

## 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 Services Block, Schools Block and Early Years Block central funds and de-delegated items for 2021/22.**

**Members representing Maintained Primary Schools are asked to decide on de-delegation in 2021/22 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 Services and Early Years Blocks for 2020/21 was presented to the Forum on 8 January 2020.

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 2021/22. This feedback will be considered by the Forum at the next meeting in December.

In making recommendations, back in 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 the 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 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 the statutory functions 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 been removed. The table below summarises the centrally managed funds that were agreed from the 2020/21 DSG allocation (excluding monies allocated from brought forward balances and funds held initially and then delegated during the year e.g. EYPP).

Fund	Schools Block	Central Schools Services Block	Early Years Block	Total
Copyright Licences	n/a	£374,983	£36,914	<b>£411,897</b>
Growth Fund	£1,432,910	n/a	n/a	<b>£1,432,910</b>
Falling Rolls Fund (Primary)	£250,000	n/a	n/a	<b>£250,000</b>
Schools Forum costs	n/a	£10,000	n/a	<b>£10,000</b>
School Admissions	n/a	£614,906	n/a	<b>£614,906</b>
Statutory Duties (former ESG)	n/a	£1,425,951	n/a	<b>£1,425,951</b>
Activities transferred from HNB & EYIF	n/a	£412,340	£365,000	<b>£777,340</b>
DD - FSM Eligibility Assessments	£52,007	n/a	n/a	<b>£52,007</b>
DD - Fischer Family Trust	£23,150	n/a	n/a	<b>£23,150</b>
DD - School Maternity / Paternity	£483,041	n/a	£66,959	<b>£550,000</b>
DD - Trade Union Facilities Time	£161,853	n/a	£17,785	<b>£179,638</b>
DD - Trade Union Health and Safety	£24,733	n/a	£2,718	<b>£287,451</b>
DD - Public Duties & Suspensions	£26,172	n/a	£3,628	<b>£29,800</b>
DD - Re-Org: Safeguarded salaries	£25,138	n/a	n/a	<b>£25,138</b>
DD - Re-Org: Deficit Budgets	£0	n/a	n/a	<b>£0</b>
DD - Exceptional Costs & SIFD	£73,300	n/a	n/a	<b>£73,300</b>
<b>Totals</b>	<b>£2,552,304</b>	<b>£2,838,180</b>	<b>£493,004</b>	<b>£5,883,488</b>

### **Background / Context (continued)**

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

<b>2020/21 De-delegated Funds</b>	<b>Early Years £app</b>	<b>Primary £app</b>	<b>Secondary £app</b>
Fischer Family Trust	n/a	£0.82	n/a
School Maternity / Paternity	£17.18	£17.18	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	£0.78	£0.42
Re-Org: Deficit Budgets* (paused in 2020/21)	n/a	£0.00	n/a
Exceptional Costs & SIFD	n/a	£2.61	n/a
<b>Total £app maintained schools</b>	<b>£22.67</b>	<b>£27.58</b>	<b>£5.68</b>
<b>FSM Eligibility Assessments (Per FSM Ever 6)</b>	<b>n/a</b>	<b>£5.80</b>	<b>£5.14</b>

Appendix 1 provides a summary of the position of our 2020/21 funds against those held by other local authorities in 2019/20. This shows our comparative spending per pupil as well as the percentage of authorities that de-delegated within the Schools Block for permitted purposes. Please note that, due to the cancellation of the S251 Budget collection this year due to COVID-19, we are unable to update this benchmarking to compare against the 2020/21 funds information from other authorities.

### **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 Services Block, Schools Block and Early Years Block. The Forum will be required to make its final recommendations on 2021/22 funds on 13 January 2021. **In particular then, at this stage, Forum Members are asked to consider what further information is needed and what review work should take place to enable final recommendations for 2021/22 to be made.** A further report will be presented to the Forum in December. The primary and secondary consultation document also picks up proposals related to the Growth Fund and to the Falling Rolls Fund in 2021/22, which will again be further considered by the Forum in December.

**Owing to timescales set by Fischer Family Trust however, it is necessary to ask Members representing Maintained Primary Schools to decide at this meeting on de-delegation in 2021/22 for the purposes of purchasing subscriptions to Fischer Family Trust.**

#### General Parameters and Expectations 2021/22

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 continue to apportion the cost set by the DfE across the Blocks on the basis of pupil numbers. It is also anticipated that:

- The Forum will not wish to revisit decisions made in previous years to cease central funds.
- As the Forum reviewed in detail in May and December 2018 the Authority's Trade Unions Facilities Time arrangements, these will continue in 2021/22 with a review of the charges (please see later in this report).
- The Schools Forum will agree to continue the pass back of funds already allocated to the Authority within the Central Schools Services Block as a result of decisions made in previous years.
- The Forum will agree to uplift identified Central Schools Services Block (CSSB) funds, and centrally managed funds within the High Needs Block (HNB) and Early Years Block (EYB), for pay award and inflation and uplifting in line with the high needs funding model where it is appropriate to do so.
- The Forum will agree to apportion across the relevant CSSB and HNB central budgets the transferred Teacher Pension Grant monies relating to centrally employed teachers.
- The Forum will continue the policy of adding any net overall under-spending in CSSB budgets to the carry forward balance retained at the end of the financial year retained within the Schools Block.
- The Forum will continue to support the transfer of a proportion of the cost of high needs activities related to early years aged children to the Early Years Block.
- The 2021/22 Schools Block Growth Fund will be set at a value sufficient to cover anticipated costs.
- A primary phase Falling Rolls Fund will continue within the Schools Block but will be financed from the ring-fenced brought forward balance rather than by taking a new budget from the 2021/22 DSG allocation.
- The remaining costs of safeguarded salaries incurred by the re-organisation of maintained schools will continue to be funded via de-delegation on an actual costs basis.
- The Forum will continue to support retaining de-delegated funds brought forward to meet deficit balances held by maintained primary schools that convert to academy status under sponsored arrangements.

### Details of the Item for Consideration (continued)

- The Forum will not wish in 2021/22 to de-delegate from the Schools Block for the purposes of subscribing all maintained primary and secondary schools en-mass to the Risk Protection Arrangement.
- The 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 in reducing the value of the on-going (new-year) contributions required from maintained schools where it is possible to do this. A total balance of £1.347m across the Schools and Early Years Blocks was brought forward from 2019/20. The total balance forecasted to be held at the end of 2020/21 will be presented to the Forum in December.

#### Central Schools Services Block 2021/22

The Authority's NFF-based Central Schools Services Block (CSSB) DSG allocation is increasing by 6.45% per pupil in 2021/22, prior to the transfer in of the Teacher Pension Grant in respect of centrally employed teachers. However, our historic commitments lump sum is reduced from £352,000 to £281,000. This sum ultimately over time will be completely removed. Our CSSB allocation in total for 2021/22 is estimated to be £3.02m prior to the Teacher Pension Grant transfer.

The table below lists the estimated values of the commitments that are present within the CSSB and that will continue into 2021/22. The values of the funds shown below include the increases / adjustments that are indicatively proposed for 2021/22 incorporating increases for estimated pay awards and for inflation. However, they are still to incorporate the transfer of Teacher Pension Grant monies. Forum Members will note that, as a result of the DfE's early career framework-focused proposals for pay, a substantially higher than inflation pay award is expected for teachers (especially on MPS) at September 2021 and September 2022. In the case of copyright licences, the value below is estimated, based on a 4% increase. The actual cost will be confirmed by the DfE in December. The table below sets out how the estimated CSSB DSG allocation of £3.02m, prior to the inclusion of Teacher Pension Grant monies, is indicatively proposed to be fully spent in 2021/22 on activities within the CSSB (and not transferred to another block).

<b>Commitment</b>	<b>Value</b>
Copyright Licences	£367,820
Schools Forum costs	£10,000
School Admissions	£715,500
Statutory Duties (former ESG)	£1,511,350
Activities transferred from the HNB	£417,080
<b>Total Central Schools Services Block 2021/22</b>	<b>£3,021,750</b>

#### De-Delegated Funds - Introduction

De-delegation is a mechanism through which contributions can be collected easily from maintained schools for 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 a traded services model without de-delegation.

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.

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.

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 2021/22 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 2021/22 financial year, de-delegation cannot be applied to a school that has converted to academy before 2 April 2021. In addition, de-delegation must cease, from 1 September 2021, for any school that converts between 2 April and 1 September 2021. 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.

### Details of the Item for Consideration (continued)

#### De-Delegation: Fischer Family Trust

De-delegation has been continued for FFT subscription for the primary phase 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 been 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 2021/22 for the purposes of purchasing subscriptions to Fischer Family Trust.**

Maintained primary schools were charged £0.82 per pupil in 2020/21. The charge for 2021/22 is estimated at £1.07 per pupil, which incorporates the increase in charge levied by FFT as well as the reduction in primary phase pupil numbers. By purchasing collectively through the Local Authority primary schools will still save £33,250 (54%) on the cost of purchasing directly with FFT.

#### 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 2020/21 per FSM values, with contributions continuing to be taken using FSM Ever 6 data.

#### De-Delegation: Trade Unions Facilities Time

As the Forum reviewed in some detail in May 2018 (and again in December 2018) the Authority's Trade Unions Facilities Time arrangements, the Local Authority recommends that de-delegation continues from all phases in 2021/22. Following a review of the budget position, we have provisionally concluded that the per pupil contribution can be reduced by 5% in 2021/22, from £5.26 in total (for both facilities and health and safety time) to £5.00. This is subject to final review, especially of the number of academies that buy into the Authority's arrangements for the 2020/21 academic year.

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

The Local Authority recommends that the de-delegated fund for maternity / paternity insurance is continued for nursery and primary in 2021/22, 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 £18.11 per pupil (compared against £17.18 in 2020/21), which includes the release of £0.20m of expected carry forward.

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 2021/22 especially because of the brought forward balance, which can be allocated to support costs. However, the continuation of this from April 2022 will need to be reviewed. Schools must be given adequate warning where a decision is taken to cease this fund.

We do recommend that de-delegation is paused in 2021/22 for the specific suspensions / public duties fund. This fund has been little used in recent years and the de-delegated funds carry forward balance would be sufficient to meet any new costs in 2021/22.

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

A de-delegated fund of £73,300 was continued in 2020/21 to be available to support maintained primary schools facing exceptional circumstances and to be allocated 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 2021/22. This will be necessary where the Schools Forum wishes to use the existing criteria (please see the Schools Block consultation paper) to support maintained schools that are resolving budget issues related to under-subscription. This is a matter that is currently under discussion within the Forum's sub-group.

The Forum is reminded that primary maintained members in 2017/18 established a de-delegated fund to be available specifically to meet the cost of any deficit balances of primary schools that convert to academy status under sponsored arrangements. The first (and only) allocations against this fund were presented to the Forum in May 2019. The Local Authority recommended for 2020/21 that new de-delegation of funds for this purpose is paused. This again is the Authority's recommendation for 2021/22. Following the Forum's review, de-delegated fund carry forward balances would be used if necessary to meet any deficit costs.

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

Recommendations will have direct implications for the distribution of the Central Schools Services Block, Schools Block and Early Years Block in 2021/22.

**Recommendations**

- (1) The Forum is asked to review the position of Central Schools Services 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 2021/22 at the January 2021 meeting.
- (2) Members representing Maintained Primary Schools are asked to decide on de-delegation in 2021/22 for the purposes of purchasing subscriptions to Fischer Family Trust.

**List of Supporting Appendices / Papers** (where applicable)

Appendix 1 – Benchmarking of Funds

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