

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 Schools Forum to review the position of Central Schools Block, Schools Block and Early Years Block central funds and de-delegated items for 2019/20.

Members representing Maintained Primary Schools are asked to decide on de-delegation in 2019/20 for the purposes of purchasing subscriptions to Fischer Family Trust.

Date (s) of any Previous Discussion at the Forum

A final report on centrally managed funds held across the Schools, Central Schools and Early Years Blocks in 2018/19 was presented to the Forum on 10 January 2018. The Schools Forum considered an additional value for money analysis of the Authority's Trade Union Facilities Time arrangements, which is funded partially via de-delegation from maintained schools within the Schools Block, on 23 May 2018, and from this confirmed continued de-delegation for this purpose in 2018/19.

The Schools Forum, in a separate report to this meeting, is asked to agree the publication of the primary and secondary consultation document, which asks for feedback on the continuation of Schools Block de-delegated funds in 2019/20. This feedback will be considered by the Forum at the next meeting in December.

In making recommendations for 2017/18, 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. Members are reminded that the de-delegated fund for Minority Ethnic School Support ceased on 1 May 2016 and the DSG's Contribution to School Improvement (our 'historic commitment') ceased at 1 September 2017. De-delegation from the primary phase for behaviour support ceased at 1 September 2018.

Background / Context

Forum Members are reminded that a new Central Schools (Services) Block was established within the DSG framework at 1 April 2018. Some centrally managed funds, previously held within the Schools Block, have now been transferred into this new Block. As such, these funds should no longer be seen as 'top-slices' from primary and secondary formula funding. They are allocations via a national DSG formula to support statutory functions all authorities hold for all schools and academies. Forum Members are also reminded that the restrictions on funds for Schools Forum costs and School Admissions, which limited the value of these funds to that held in the previous year, have now been removed. The table below summarises the centrally managed funds that were agreed to be funded from the 2018/19 DSG allocation (excluding monies allocated from brought forward balances and funds held initially and delegated during the year e.g. EYPP).

Fund	Schools Block	Central Schools Block	Early Years Block	Total
Copyright Licences	n/a	£356,631	£34,374	£391,005
Growth Fund	£1,790,161	n/a	n/a	£1,790,161
Schools Forum costs	n/a	£10,000	n/a	£10,000
School Admissions	n/a	£580,100	n/a	£580,100
Statutory Duties (former ESG)	n/a	£1,331,086	n/a	£1,331,086
Activities transferred from the HNB	n/a	£574,880	n/a	£574,880
DD - School Behaviour Support Team	£128,022	n/a	n/a	£128,022
DD - FSM Eligibility Assessments	£68,956	n/a	n/a	£68,956
DD - Fischer Family Trust	£21,600	n/a	n/a	£21,600
DD - School Maternity / Paternity	£1,461,135	n/a	£168,534	£1,629,669
DD - Trade Union Facilities Time	£192,812	n/a	£17,765	£210,577
DD - Trade Union Health and Safety	£29,464	n/a	£2,715	£32,179
DD - Public Duties & Suspensions	£31,380	n/a	£3,620	£35,000
DD - Re-Org: Safeguarded salaries	£49,324	n/a	n/a	£49,324
DD - Re-Org: Deficit Budgets	£132,234	n/a	n/a	£132,234
DD - Exceptional Costs & SIFD	£88,000	n/a	n/a	£88,000
Totals	£3,993,088	£2,852,697	£227,008	£7,072,793

Background / Context (continued)

The table below summarises the amounts per pupil contributions from maintained schools to the funds marked as 'de-delegated' ('DD') in the previous table.

2018/19 De-delegated Funds	Early Years £app	Primary £app	Secondary £app
School Behaviour Support Team	n/a	£3.79	n/a
Fischer Family Trust	n/a	£0.64	n/a
School Maternity / Paternity	£43.28	£43.28	n/a
Trade Union Facilities Time	£4.56	£4.56	£4.56
Trade Union Health and Safety	£0.70	£0.70	£0.70
Public Duties & Suspensions	£0.93	£0.93	n/a
Re-Org: Safeguarded salaries	n/a	£1.37	£0.36
Re-Org: Deficit Budgets	n/a	£3.92	n/a
Exceptional Costs & SIFD	n/a	£2.61	n/a
Total £app maintained schools	£49.47	£61.80	£5.62
FSM Eligibility Assessments (Per FSM Ever 6)	n/a	£5.80	£5.14

Regarding the future of de-delegation, we now understand that there is no intention to change current Schools Block de-delegation arrangements in the medium term. There had been a suggestion that de-delegation as a way of financing certain services for maintained schools would not be permitted after 2019/20. Appendix 1 provides an updated summary of the position of our funds against other local authorities in 2018/19. This shows our comparative spending per pupil as well as the percentage of local authorities that de-delegated within the Schools Block for permitted purposes.

Details of the Item for Consideration

The information in this report is presented to initiate the School Forum's annual review of centrally managed and de-delegated funds held within the Central Schools Block, Schools Block and Early Years Block. The Forum will be required to make its final recommendations on 2019/20 funds on 9 January 2019. In particular then, Forum Members are asked to consider what further information is needed and what review work should take place in order to enable final recommendations for 2019/20 to be made.

A further report will be presented to the Forum in December. Additional reports will also cover specific consideration of a proposal to transfer some of the costs of centrally managed support services for early years aged children with high needs from the High Needs Block to the Early Years Block. The primary and secondary consultation document picks up proposals related to the Growth Fund in 2019/20, which will again be further considered by the Forum in December.

However, owing to timescales set by Fischer Family Trust, it is necessary to ask Members representing Maintained Primary Schools to decide at this meeting on de-delegation in 2019/20 for the purposes of purchasing subscriptions to Fischer Family Trust.

General Parameters and Expectations 2019/20

Copyright licences costs for all state funded schools and academies must be managed centrally within the DSG as this is a 'national' top-slice. It is reasonable to apportion this cost across the Blocks.

It is expected that:

- The Forum will not wish to revisit decisions made in previous years to cease central funds.
- As the Forum reviewed in some detail in May 2018 the Authority's Trade Unions Facilities Time arrangements, these will continue in 2019/20 on the basis agreed.
- The Schools Forum will agree to the continuation of the pass back to the Authority of the statutory retained duties former ESG funding that was transferred into the DSG at 1 April 2017 (£1.331m) and the DSG's funding of School Admissions (0.580m), both from the Central Schools Block.
- The Schools Forum will agree to continue the small budget for Schools Forum costs (£10,000) from the Central Schools Block.
- The Schools Forum will continue to prioritise any headroom available within the Central Schools Block to support High Needs Block pressures.
- The value of the 2019/20 Growth Fund will be sufficient to cover anticipated new costs.
- Remaining costs of safeguarded salaries incurred by the re-organisation of maintained schools will continue to be funded via de-delegation on an actual cost basis.
- The Forum will continue to support retaining a de-delegated fund to meet any costs of deficit balances held by maintained primary schools that convert to academy status under sponsored arrangements.

Details of the Item for Consideration (continued)

- That the total surplus carry forward balance of de-delegated funds will continue to be ring-fenced and will be deployed in support of managing the costs of these funds as well as reducing the on-going (new year) contribution taken from maintained schools where this is possible. A total balance of £0.699m was brought forward from 2017/18. The forecasted total balance to be held at the end of 2018/19 will be presented to the Forum in December.

The remainder of this report focuses on consideration of the position of some specific de-delegated funds and on the allocation of headroom that is forecasted to be present within Central Schools Block in 2019/20.

Central Schools Block Estimated Headroom 2019/20

The table below lists the commitments that are already present within the Central Schools Block and are expected to continue in 2019/20:

Commitment	Value
Copyright Licences (2018/19 + an estimated 5%)	£374,462
Schools Forum costs (as 2018/19)	£10,000
School Admissions (as 2018/19)	£580,100
Statutory Duties (former ESG) (as 2018/19)	£1,331,086
Activities transferred from the HNB	£389,000
Total Central Schools Block Committed in 2019/20	£2,684,648

On indicative numbers, it is estimated that there is £0.24m of headroom (unallocated budget) within the Central Schools Block in 2019/20. We would propose to the Schools Forum that this headroom is transferred as budget to the High Needs Block, in support of the financial pressures within this Block. We would retain the funds within the Central Schools Block on a cash flat basis in order to maximise the amount of headroom that can be transferred, with the exception of copyright licences, where this will need to meet the actual cost to be confirmed by the DfE in December.

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 30 November 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 values 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.

De-delegation is a mechanism through which contributions can be easily collected from maintained schools for valued centrally managed funds and services. The cessation of de-delegation would not in itself prevent the existence of centrally managed services, with the exception of the maternity / paternity 'insurance' scheme. Where buy in by academies remains strong, and would be strong from maintained schools, central services could continue on traded services model without de-delegation.

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 at an appropriate point to whether de-delegation remains effective and efficient. The Authority would generally expect, and recommend, the Forum to continue de-delegation in 2019/20 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. For the 2019/20 financial year, de-delegation cannot be applied to a school that has converted to academy before 2 April 2019. In addition, de-delegation must cease, from 1 September 2019, for any school that converts between 2 April and 1 September 2019. 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 newly converted academies or must reduce their cost bases in order to avoid overspending. Managers must be quick in responding to this during the year.

De-Delegation: 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 2018/19 per FSM values, with contributions continuing to be taken using FSM Ever 6 data.

Details of the Item for Consideration (continued)

De-Delegation: Trade Unions Facilities Time

As the Forum reviewed in some detail in May 2018 the Authority's Trade Unions Facilities Time arrangements, the Local Authority recommends that de-delegation is continued from all phases at the same per pupil contribution value as in 2018/19.

De-Delegation: Fischer Family Trust

De-delegation was continued for FFT subscription for the primary phase in 2018/18 because of the significant saving that collective purchase delivers. Although the secondary phase has now ceased de-delegation, all secondary schools and academies, as well as primary academies, have previously invited to buy into the Authority-led FFT arrangements and many have.

Owing to timescales set by Fischer Family Trust, it is necessary to ask Members representing Maintained Primary Schools to decide at this meeting on de-delegation in 2019/20 for the purposes of purchasing subscriptions to Fischer Family Trust.

Maintained primary schools were charged £0.64 per pupil in 2018/19. The charge for 2019/20 is £0.76 per pupil, which incorporates the 19% increase in charge levied by FFT. Despite this increase, by purchasing collectively through the Local Authority schools will save £35,632 on the cost of purchasing directly with FFT.

De-Delegation: Maternity / Paternity 'Insurance' Scheme & Suspensions / Public Duties

The Local Authority recommends that the de-delegated funds for maternity / paternity insurance and suspensions / public duties are continued for nursery and primary in 2019/20, 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 £19.70 per pupil, which includes the release of £0.5m of expected carry forward under-spending generated in 2018/19. This means that there is a significant 'one off' saving in the cost of contribution in 2019/20.

Colleagues in maintained primary schools will be aware of the warnings that have been given previously about the viability of current arrangements for supporting maternity / paternity costs. We have warned, as happened in the secondary sector, that we may be moving towards the position where existing arrangements are no longer financially efficient or viable. This is due to the growth in cost at the same time as a reducing number of maintained schools. It is recommended that the maternity / paternity scheme should remain in place in 2019/20 especially because of the brought forward balance, which can be allocated to support costs. However, the continuation of this from April 2020 will need to be reviewed. Schools must be given adequate warning where a decision is taken to cease this fund.

De-Delegation: Exceptional Circumstances, SIFD and Academy conversion deficit budgets)

A de-delegated fund of £88,000 was continued in 2018/19 for maintained primary schools facing exceptional circumstances to access according to criteria agreed with the Schools Forum. There have been no allocations from this budget to date this year. The Authority however, would recommend that a budget for exceptional circumstances is continued to be held for the primary phase in 2019/20.

Members are reminded that primary maintained members established in 2017/18 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. A further £132,200 was de-delegated at the start of 2018/19.

The first allocation against this fund is expected to be made during 2018/19 and this will be presented to the Schools Forum in due course. The Local Authority recommends that a de-delegated fund is continued to meet any costs of deficit balances held by maintained primary schools that convert to academy status under sponsored arrangements. The Forum will be asked to further consider this in its decision making in January.

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

Recommendations will have direct implications for the distribution of the Central Schools Block, Schools Block and Early Years Block.

Recommendations

- (1) The Forum is asked to review the position of Central Schools Block, Schools Block and Early Years Block central funds and de-delegated items, to indicate what further consideration should be given / review work should take place, in advance of making final recommendations for 2019/20 at the January 2019 meeting.
- (2) Members representing Maintained Primary Schools are asked to decide on de-delegation in 2019/20 for the purposes of purchasing subscriptions to Fischer Family Trust.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Benchmarking of 2018/19 Funds

Contact Officer (name, telephone number and email address)

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