

Schools Forum

October 18th 2012

The Schools Funding Reforms – De-delegation of Newly Delegated Funding

This report only relates to maintained schools

Recommendation

The Schools Forum is recommended to:

- agree the retention of £400,000 contingency funding to provide support for schools with a significant increase in pupils in 2013/14 on the basis that any underspend in 2013/14 will be recycled into the DSG in 2014/15.
- agree the retention of £100,000 to assist schools with amalgamations or mergers on the basis that any underspend in 2013/14 will be recycled into the DSG in 2014/15.
- Determine whether funding for the follow services should be de-delegated to enable the Local Authority to continue the delivery of these services on behalf of maintained schools:
 - School Improvement Funding
 - Administration of Free Schools Meals Eligibility
 - Support for Gypsy Romany Travellers
 - Support for English as an Additional Language
 - Staff Costs – Supply Cover
 - Behaviour Support Services
 - General Contingency Funding
- Approve the baseline funding allocations for services outlined in paragraph 2.18, which will determine maximum expenditure for these services from 2013/14

1.0 Introduction

1.1 As members of the forum will be aware, part of the Department for Education's (DfE) schools funding reforms is that certain funding, historically held centrally by the Local Authority, must now be delegated to schools and included in their core schools budget. However, if a sector of maintained schools would prefer for the Local Authority to retain that funding, then the funding can be "de-delegated" to enable the Local Authority to continue to deliver these services on behalf of maintained schools.

1.2 This report details the funding within the Schools Block of the Dedicated Schools Grant (DSG) that this relates to, includes details of the services provided by the Local Authority with this funding and offers feedback from consultation with schools to assist the Schools Forum members in making a decision regarding de-

delegation. It also notes the level of other centrally retained funding within the schools block that cannot be increased above the 2012/13 position.

2.0 Key Issues

2.1 Attached at Appendix A is the Schools Forum report from September that details the services that are provided by the Local Authority funded by these budgets.

2.2 Attached at Appendix B is the monetary value of the delegated funding and the feedback from the consultation.

2.3 For clarity, the funding allocated to academy schools cannot be de-delegated back to the Local Authority. However, if the Local Authority continues to provide the services, it may trade with academy schools. The funding allocated to special schools within Appendix B cannot be de-delegated either due the different way that these schools are to be funded. Instead this funding will transfer to the High Needs Block to contribute to top up funding arrangements.

2.4 Allocation of contingency for pupil increases

2.5 Part of the current contingency funding retained by the Local Authority provides funding for schools where pupils increase significantly from the January census to the October census or where expansion of pupil places is encouraged through the capital programme.

2.6 The Local Authority, under the new regulations, is allowed to continue to retain funding for this purpose and the Schools Forum is required to agree the level of retained funding and the criteria on which it is allocated to schools.

2.7 Currently £300,000 is retained for such purposes but this year the required funding is likely to be £360,000. A group of Local Authority Officers met recently to consider both the value required for 2013/14 and the criteria for its allocation. Based on recent funding levels and the planned primary expansion capital programme, it was suggested that an amount of £400,000 is retained. Should this not be spent by the end of the financial year, the arrangement is that the balance transfers to the Dedicated Schools Grant for reallocation in 2014/15.

2.8 The criteria currently used for allocating this funding differs according to whether the pupil increase is due to natural increases or as a result of the capital expansion programme, which supports basic need requirements across the County. Whilst the group of officers agreed that a consistent framework needed to be developed to cover all pupil increases, this framework is still being developed. As such, it will be presented to the Schools Forum in December.

2.9 Funding for mergers and amalgamations

2.10 In addition to pupil expansion funding, the Local Authority can request the Schools Forum to agree to retain funding centrally to assist schools in restructuring.

As the main schools funding formula report notes, there may well be an impact on small schools of the changes to the way that schools are funded. One solution to these changes may be for smaller schools to amalgamate or federate. However, in order to do this, additional costs will be incurred. It is suggested that £100,000 is retained centrally to offer such assistance which would equate to offering 2 schools £50,000 each as a contribution to additional one off costs or to assist the school in being able to manage down combined costs.

2.11 As with the pupil increase funding, any underspend at the end of the year would be transferred back to the overall Dedicated Schools Grant in 2014/15 for re-allocation.

2.12 De-delegation options

2.13 Under DfE guidance, budgets detailed in Appendix B should be delegated to schools in the first instance and included in their main schools budget. Given these services are predominantly pupil based, it is presumed that delegation would be on a per-pupil basis and form part of AWPU funding. For de-delegation to be agreed, members of the Schools Forum are required to determine which, if any, of the funding should be de-delegated back to the Local Authority to enable the continued delivery of these services on behalf of maintained schools. Clearly, in the event that de-delegation is not agreed, the responsibility for meeting any additional costs associated with these services, or any additional support required for these groups of children, will need to be met from within school budgets.

The specific areas for agreement are:

- School Improvement
- Administration of Free School Meals Eligibility
- Support for Gypsy Romany Travellers
- Support for English as an Additional Language
- Staff Costs – Supply Cover
- Behaviour Support Services
- General Contingency

2.14 Whilst the Schools Forum may agree to de-delegate the funding, if, as a result of a lower level of financial protection, the Local Authority considers the risk of retaining the service provision too high, then the Local Authority has the right to not accept the de-delegation of the budgets. A report will be brought to the Forum in December with an updated position following the decision taken by the Forum.

2.15 Non Delegated Schools Block Funding

2.16 In addition to the budgets mentioned in this report for de-delegation, there are other funding streams that are included in the Schools Block of the DSG that the regulations state do not, during 2013/14, need to be delegated to schools.

2.17 However, these budgets cannot be increased from the position that they have been reported on the Section 251 in 2012/13.

2.18 The budgets that this relates to and the values are as shown in the following table:

Budget Heading	2012/13 Funding Allocation included in the Section 251
Contribution to combined budgets	£917,701
School Admissions	£802,233
Miscellaneous	£7,966
Servicing of Schools Forums	£47,282
Termination of Employment Costs	£574,329
Carbon Reduction Commitments	£411,001
Capital Expenditure from Revenue	£1,422,367
Prudential Borrowing	£265,820
TOTAL	£4,448,699

2.19 The regulations state that no new commitments should be made against these funding allocations during 2013/14 and that the intention is that these budgets should start to reduce as contracts or spending commitments come to an end. At this stage, the funding should be delegated to schools.

2.20 The budget holders responsible for these funding streams will be made aware of this position and further reports will be brought to the Schools Forum during 2013/14 with an update of where further funding can be delegated to schools.

Background papers

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Schools Forum September 27th 2012

The Schools Funding Reforms – Delegation of Centrally Managed Funding

This report only relates to maintained schools

Recommendation

- That the Schools Forum notes the result of the consultation with schools regarding the de-delegation of centrally managed funding
- That the Schools Forum requests further details regarding this centrally managed funding to be brought to the meeting in October where the maintained schools members of the Forum will need to vote on de-delegation

1.0 Introduction

1.1 As noted in the report relating to the main schools funding formula elsewhere on the agenda, part of the Department for Education's schools funding reforms is that certain funding, historically held centrally by the Local Authority, must now be delegated to schools and included in their core schools budget. However, if a sector of maintained schools would prefer for the Local Authority to retain that funding, then the funding can be "de-delegated"

1.2 This report details the central budgets that this relates to, the impact of the funding being delegated to schools and the responses from consultation with schools regarding de-delegation.

2.0 Key Issues

2.1 In line with the schools funding reforms, there is a move to maximise the delegation of certain funding to school from April 2013 onwards.

2.2 The guidance states the following:

"Several budget headings which can currently be retained centrally **will have to be delegated through the formula from 2013/14**. For each of these, LA's will need to identify how funding will be delegated through allowable factors".

2.3 As a result, this funding must initially be allocated to schools as part of the Individual School Budget but can then be de-delegated back to the Local Authority to be held centrally on behalf of maintained schools, should they choose to do so. In a practical sense academy budgets will no longer have a DSG LACSEG element, which will be replaced by this additional allocation. While academies will not be in a position to agree de-delegation of these funds, the Local Authority may offer the service on a traded basis.

2.4 The delegated funding headings that relate to Warwickshire are as follows:

- 14-16 practical learning options
- Contingencies – School Improvement and General Contingency
- Administration of free school meal eligibility
- Support for minority ethnic pupils and underachieving groups
- Staff costs – supply cover (LT sickness, maternity, trade union and public duties)
- Behaviour support services

2.5 As part of the recent consultation with schools regarding the final school funding options, feedback was also sought on the preference to delegate this central funding.

2.6 75 primary schools responded to the consultation and 4 maintained secondary schools. The Forum members will need to vote at the meeting in October to de-delegate funding back to the LA from the sector that they represent. However, should the remaining funding be insufficient to fund the service and the risk of a trading service being viable too high, then the Local Authority has the right to decide not to continue with the service.

2.7 These budget headings are included in the Section 251 budget return submitted annually to the DfE. The values are allocated to each sector based on pupil numbers to the early years, primary, secondary and special schools. However, funding included in the Special Schools column must be added to the High Needs Block and used for top up funding. This cannot be de-delegated due to the revised way in which these schools will be funded

2.8 Funding included in the Early Years column can be retained centrally, should the Schools Forum recommend this approach.

2.9 Each of the funding streams will be considered individually.

3.0 14-16 practical learning options

3.1 Delegated value per pupil: £12.63

3.2 This funding cannot be de-delegated to the Local Authority. This funding currently funds 4 or 5 staff who carry out roles in relation to the secondary schooling sector, such as intervention, raising the participation age, post 16 bursary work etc.

3.3 The Learning and Achievement Unit will need to assess this service in relation to its other priorities and resource it from current Local Authority funding if this work is to continue.

4.0 Contingencies

4.1 This funding is an amalgamation of several sub headings but as there are several distinct funding issues involved, it warrants separate consideration of each.

A. School Improvement

4.2 **Delegated value per pupil : £7.53 (Primary sector only)**

4.3 This funding buys in support for schools where some intervention or assistance may be required. It does not support staffing but without the funding, the staff employed by the Local Authority to carry out statutory intervention work would have no resources to offer practical support to schools.

4.4 Whilst there is a risk to vulnerable schools if this funding is delegated, the Local Authority would still be able to carry out its statutory functions.

4.5 **Result of the consultation:**

4.6 The consultation responses were that 53 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 23 schools that would prefer the funding to be delegated.

B. General contingency

4.7 **Delegated value per pupil : £5.24**

4.8 Whilst the spirit of these reforms is to delegate out to schools funding which is non-specific, the Local Authority is allowed to retain a general contingency for either

1. schools in financial difficulty
2. unforeseen circumstances, or
3. assist schools in mergers and amalgamations.

4.9 The Local Authority recommends that funding is not retained to cover the first 2 instances but that, due to the uncertain consequences of the funding reforms generally on smaller, more vulnerable schools, that a certain level should be retained to provide support for schools wanting to restructure. It is suggested that an amount of £100,000 is retained, offering the ability to offer £50,000 for 2 schools per year if required. If this was acceptable, the revised delegated value per pupil would be £3.77.

4.10 This issue was not included as part of the recent consultation.

5.0 **Administration of Free School Meals Eligibility**

5.1 **Delegated value per pupil : £0.83**

5.2 Warwickshire County Council offers the Free School Meals eligibility checking service providing both on-line and telephone checking of eligibility against the DfE's live data on the Eligibility Checking Service. Eligible applications are automatically transferred to Warwickshire's central Free School Meals Database. Schools are normally informed on the same day of a successful application but where eligibility cannot be established electronically Warwickshire County Council liaises directly with the applicant regarding appropriate proof of benefit .All eligible applicants are notified

in writing and weekly lists are sent electronically to schools detailing all students entitled to Free School Meals. On-going eligibility is checked throughout the year – there is no need for parents to reapply and schools receive access to the Free School Meals administrative service for advice and guidance.

5.3 Result of the consultation:

5.4 The consultation responses were that 63 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 11 schools that would prefer the funding to be delegated. Of the secondary school responses, 3 of the 4 would prefer the funding to be de-delegated also.

6.0 Support to underperforming ethnic minority groups and bilingual learners

6.1 This budget currently funds both the Gypsy Romany Travellers (GRT) Service along with the English as an Additional Language (EAL). It is more useful to consider the services separately.

A. Gypsy Romany Travellers (GRT)

6.2 Delegated value per pupil : £3.30

6.3 In terms of GRT, the current funding provides one social worker and four others who provide a liaison with schools and GRT families to encourage and support their participation in school. This is a vulnerable group of children and the relationships between the current WCC officers and these families have taken a long time to establish.

6.4 If this service was not provided centrally, then schools may well see an increase in special needs costs with these children attending less and having lower attainment. Someone from the school would need to contact/visit these families to get the pupil back into school and it would mean that the relationships and understanding of the culture of these families would need to be available in many schools. There is a significant safeguarding issue at stake; if these vulnerable children are not being kept track of in schooling, then there is the increase potential that they may fall outside of the LA radar.

6.5 There are 51 schools with GRT children, with a wide geographical spread including 227 pupils in total. A further 76 are home educated. Other Local Authorities who have disbanded their GRT services are calling Warwickshire for assistance, but unfortunately we do not have the capacity to assist.

6.6 The Local Authority recommends that this funding is de-delegated to retain a central provision for these vulnerable pupils.

6.7 Result of the consultation:

6.8 The consultation responses were that 45 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 29 schools that would prefer the funding to be delegated. Of the secondary school responses, 2 of the 4 would prefer the funding to be de-delegated.

B. English as an additional language (EAL)

6.9 Delegated value per pupil : £4.70

6.10 In terms of English as an Additional Language, there are 4.2 FTE teachers employed in addition to 2.3 FTE intervention workers. Support includes initial language assessment and reports, meetings with parents, guidance on admission and induction arrangements, short term targeted intervention and advice at no cost to the school. During 2011/12, the service worked with 163 pupils from 53 schools. There is also a traded service which offers provision for Advanced EAL learners.

6.11 There are around 200 new EAL children in Warwickshire and these are again vulnerable children in the new OFSTED regime with issues of safeguarding if they are not monitored in schools.

6.12 There is a traded service established that allows schools to buy in extra EAL support over and above the core assessment and report. This may be extended to trade with academy schools for the whole process.

6.13 The Local Authority recommends that this funding is de-delegated to retain a central provision for these vulnerable pupils.

6.14 Result of the consultation:

The consultation responses were that 43 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 32 schools that would prefer the funding to be delegated. Of the secondary school responses, all of the 4 would prefer the funding to be delegated.

7.0 Staff costs – supply cover

7.1 Delegated value per pupil : £3.27

7.2 The Trade Union and Labour Relations (Consolidation) Act 1992 creates a statutory right for Union Representatives of recognised unions to reasonable paid time off from employment to carry out trade union duties and to undertake trade union training.

7.3 In order to comply with these Regulations, WCC operates a county wide “pool” arrangement covering all maintained schools, whereby appointed union representative of each of the recognised unions attend consultative meetings on a county basis and are also called upon to represent members in individual schools. This avoids schools needing to establish individual bargaining arrangements for each school.

7.4 Where appointed representatives are absent from the classroom to attend to their union duties, the school where they are employed are reimbursed for the cost of a supply/cover teacher from this centrally held DSG budget.

7.5 The implications of this budget being delegated to schools would be that there would be no further reimbursement of supply cover arrangements which would have a disproportionate effect on the schools that employ union representatives leaving these schools financially disadvantaged.

7.6 Some union representatives are retired from teaching and are paid directly from the centrally held budget, as they are not attached to a school.

7.7 Result of the consultation:

7.8 The consultation responses were that 36 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 38 schools that would prefer the funding to be delegated. Of the secondary school responses, only 1 of the 4 would prefer the funding to be de-delegated.

8.0 Behaviour Support Services

8.1 Delegated value per pupil : £0.94

8.2 This money goes directly into primary schools for non-statement pupils at risk of permanent exclusion or following a managed transfer. Last year this money enabled additional school based staff support to compliment the commissioned support from Early Intervention Service with 29 pupils.

8.3 Often the pupils concerned are unexpected arrivals with very complex home circumstances and it has been crucial to ensure the child, school and family get appropriate support rapidly.

8.4 The team already trades with schools and it maybe that this process can be included in the traded offer.

8.5 Result of the consultation:

8.6 The consultation responses were that 56 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 20 schools that would prefer the funding to be delegated. Of the secondary school responses, only 1 of the 4 would prefer the funding to be de-delegated.

9.0 Other centrally managed funding

9.1 In addition to these centrally managed budgets to be delegated to schools, the Local Authority has the option to top slice funding for pupil increases due to basic need in both the primary and secondary sector before the overall grant is allocated to schools. However, the value and the criteria for allocation needs to be approved by the Schools Forum and a separate work stream, in conjunction with Learning and Achievement Officers, is underway to develop this policy, which will be brought to the Schools Forum for approval in October.

10.0 Conclusion

10.1 Whilst the inference is that these centrally held budgets should be included in the schools budgets, there are instances where both the Local Authority and the schools that have responded to the consultation would prefer for the funding to be de-delegated so that the central service can be retained.

10.2 The response from the primary sector was more extensive and in favour of de-delegation. There was little response in this consultation exercise from the secondary sector and when this issue was included in the initial consultation in June, most secondary schools indicated that they would prefer the funding to be included in their budgets.

10.3 The Schools Forum will need to vote by sector in October as to whether each of these funding streams should be de-delegated back to the Local Authority.

Background papers

“School Funding Reform: Next steps towards a fairer system” – DfE March 2012
 “School funding reform: Arrangements for 2013-14” - DfE July 2012

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