

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 further consider the position of Schools and Early Years Block central and de-delegated items funded from the DSG in 2017/18, following the initial discussion in the meeting of 19 October 2016. Members are asked to take a decision at this meeting on the position of the Fischer Family Trust subscription for 2017/18.

Date (s) of any Previous Discussion at the Forum

At the last meeting on 19 October 2016, the Schools Forum agreed the criteria for the allocation in 2017/18 of Schools Block centrally managed funds. The Forum has still to make its recommendations on the continuation of de-delegated funds in 2017/18 and their values. The Forum received an initial report (Document GR), which set out the current position of funds and the recommendations that the Forum has already taken for the 2017/18 financial year. Members were asked whether any further information is needed to facilitate their final recommendations. Further information requested (on the future availability of buy back into de-delegated funds) is provided in this report.

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 'top-sliced' from both maintained schools and academies; it is then a requirement that schools and academies can access services on the same basis. The 3 funds are:

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

The Schools Forum made the following new recommendations relating to the DSG's matched contribution fund in the 2017/18 financial year on 6 January 2016:

- Agreed to continue 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 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. This increases the values of the base amount per pupil in the 2017/18 formulae by £11.56 (primary), £5.04 (secondary) and per hour by £0.014 (early years 3 and 4 year old setting base rates).

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 (and nursery schools) contribute to these funds and only maintained schools can access. The 8 funds are:

- | | |
|---|------------|
| o ESD School Support Team | £426,360 |
| o Minority Ethnic School Support Team | £94,350 |
| o FSM Eligibility Assessment | £119,000 |
| 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 |

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.

Background / Context (continued)

The table below shows the amount per pupil contribution values to these funds in 2016/17 by phase.

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

Education Services Grant (ESG) Funds

As raised in the report 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 functions 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 'pass porting' basis i.e. the Authority expects to have access to ESG funding at the value the DfE funds within the DSG, without top-slice, with this value increasing (or decreasing) year on year in line with changes in pupil numbers. The baseline value per pupil being 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 a lower total of pupils). On current estimates of Schools Block pupil numbers, a sum of £1.442m would be centrally retained in 2017/18. We expect this to be confirmed mid December.

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.

Details of the Item for Consideration

In the report to the 19 October 2016 meeting, the Authority outlined its general expectations for the continuation of Schools Block funds in the 2017/18 financial year; that the Schools Forum will:

- Continue to provide sufficient funding to be allocated to support the costs of in year growth in pupil numbers (the Growth Fund) allocated as per the agreed criteria.
- Continue the small budget for Schools Forum costs (at £10,000).
- Continue the DSG's funding of admissions (at £577,600). 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).
- 'Passport' the ESG Centrally Retained Duties to the Local Authority's budget (estimated at £1.442m).
- Ratify the recommendation already made to cease at 1 September 2017 the DSG's matched contribution to school improvement and early childhood services.
- Continue de-delegation, according to the current principles that guide the values of per pupil contributions, where this is supported by school colleagues, but where there is also either still critical mass (a sufficient number of maintained schools) or where the framework is in place for academies to buy into arrangements through the Local Authority and where academies demonstrably are doing so.
- Continue de-delegation for safeguarded salaries (the Re-Organisation Cost fund) on the basis of actual cost of continuing safeguards. This cost is reducing each year (2016/17 cost of £81,850).

Details of the Item for Consideration (continued)

The Authority expects that the Schools Forum's discussion and decision making for 2017/18 will focus on the maternity / paternity insurance scheme and on de-delegation for this in the secondary phase.

For starting reference, the first table below shows what the estimated values of de-delegated funds will be in 2017/18 applying the agreed principles and calculated on the numbers of maintained schools at 1 November 2016. The second table indicates what the estimated position will 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 November 2016	Primary	Secondary	Total 17/18	Change on 2016
ESBD School Support	£383,476		£383,476	- £42,885
Costs of FSM Eligibility Assessment	£77,661	£17,613	£95,274	- £23,794
Fischer Family Trust - School Licences	£33,966	£7,561	£41,527	+ £7,967
School Maternity / Paternity 'insurance' fund	£1,516,407	£337,551	£1,853,958	+ £358,958
Trade Union Facilities Time	£192,224	£42,789	£235,013	- £53,779
Trade Union Health & Safety Rep Time	£29,374	£6,539	£35,912	- £8,218
School Staff Public Duties & Suspensions	£39,522	£8,797	£48,319	- £11,060
Total All Funds	£2,272,629	£420,850	£2,693,479	+ £227,189
Total Excluding Maternity / Paternity	£756,222	£83,299	£839,521	- £131,769
Number of Maintained Schools	125	8		-14

Based on a forecast of schools at 1 April 2017	Primary	Secondary	Total 17/18	Change 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	£33,966	£7,561	£41,527	+ £7,967
School Maternity / Paternity 'insurance' fund	£934,915	£126,325	£1,061,240	- £433,760
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 All Funds	£1,417,446	£162,244	£1,579,692	- £886,595
Total Excluding Maternity / Paternity	£482,531	£35,919	£518,452	- £452,835
Number of Maintained Schools	83	3		-61

Further conversions between 2 April and 1 September 2017 will reduce the value of de-delegated funds 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.

The table below sets out how the Authority anticipates which of the above centrally managed funds will continue to be available to be purchased by academies. The table also indicates where there are alternative options for both maintained schools and academies either to provide (realistically) services in house or purchase services from another provider.

Fund	School or MAT-Level in House Alternative *	Commercial Alternative **	Buy Into Authority Arrangements Available for Academies ***
ESBD School Support	YES	YES	YES
Costs of FSM Eligibility Assessment	NO	YES	YES
Fischer Family Trust - School Licences	NO	YES	YES
School Maternity / Paternity 'insurance' fund	YES	YES	NO
Trade Union Facilities Time (inc. HealthSafety)	YES	NO	YES
School Staff Public Duties & Suspensions	YES	YES	NO

Details of the Item for Consideration (continued)

* School or MAT-level in house alternative is stated here to mean that the school or MAT can cover / deliver the same function internally from their own resources.

** Commercial alternative is stated here to mean that the school or academy can purchase a service from a provider that is not Bradford Council or can purchase the service from the same provider directly without going through Bradford Council.

*** Buy into Authority arrangements is stated here to mean that academies can access Council-run de-delegated services for a fee.

The Schools Forum has established these de-delegated funds, as permitted by the Finance Regulations, to:

- Take advantage of the economies of scale brought about by bulk purchase. This applies to Fischer Family Trust subscriptions. The alternative is for schools that want to subscribe to FFT to do so on an individual basis (at a higher per unit cost).
- Provide services that schools would find difficult and / or less cost effective to replace on an individual basis (either in house or through an external provider). This applies to FSM eligibility assessment, where schools would need to have systems in place to access data and to check individual eligibility including up to date benefits information and systems for verifying this information. This also applies to ESD School Support, where the need for services can fluctuate and where typically we have found that the price of services delivered by external providers is greater than those charged by the Council.
- Protect schools, especially smaller schools, against unpredictable expenditure. This applies to maternity and paternity costs and public duties and suspensions. The alternatives are for schools to have sufficient flexibility within their staffing structures for cover arrangements or, more commonly, to add maternity and other cover to their supply insurance policies.
- Provide for statutory responsibilities where there isn't a commercial alternative and where collective District-wide management and funding has significant cost, effectiveness and administrative benefits. This applies to trade union facilities time.

ESBD School Support, FSM Eligibility Assessment and Trade Union Facilities Time

Shown below are the figures extracted from Document GR Appendix 1, which was presented to the Schools Forum on 19 October, showing the % of authorities that de-delegate for these 3 purposes:

Type	England National	Statistical Neighbours	Met Districts	Yorks & Humberside
1.1.2 Behaviour Support Services	53%	50%	54%	47%
1.1.4 FSM Eligibility Assessment	59%	80%	59%	60%
1.1.9 Staff Costs - Supply Cover for Facilities Time	83%	90%	81%	73%

There is a strong level of buy in currently from academies in Bradford to the ESD School Support, Trade Union Facilities Time and FSM Eligibility Assessment de-delegated services. The continuation of de-delegation in 2017/18 for these services, with the incremental transition over time from de-delegation to direct trading as schools convert to academy, will enable these services to grow and sustain. The Authority strongly recommends to the Schools Forum that de-delegation for ESD School Support, Trade Union Facilities Time and FSM Eligibility Assessment is continued in 2017/18 across all applicable phases. The Schools Forum should continue to review this on an annual basis (in the context of further academy transition and national funding formula proposals).

Fischer Family Trust – School Licences

Currently the Schools Forum purchases an FFT Aspire subscription for all Bradford schools and academies. The current subscription expires on 31 March 2017. Bradford Council is required to confirm to FFT by January 2017 what FFT Aspire subscription it will be purchasing for the 2017-18 financial year.

FFT has changed their pricing structure, which has resulted in our 2017-18 subscription being approximately £41,527, which is a 27% increase on our 2016-17 subscription. Should schools decide to subscribe directly with the FFT, the total subscription cost for Bradford's schools would be £105,565. It is therefore, much more cost effective for schools to subscribe in bulk via the Local Authority as this represents a 61% saving. FFT is also offering multi-year discounts, which include a 5% discount for a 2 year subscription or 10% discount for a 3 year subscription. Multi-year subscriptions are required to be paid up front for the full term of the agreement.

Details of the Item for Consideration (continued)

A number of Local Authorities (including Bradford) are currently in discussions with FFT regarding their substantial price increase. The cost, therefore, could possibly change.

We understand that the Government intends, from next year, to enable access to the raw data in order to 'encourage the market', and that a RAISE document will not be provided. This could mean that a range of alternative publishers and providers could analyse the data and provide a report to schools on a traded basis. The options available then to the Schools Forum are:

- 1) Do not purchase an FFT Aspire subscription – schools that want FFT Aspire will need to purchase their own subscription.
- 2) Purchase a 2017-18 FFT Aspire subscription for all Bradford schools and academies via the Local Authority
- 3) Purchase a multi-year FFT Aspire subscription for all schools and academies to benefit from further discounts.

The Forum is asked to make a decision at this meeting so that we can meet the FFT's notification deadline. This is a decision that needs to be recorded by both primary and secondary phase maintained school members. The Authority recommends to the Schools Forum that the District-wide subscription is continued for at least 2017/18. If this is agreed, the Authority will ask academies via invoice to contribute to the cost of the FFT licence that they will access (an approximate 1 year cost of £0.48 per pupil).

Maternity / Paternity Insurance Scheme and Public Duties and Suspensions Funds

The table below repeats the information presented on 19 October on the % of local authorities that de-delegate for staffing supply arrangements and how our spending on these arrangements compares. We have identified previously that our spend is substantially higher than in other authorities because of our operation of our maternity / paternity insurance scheme, which reimburses a school for the cost of a member of staff on maternity leave so that the school has budget available to provide cover. This fund is the most significant in value of all our de-delegated funds.

England National	Statistical Neighbours	Met Districts	Yorks & Humberside
51%	80%	57%	47%
Bfd Cash Difference to National	Bfd Cash Difference to Stat Neigh	Bfd Cash Difference to Met Dist	Bfd Cash Difference to Y&H
1,138,414	722,452	1,138,414	1,554,376

Academies in Bradford do not access the Council's de-delegated maternity / paternity insurance scheme nor the public duties / suspensions fund and there are commercial alternatives (through insurances). Earlier in this report we highlighted that the extent of the conversion of maintained secondary schools to academies will affect the cost effectiveness and financing of the school maternity / paternity insurance fund for this phase.

The Local Authority recommends to the Schools Forum that the de-delegated funds for maternity / paternity insurance and suspensions / public duties are continued for nursery and primary schools in 2017/18, with contributions set at a value to meet anticipated costs. Further work is taking place, but it is currently estimated that the cost of the maternity / paternity insurance scheme will be in the region of £36 per pupil, which is higher than in this current year as it includes a reconciliation of 2016/17 actual expected cost against initial budget. Final details of planned contributions will be set out on 11 January. The cost effectiveness of these funds for the nursery and primary phases must continue to be monitored and reviewed before decisions taken for 2018/19.

The Authority recommends that the Forum gives serious consideration to the position of de-delegation for both the maternity / paternity insurance scheme and for the staff suspensions / public duties fund for the secondary phase. The Authority calculates, based on the number of expected academy conversions, that there will be insufficient mass within the secondary phase to sustain the financing of these funds without the cost benefit to individual schools being heavily eroded (or reversed) and without clear risk that the cost will fall disproportionately on the remaining maintained schools and that any overspend against planned provision could not be recovered. Where it is decided to cease these funds for the secondary phase at 1 April 2017 (or 1 September 2017), a value will still need to be de-delegated in 2017/18 in order to manage retrospective reimbursements and to reconcile actual spending in 2016/17 (and in the case of cessation at 1 September to cover the cost for the first part of the financial year).

Details of the Item for Consideration (continued)

A Note on Nursery Schools

Currently Nursery Schools contribute to and access the maternity / paternity insurances scheme, the public duties / suspensions fund and the Trade Union Facilities time fund. The Authority recommends that Nursery Schools continue to contribute to and access these funds in 2017/18. Full details of contributions will be presented to the 11 January meeting.

'Contingency-Type' De-delegated Funds (Including Deficits Provisions)

The Schools Forum currently holds additional de-delegated funds to provide financial support to maintained schools in specific / exceptional circumstances. Further details on the planned values of these funds for 2017/18 will be provided in reports to the 11 January meeting. The Authority recommends the continuation of some budget for the primary phase in 2017/18 to help schools to manage exceptional circumstances. The decisions to be taken by the maintained secondary schools members of the Forum on the continuation or otherwise of the maternity / paternity scheme and the public duties / suspension fund, in the light of the expected conversion of schools to academies, are likely to influence the decisions on the continuation of any exceptional circumstances funds for the secondary phase.

The Authority would like the Forum (primary maintained school members) to consider, in setting the 2017/18 DSG de-delegated funds, establishing some provision e.g. £150,000 that will be available to meet the cost of any deficit balances of primary schools that convert to academy status under sponsored arrangements during 2017/18. Previously, the Forum has agreed that any necessary provision will be made retrospectively, as paragraph 1.3 (d) of Document FU from 6 January 2016 meeting articulates, "If it is necessary to write off to the DSG a deficit of a closing maintained school, or a maintained school that converts as a sponsored academy during 2016/17, where budget provision has not been specifically made, this will be done retrospectively from the 2017/18 DSG or from any one off balances available at the end of 2016/17." However, given the expected trajectory of conversions, the Authority is concerned about the disproportionate impact on remaining maintained schools of making financial provision for deficits retrospectively at the beginning of 2018 when the number of maintained schools that will contribute to the cost may be much smaller than at the beginning of 2017 e.g. the impact on individual schools of a £150,000 provision made up of contributions from 125 maintained schools will be smaller than a £150,000 provision from contributions from 80 schools. The Forum will be asked to consider this further on 11 January.

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

The recommendations on the future funding of services will need to 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 Schools Forum is asked to note the information and the Authority's recommendations and to consider whether any further information is needed to enable final recommendations to be taken on 11 January 2017 on the funding of centrally managed and de-delegated Early Years and Schools Block items in 2017/18.

Members are asked to take a decision on the position of the funding of the Fischer Family Trust subscription in 2017/18.

List of Supporting Appendices / Papers (where applicable)

None

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