

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 Central Schools, Schools and Early Years Block centrally managed and de-delegated items from the DSG in 2018/19 and what further consideration should be given; what further review work should take place, in advance of making final recommendations for 2018/19 at the January 2018 meeting.

Date (s) of any Previous Discussion at the Forum

A final report for 2017/18 funds was presented to the Forum on 11 January 2017. The Schools Forum, in a separate report at this meeting, is asked to agree the publication of the primary and secondary consultation document, which asks for feedback from maintained schools on the continuation of de-delegated funds.

In making recommendations for 2017/18 (in January 2017), the secondary phase representatives agreed the cessation of de-delegation for the Maternity / Paternity 'insurance' scheme, Fischer Family Trust, Exceptional Circumstances and School Staff Public Duties and Suspensions from the secondary phase. It is assumed that the Schools Forum will not wish to revisit these decisions. Members are also reminded that the de-delegated fund for Minority Ethnic School Support ceased on 1 May 2016 and the DSG's Contribution to School Improvement ceased at 1 September 2017.

On the 5 July 2017, a communication from the CEO of BDAT regarding Trade Unions Facilities time was tabled. This communication asked for further consideration of the cost of arrangements going forward and how these engage in the academy sector. The Forum agreed that this be considered within the established review process, which informs the Schools Forum's annual decisions on de-delegation matters.

Background / Context

The following funds, excluding the Growth Fund (which is discussed separately), 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 'topslliced' from both schools and academies; it is then a requirement that schools and academies can access services on the same basis. **The 4 funds are:**

○ Schools Forum Costs	£10,000
○ School Admissions	£577,600
○ DSG matched contribution to school improvement	£458,305
○ Former ESG Funded Statutory Duties	£1,331,086

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 9 funds are:**

○ ESBD School Support Team	£348,527
○ FSM Eligibility Assessment	£79,938
○ Fischer Family Trust Licences	£33,560
○ School Maternity / Paternity 'insurance' fund	£1,838,489
○ Trade Union Facilities Time	£229,359
○ Trade Union Health & Safety Representative Time	£35,048
○ School Staff Public Duties and Suspensions Fund	£40,040
○ School Re-Organisation Costs	£199,324
○ Exceptional Circumstances / Schools in Financial Difficulty	£100,000

The table overleaf shows the amount per pupil contribution values to these funds in 2017/18 by phase. Appendix 1 provides an updated summary of the position of our funds against other local authorities in 2017/18. This shows our comparative spending per pupil as well as the percentage of local authorities that de-delegated for permitted purposes.

Background / Context (continued)

2017/18 Fund	Early Years £app	Primary £app	Secondary £app
<i>Schools Forum Costs</i>	£0.11	<i>£0.11</i>	<i>£0.11</i>
<i>School Admissions</i>	n/a	<i>£6.71</i>	<i>£6.71</i>
<i>DSG Contribution to School Improvement</i>	£5.11	<i>£5.11</i>	<i>£5.11</i>
<i>Former ESG Funded Statutory Retained Duties</i>	n/a	<i>£15.51</i>	<i>£15.51</i>
ESBD School Support Team *	n/a	£9.10	n/a
Fischer Family Trust – School Licences *	n/a	£0.88	n/a
School Maternity / Paternity 'insurance' *	£36.57	£36.57	£36.57
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	£0.96	n/a
School Re-Organisation Costs *	n/a	£5.12	£0.37
Exceptional Circumstances / SIFD *	n/a	£2.61	n/a
Total £app maintained schools	£47.98	£87.94	£69.64
Total £app academies (* do not contribute)	£47.98	£27.44	£27.44
FSM Eligibility Assessments (FSM based) *	n/a	£5.80	£5.14

Within the new National Funding Formula framework de-delegated funds remain funded by maintained primary and secondary schools within the Schools Block and from the Early Years Block for nursery schools. The non-de-delegated centrally managed funds previously funded from the Schools Block are now transferred into the newly created Central Schools Block. *The funds written in blue and italics in the table above are those that have been moved into the new Central Schools Block for the primary and secondary phases.* Forum Members are asked to note that the restrictions on the Schools Forum Costs and School Admissions funds, which limited the value of these funds to that in the previous year, have now been removed.

Details of the Item for Consideration

The information in this report is presented to continue the discussion with the Schools Forum on centrally managed and de-delegated funds. The Forum will be required to make its final recommendations for 2018/19 funds on 10 January 2018. 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 2018/19 to be made.

General Parameters and Expectations for 2018/19

Forum Members are asked to note and to consider the following:

- The benchmarking information presented in Appendix 1.
- Copyright licences must be managed centrally within the DSG (this is a 'national' topslice).
- The Schools Forum agreed to the cessation of the DSG's Matched Contribution to School Improvement at 1 September 2017 and it is assumed that the Forum will not wish to revisit this decision.
- Representatives of maintained secondary schools agreed in the 2017/18 DSG round to the cessation of de-delegation for the Maternity / Paternity 'insurance' scheme, Fischer Family Trust, Exceptional Circumstances and School Staff Public Duties and Suspensions from the secondary phase and it is assumed that the Forum will not wish to revisit this decision.
- Within the SEND review and consultation, the ESBD School Support Team is proposed to amalgamate into the Authority's single traded support offer for specialist teaching services. As such, subject to the outcomes of the consultation, separate de-delegation is anticipated to cease from the beginning of the 2018/19 academic year. Maintained schools will have the choice to buy into these services directly.
- The Authority expects that the Schools Forum will agree to the continuation of the pass back to the Authority of the ESG statutory retained duties funding that was transferred into the DSG at 1 April 2017.
- The Authority anticipates that the Schools Forum will agree to continue in 2018/19 the small budget for Schools Forum costs (£10,000), and the DSG's funding of admissions (£577,600), on the same basis and at least at the same values as in 2017/18.
- The Authority expects that costs of safeguarded salaries from re-organisation in maintained schools will continue to be funded on an actual cost basis in 2018/19.

The remainder of this report then focuses on the position of specific de-delegated funds and on the allocation of headroom that exists within the newly created Central Schools Block. Regarding de-delegation, the Authority would generally expect, and recommend, the Forum to continue de-delegation in 2018/19, 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 FSM eligibility assessments and trade union facilities time.

Details of the Item for Consideration (continued)

The Newly Created Central Schools Block & Headroom 2018/19

As set out in Document HV, the DfE's 14 September 2017 announcement on National Funding Formula indicates that, on a 2017/18 baseline of £2.33m, our newly created Central Schools Block will increase to £2.82m, which represents an increase of £0.5m. The value of our Central Schools Block will increase further where the number of pupils recorded in Bradford's schools and academies continues to increase. However, our gain will be capped to maximum of c. 2.1% a year per pupil, meaning that our allocation will roughly increase by £50k a year, before pupil numbers. Therefore, it is likely to take some time for the £0.5m increase to be fully allocated.

In addition, the DfE has stated that it will fund the historic commitment element transferred into the Central Schools Block in full in 2018/19. This is £0.44m in Bradford (the remaining budget associated with the DSG's matched contribution to school improvement). In total therefore, before additional pupils are included, it is expected that our Central Schools Block allocation in 2018/19 will be in the region of £2.84m. However, the funding of historic commitments is time limited; the DfE has indicated that it expects its funding of these to unwind from April 2019 (and we have already ceased these commitments at September 2017). Therefore, we should view the £0.44m as a one off allocation, which will not be present in 2019/20.

The table below lists the commitments that are already present within the Central Schools Block and are expected to continue:

Commitment	Value
Primary & Secondary Copyright Licences (estimated cost – confirmed in December)	£455,880
Admissions (value as 17/18)	£577,600
Retained Statutory Duties (ESG transferred into DSG April 2016) (value as 17/18)	£1,331,100
Schools Forum (value as 17/18)	£10,000
Total Commitments 2018/19	£2,374,500

On this indicative basis, it is estimated that there is £0.465m of headroom (unallocated budget) within the Central Schools Block in 2018/19, of which £0.44m will be in place for 2018/19 only. This will be confirmed in December 2017.

Linked with the discussions on the financial pressure within the High Needs Block, the Authority wishes to propose that this headroom, as well as the year on year growth in the on-going value of the Central Schools Block, is earmarked to enable the transfer, incrementally over time, of the majority of the following budgets that are currently met by the High Needs Block. This will have the impact of relieving, over time, some of the pressure on the High Needs Block. The nature of the expenditure proposed to be transferred is covered by the Regulations, which govern the purposes for which Central Schools Block monies can be used (statutory and regulatory duties for all maintained schools and academies regarding the exclusions of pupils and school attendance):

- Youth Offending £47,000
- Behaviour Support £160,000
- ESD Statutory Functions £192,000
- Travellers Children £389,000

The Schools Forum will be asked to make recommendations / take decisions on the Central Schools Block for 2018/19 in January 2018. It will be helpful for Members to begin to consider this outline proposal and to provide feedback.

De-Delegated Funds - Introduction

Members are reminded that we have asked maintained schools for views on the continuation of de-delegation within the consultation paper, which is to be agreed at this meeting. The deadline for responses to the primary and secondary consultation document is 4 December and will be considered at the December 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, de-delegated from nursery and primary & secondary phases: Trade Union Facilities Time, Trade Union Health and Safety Rep Time and FSM Eligibility Assessments.

The remaining funds are now de-delegated only from the nursery and primary phases (Fischer Family Trust Subscription – primary only, School Maternity / Paternity Insurance and School Staff Public Duties and

Details of the Item for Consideration (continued)

Although not confirmed, de-delegation may be required to cease from the point the National Funding Formula is fully implemented (now April 2020). 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 this, 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 2018. 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 can continue.

For the 2018/19 financial year, de-delegation cannot be applied to a school that has converted to academy before 2 April 2018. In addition, de-delegation must cease, from 1 September 2018, for any school that converts between 2 April and 1 September 2018. 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.

Trade Unions Facilities Time – All Phases

As reported, a communication from the CEO of BDAT regarding Trade Unions Facilities time was tabled in July 2017. This communication asked for further consideration of the cost of arrangements going forward. The Forum agreed that this be considered within the established review process, which informs the Schools Forum's annual decisions on de-delegation matters. This is being taken forward. The feedback 'in the system' continues to confirm the value seen in Bradford's collective agreement. It is the cost of Bradford's arrangement compared with the cost in other authorities that has been highlighted and asked to be reviewed. The benchmarking information in Appendix 1, which is based on 2017/18 planned budget information, shows how Bradford's spending compares with that in other local authorities. Schools Forum Members (maintained schools) must form a view about the 'volume' of capacity and the cost of arrangements going forward.

Maternity / Paternity 'Insurance' Scheme & Suspensions / Public Duties – Nursery Schools and Primary Phase

The Authority recommends that the de-delegated funds for maternity / paternity insurance and suspensions / public duties are continued for nursery and primary in 2018/19, 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 £30 per pupil (reduced from £36 in 2017/18). At time of writing this report, there is still a 'critical mass' of 104 maintained primary schools in Bradford plus 7 nursery schools.

FSM Eligibility Assessment

The Local Authority recommends that de-delegation is continued from both the primary and secondary phases for FSM Eligibility Assessment at the 2017/18 per FSM values, with contributions continuing to be taken using FSM Ever 6 data.

Fischer Family Trust (FFT) – Primary Phase

De-delegation was continued for FFT subscription for the primary phase in 2017/18 because of the significant saving that collective purchase delivers. The Authority has asked FFT for its pricing structure for 2018/19 and will present further details for members to inform their decision making. Although the secondary phase ceased de-delegation in 2017/18, all secondary schools and academies, as well as primary academies, were invited to buy into the Authority-led FFT arrangements and many have.

The Authority would anticipate that this approach would be the default option for FFT subscription in 2018/19. Members are asked for their initial feedback on this.

SIFD Provision (academy conversion deficit budgets) – Primary Phase

A de-delegated fund of £100,000 was continued in 2017/18 for maintained primary schools facing exceptional circumstances to access according to criteria agreed with the Schools Forum following consultation with schools. There have been no allocations from this budget to date this year. The Authority expects that a budget for exceptional circumstances will continue to be held for the primary phase in 2018/19.

Members are reminded that primary maintained members in 2017/18 established a new de-delegated fund, of £150,000, available specifically to meet the cost of any deficit balances of primary schools that convert to academy status under sponsored arrangements. There haven't been any deficit conversions and the £150,000 is currently uncommitted. Members will be asked for final decisions on de-delegated funds in January 2018. This will include, with updated sight of the forecasted position of academy conversions, a decision on whether any further deficits provision is made. The Authority would anticipate, at the very least, that primary school members would wish to carry over the £150,000 (or the balance of this should any commitments arise this year) so that this is available in 2018/19.

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 Central Schools, Schools and Early Years Block centrally managed and de-delegated items from the DSG in 2018/19 and what further consideration should be given; what review work should take place, in advance of making final recommendations for 2018/19 at the January 2018 meeting.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Benchmarking of 2017/18 Funds

Contact Officer (name, telephone number and email address)

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