

SCHOOLS FORUM AGENDA ITEM

For Action

For Information

Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report asks the Forum to consider the position of the funding of Schools and Early Years Block centrally managed and de-delegated items from the DSG in 2017/18 and what further consideration should be given; what review work should take place, in advance of making final recommendations for 2017/18 at the January 2017 meeting.

Date (s) of any Previous Discussion at the Forum

A final report, which outlined the full recommendations from the Forum's Working Group for this current financial year, was presented to the Forum on 6 January 2016. At the last meeting, the Schools Forum agreed the publication of the primary and secondary consultation document for 2017/18, which asks for feedback from maintained schools on the continuation of de-delegated funds.

In making recommendations for 2016/17, the Schools Forum also agreed the cessation of the historic commitment to school improvement and Early Childhood Services funds at 1 September 2017. What the Forum has already agreed for these funds in 2017/18 is stated below.

Members are also reminded that the de-delegated fund for Minority Ethnic School Support ceased on 1 May 2016.

Background / Context

The following funds were held in this current financial year from the Schools and Early Years Blocks.

Type 1

Funds that are specifically permitted by the Funding Regulations or where existing historic commitments from the DSG remain in place. The cost of these funds is 'topslimed' from both schools and academies; it is then a requirement that schools and academies can access services on the same basis. **The 3 funds are:**

o Schools Forum Costs	£10,000
o School Admissions	£577,600
o DSG matched contribution to school improvement	£1,318,600

Type 2

Funds, where the funding is originally delegated to all schools and academies through formula funding, but where maintained schools can decide to 'de-delegate' amounts back to the centre for specific named purposes. Only maintained schools contribute to these funds and only maintained schools can access these within further contributions from their delegated budgets. **The 8 funds are:**

o ESBD School Support Team	£426,360
o Minority Ethnic School Support Team	£94,350
o FSM Eligibility Assessment	£119,100
o Fischer Family Trust Licences	£33,560
o School Maternity / Paternity 'insurance' fund	£1,565,400
o Trade Union Facilities Time	£306,000
o Trade Union Health & Safety Representative Time	£46,765
o School Staff Public Duties and Suspensions Fund	£62,920

The table overleaf shows the amount per pupil contribution values to these funds in 2016/17 by phase. Appendix 1 provides an updated summary of the position of our funds against other local authorities in 2016/17. This shows our comparative spending per pupil as well as the percentage of local authorities that de-delegated for permitted purposes.

Background / Context (continued)

2016/17 Fund	Early Years £app	Primary £app	Secondary £app
Schools Forum Costs	£0.11	£0.11	£0.11
School Admissions	n/a	£6.76	£6.76
DSG Contribution to School Improvement	£18.37	£16.97	£10.45
ESBD School Support Team *	n/a	£9.10	n/a
Minority Ethnic School Support Team *	n/a	£1.49	£1.49
Fischer Family Trust – School Licences *	n/a	£0.53	£0.53
School Maternity / Paternity 'insurance' *	£18.63	£25.62	£17.93
Trade Union Facilities Time *	£4.56	£4.56	£4.56
Trade Union Health and Safety Rep Time *	£0.70	£0.70	£0.70
School Staff Public Duties & Suspensions Fund *	£0.94	£0.94	£0.94
Total £app maintained schools	£43.30	£66.78	£43.47
Total £app academies (* do not contribute)	£43.30	£23.84	£17.33
FSM Eligibility Assessments (FSM based) *	n/a	£5.80	£5.14

Details of the Item for Consideration

The information in this report is presented to continue the discussion with the Schools Forum on these centrally managed and de-delegated funds. The Forum will be required to make its final recommendations for 2017/18 funds on 11 January 2017. In particular then, Forum Members are asked to consider what further information is needed; what review work should take place in order for final recommendations for 2017/18 to be made.

General Parameters and Expectations for 2017/18

The Schools Forum made the following new recommendations relating to specific funds in the 2017/18 financial year at its meeting held on 6 January 2016:

- Agreed to continue the DSG's Matched Contribution to School Improvement and Early Childhood Services for the period 1 April 2017 to 31 August 2017 at reduced values (the values for the period 1 April 2015 to 31 August 2015 reduced by 25%).
- Agreed to cease the DSG's Matched Contribution to School Improvement and Early Childhood Services at 31 August 2017, with the sums released to Primary, Secondary and Early Years delegated budgets in 2017/18 and 2018/19.
- The Local Authority is expected to manage transition to minimise the cost to the 2017/18 DSG of staffing restructure.

On this basis, the value of the DSG's Contribution to School Improvement and Early Childhood Services reduces from £1,318,600 in 2016/17 to £482,426 in 2017/18 and then £0 in 2018/19.

Members are reminded that the de-delegated fund for Minority Ethnic School Support ceased on 1 May 2016 and no de-delegation will apply in 2017/18.

The Authority anticipates that the Schools Forum will agree to continue in 2017/18 the small budget for Schools Forum costs (£10,000), and the DSG's funding of admissions (£577,600), on the same basis and values as in 2016/17. Admissions funding from April 2018 may be affected by proposals for the National Funding Formula (a move to a formula basis, rather than historic actual spending).

The remainder of this report then focuses on the position of Education Services Grant (ESG) and de-delegated funds. The Authority would generally expect, and recommend, the Forum to continue de-delegation in 2017/18, subject to the consideration of feedback from the consultation, where there is still critical mass (a sufficient number of maintained schools) and / or where the framework is already in place for academies to buy into centrally managed arrangements, such as trade union facilities time.

Education Services Grant (ESG) Funds

As raised in reports to the last Forum meeting, the DfE proposes to transfer the Centrally Retained Duties element of the ESG into the Schools Block DSG from 1 April 2017. Bradford currently receives £1.43m, calculated on £15 per pupil for all pupils state funded schools and academies. This funding is allocated to support the Authority in meeting its statutory duties relating to all state funded schools and academies. We currently await further guidance from the DfE on how this funding can be managed within the DSG and to what statutory function it relates. At this time, the Authority anticipates retaining an ESG sum centrally within the Schools Block in 2017/18 on an amount per pupil 'passporting' basis i.e. the Authority would expect to have access to ESG funding at the value the DfE funds within the DSG, without topslice, with this value increasing (or decreasing) in line with year on year changes in pupil numbers. The baseline value per pupil being

Details of the Item for Consideration (continued)

transferred into the Schools Block is £16.83 (this is greater than £15 because the £15 is based on the £1.43m divided by all pupils, including those in the High Needs and Early Years Blocks; the transfer into the Schools Block means that only pupils in primary and secondary schools and academies are brought into the calculation, so the £1.43m is divided by lower total of pupils). On current estimates of Schools Block pupil numbers, a sum of £1.445m would be centrally retained in 2017/18.

The DfE has also proposed to allow new additional de-delegation, with contributions taken from maintained schools only, to provide additional funding for local authorities in meeting their statutory functions relating to maintained schools. This new facility comes in response to the cessation of the ESG General Rate funding from September 2017. We await further guidance on this from the DfE, including for what statutory duties additional de-delegation can take place. We must consider this additional new facility in the context of the overall position of de-delegation and in the light of the direction of travel and timetable for the conversion of maintained schools in Bradford to academies.

De-Delegated Funds

Members are reminded that we have asked maintained schools for views on the continuation of de-delegation within the consultation paper, which was agreed at the last meeting. The deadline for responses to the primary and secondary consultation document is 14 October. As a result, the feedback received from maintained schools will be presented verbally to the Forum at this meeting.

Members are also reminded that the Schools Forum has previously established the principle that the values of contributions per pupil to some de-delegated funds will not exceed the value in the previous year to compensate for the loss in budget brought by further conversions of maintained schools to academy status i.e. all things being the same, as schools convert to academies, the cash value of these de-delegated funds will reduce, with any gap in funding as a result of this reduction being recovered through trading services.

This principle affects the following funds: ESD Support Team, Trade Union Facilities Time, Trade Union Health and Safety Rep Time and FSM Eligibility Assessments.

The remaining de-delegated funds (Fischer Family Trust Subscription, School Maternity / Paternity Insurance and School Staff Public Duties and Suspensions) are calculated on actual expected costs and the values of per pupil contributions can vary year on year.

Under proposals for the National Funding Formula (NFF), which were published in the 1st stage consultation in March, de-delegation will be required to cease at 1 April 2019. In considering this, we have previously highlighted to the Schools Forum that the rate of conversion of maintained schools in Bradford to academy status may be such that consideration may need to be given, earlier than for 1 April 2019, to whether de-delegation remains effective and efficient. The Schools Forum will need to consider the position of academy conversions in taking decisions about the position of de-delegated funds at 1 April 2017. De-delegation is a mechanism through which contributions can be easily collected from maintained schools for centrally managed funds. The cessation of de-delegation does not cease per se the existence of centrally managed services (perhaps with the exception of the maternity / paternity 'insurance' scheme). Where buy in by academies remains strong, these central services could continue.

For the 2017/18 financial year, de-delegation cannot be applied to a school that has converted to academy before 2 April 2017. In addition, de-delegation must cease, from 1 September 2017, for any school that converts between 2 April and 1 September 2017. So, there is a year on year impact as well as an in year impact on the values that can be taken out of maintained school budgets to fund de-delegated items. This means that the managers of these funds must trade services with the newly converted academies or must reduce their cost bases in order to avoid deficit. Managers must be quick in doing this during the year.

There are some funds however, the School Maternity / Paternity Insurance fund in particular, but also FFT licences, that will become more economically unviable as more schools convert. This is because it will become increasingly difficult to recover the value of actual spending in these funds as the number of maintained schools sharply reduces year on year and it may become cost inefficient for individual schools to buy in.

We are also aware that some nursery schools will be entering into service level agreements with MATs and the position of the central retention of funds within the Early Years Block should be considered in this context i.e. whether it will be more efficient to cease retention to enable nursery schools to operate on the same basis as their MATs (including buying into Local Authority services).

The purpose of this report then is to highlight these dynamics and to ask the Forum to begin to consider the position of de-delegated funds for 1 April 2017. The Authority would generally expect, and recommend, the Forum to continue de-delegation in 2017/18, subject to the consideration of feedback from the consultation, where there is still critical mass (a sufficient number of maintained schools) and / or where the framework is already in place for academies to buy into centrally managed arrangements, such as trade union facilities time.

Details of the Item for Consideration (continued)

For an indication of the position, the first table below shows what the values of de-delegated funds would be in 2017/18 applying the agreed principles and calculated on the numbers of maintained schools at 1 October 2016. The second table indicates what the position would be at 1 April 2017 if all the known academy conversions currently in the system take place by this date as expected.

Based on schools at 1 October 2016	Primary	Secondary	Total 17/18	Reduction on 2016
ESBD School Support	389,219		389,219	-37,143
Costs of FSM Eligibility Assessment	79,150	17,859	97,010	-22,058
Fischer Family Trust - School Licences	27,477	6,083	33,560	0
School Maternity / Paternity 'insurance' fund	1,200,000	295,000	1,495,000	0
Trade Union Facilities Time	195,103	43,195	238,298	-50,494
Trade Union Health & Safety Rep Time	29,814	6,601	36,414	-7,716
School Staff Public Duties & Suspensions	40,113	8,881	48,994	-10,382
Total	1,960,875	377,619	2,338,495	-127,793
Number of Maintained Schools	127	8		-12

Based on a forecast of schools at 1 April 2017	Primary	Secondary	Total 17/18	Reduction on 2016
ESBD School Support	236,425		236,425	-189,936
Costs of FSM Eligibility Assessment	51,152	6,606	57,758	-61,310
Fischer Family Trust - School Licences	16,690	2,255	18,946	-14,614
School Maternity / Paternity 'insurance' fund	728,923	109,363	838,286	-656,714
Trade Union Facilities Time	118,512	16,013	134,526	-154,266
Trade Union Health & Safety Rep Time	18,110	2,447	20,557	-23,573
School Staff Public Duties & Suspensions	24,366	3,292	27,659	-31,717
Total	1,194,180	139,977	1,334,156	-1,132,131
Number of Maintained Schools	83	3		-61

Please be aware that further conversions between 2 April and 1 September 2017 will reduce the value of de-delegated further during the 2017/18 financial year. Please note that this is a rough analysis of the position.

These tables especially highlight the reduction in the number of maintained secondary schools and, especially, the vulnerability within the School Maternity / Paternity Insurance fund for this phase. We anticipate that the Schools Forum will wish specifically to consider the position of the secondary phase and may make decisions for this phase that are different from primary.

How does this item support the achievement of the District's Education Priorities

The recommendations on the future funding of services will need to support the development of the sector-led improvement model and must find the correct balance between cost effectiveness and value for money, the protection and delivery of essential services for vulnerable children, the protection of school and academy budgets against unpredictable expenditure and giving schools and academies flexibility to take their own decisions, in response to a changing landscape. These build on the principles previously established by the Forum.

Implications for the Dedicated Schools Grant (DSG) (if any)

Recommendations will have direct implications for the distribution of the Schools and Early Years Blocks and for delegated formula allocations.

Recommendations

The Forum is asked to consider the position of the funding of Schools and Early Years Block centrally managed and de-delegated items from the DSG in 2017/18 and what further consideration should be given; what review work should take place, in advance of making final recommendations for 2017/18 at the January 2017 meeting.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Benchmarking of 2016/17 Funds

Contact Officer (name, telephone number and email address)

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