to take part in the dialogue by:

- Sending your comments by post or email
- Submitting comments on Facebook and via Twitter
- Attending the next meeting of your Ward Committee

Details for all these are on the web site.

In addition we will be holding discussion sessions on specific services with groups of service users and other interested people. We will also be engaging the permanent People's Panel during the summer. Our scrutiny committees will be looking in detail at aspects of the education and adult social care reviews.

If you are part of the network of people and organisations involved in our social inclusion process, led by the Bishop of Birmingham, you will also be able to join in discussion of how we can limit the impact of cuts on social exclusion and inequality.

City Council staff will also be encouraged to join in the debate.