

SCHOOLS FORUM AGENDA ITEM

For Action

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For Information

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

This report asks Forum Members to further consider the position of the funding of Schools and Early Years Block central and de-delegated items from the DSG in 2018/19, following the initial report and discussion in the meeting of 18 October 2017.

Date (s) of any Previous Discussion at the Forum

An initial report on funds for 2018/19 was presented to the Schools Forum at the last meeting (18 October 2017 Document HZ). The Authority has also requested feedback from schools on centrally managed funds within the autumn 2017 consultations, including the criteria / methodology for the allocation of Growth Funding.

Background / Context

A detailed breakdown of current funds is given in Appendix 1. An analysis of per pupil contributions to de-delegated funds (maintained schools) within the Schools Block is provided in Appendix 2.

The table below provides a summary of the £app contributions in 2017/18.

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.

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.

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.

Details of the Item for Consideration

Summary of Parameters and Expectations for 2018/19

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

- Copyright licences must be managed centrally within the DSG (as this is a 'national' top-slice). The cost will be split pro-rata between the Central Schools, Early Years and High Needs Blocks.
- The Growth Fund will continue to be funded from the Schools Block according to agreed criteria with a planned budget value sufficient to cover expected costs of existing and new growth.
- The Forum agreed to the cessation of the DSG's Matched Contribution to School Improvement at September 2017. This funding will remain within the Central Schools Block. The Authority then anticipates that the Forum will agree to the proposal to use the headroom within the newly created Central Schools Block to support the management of cost pressures in the High Needs Block.
- 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 within the Central Schools Block that was transferred into the DSG at April 2017.
- The Authority anticipates that the Schools Forum will agree to continue in 2018/19 the small budget for Schools Forum costs, and the DSG's funding of admissions, within the Central Schools Block.
- 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 via de-delegation.
- Regarding de-delegation more widely, the Authority would generally expect, and recommend, the Forum to continue de-delegation in 2018/19, 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.
- 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. The Forum is not expected to revisit this decision.
- It is anticipated that the Forum will continue the maternity / paternity insurance scheme for nursery and primary schools as well as provision for FFT, public duties, exceptional circumstances and schools in financial difficulty, including provision for deficits of schools converting to academy status.
- Regarding the Forum's request for the review of the cost of Trade Union Facilities Time arrangements, the Forum is asked to clarify its expectation for the cost of arrangements going forward.
- Regarding de-delegation from the primary phase for behaviour support services, the Forum is asked to consider how continued de-delegation could be used to enact the removal of the double funding of the top up element to the primary behaviour centres in a way that provides financial stability for these centres in 2018/19, pending further review of financial models.

The Newly Created Central Schools Block & Headroom 2018/19

The DfE's 14 September 2017 announcement on National Funding Formula indicated that, on a 2017/18 baseline of £2.33m, our newly created Central Schools Block will increase to £2.82m over time, 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.

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 £2.85m. 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 that are expected to continue:

Commitment	Value
Primary & Secondary Copyright Licences (estimated cost – confirmed in December)	£455,880
Admissions (value in 17/18)	£577,600
Retained Statutory Duties (ESG transferred into DSG April 2017) (value in 17/18)	£1,331,100
Schools Forum (value in 17/18)	£10,000
Total Commitments 2018/19	£2,374,500

Details of the Item for Consideration (continued)

On this indicative basis, it is estimated that there is £0.476m 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 later in December 2017. Linked with the discussions on the financial pressure within the High Needs Block, the Authority proposes 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) as set out in Appendix 3:

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

The Authority also proposes that the specific addition of £2,500 into the Central Schools Block related to year 9 admissions is added to the admissions budget, increasing this from £577,600 to £580,100.

The Schools Forum will be asked to make recommendations / take decisions on the Central Schools Block for 2018/19 on 10 January 2018.

Please note that the creation of the Central Schools Block places the financing of these centrally managed functions onto a national formula basis, ceasing the previous Schools Block 'top-slicing' methodology. The only top-slicing that now takes places within the Schools Block is for de-delegated funds (maintained schools only) and for the Growth Fund (both maintained schools and academies).

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. It is currently estimated that the cost of the maternity / paternity insurance scheme will be £43.25 per pupil (increased from £36 in 2017/18). At time of writing this report, there is still a 'critical mass' of 102 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. Appendix 2 currently estimates further provision being made in 2018/19 on the same £app basis as in 2017/18.

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. 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. Appendix 2 currently estimates further provision being made in 2018/19 on the same £app basis as in 2017/18.

Details of the Item for Consideration (continued)

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. 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 presented to the last Forum meeting (Document HZ Appendix 1), which was based on 2017/18 planned budget information, showed how Bradford's spending compares with that in other local authorities (rounded median averages):

- Bradford's spend per pupil £5
- Statistical Neighbour average £4
- Met Districts Average £4
- National Average £2

The review is now being taken forward. To inform this review, critically, the Schools Forum is now asked for a clear view on its expectations about what the cost of future arrangements should be.

The outcomes of the review are likely to begin to be implemented no earlier than the beginning of the 2018/19 academic year. Therefore, as an interim position, it is anticipated that de-delegation within the 2018/19 DSG planned budget will take place at the current values with any reimbursement for maintained schools levied during the year where the cost of arrangements reduces. It is anticipated that academies would be charged for access to arrangements at the reviewed value from the start of the 2018/19 academic year, subject to the agreed timetable for the implementation of the outcomes of the review.

Behaviour Support – Primary Phase De-Delegation

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 for this purpose 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. On this basis, the 2018/19 planned DSG budget would only de-delegate from maintained primary schools for the period April – August 2018.

The Forum is aware, within the High Needs Block consultation for 2018/19, that it is proposed to cease the double funding of the top up element relating to placements in the primary behaviour centres from 1 September 2018. Currently, the High Needs Block funds these placements with the commissioning school retaining its formula funding. From September 2018, it is proposed that the commissioner of the placement, not the High Needs Block, will have responsibility for paying the top up for its formula funding. This is also proposed for the funding of both Bradford Central and District PRUs. However, a critical difference is that there currently isn't a BACs framework in the primary phase to enable collaborative financial management. Following discussions with the centres, the Authority is concerned that requiring the primary centres to establish individual financial agreements with a potentially large number of primary schools, rather than primary schools in clusters, on a 'pay as you place' basis, will create financial instability, certainly in 2018/19 whilst options for collaborative financial management are explored.

Recognising this, the Authority wishes propose that de-delegation from the primary phase for behaviour support continues for the full year, rather than ceasing at 1 September 2018, with the de-delegated budget for the period September 2018 – March 2019 used to help finance the top up for placements. A system for direct charging will still be required to be developed, first and foremost for academies, as de-delegation does not apply. However, this will provide an element of stability in the short term whilst options are explored. It will also be the case that the Schools Block, not the High Needs Block, will fund the top up cost of placements from 1 September 2018. **Primary Maintained School representatives specifically are asked to consider this proposal.**

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

Members are asked to note the information and to consider whether any further information is needed to enable final recommendations and decisions to be taken on 10 January 2018 on the funding of centrally managed and de-delegated Early Years, Schools and Central Schools Block items in 2018/19.

The Forum is asked for feedback specifically on Trade Union Facilities Time and the proposal for the de-delegation from the primary phase for behaviour support.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Detailed Summary of Schools, Early Years and Central Schools Block funds.

Appendix 2 – Analysis of Per Pupil Contributions to Schools Block De-delegated Funds.

Appendix 3 – Description of Statutory Duties permitted by the funded by the transferred ESG Centrally Retained Duties grant

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools),

01274 432678

andrew.redding@bradford.gov.uk