

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 the 2024/25 financial year.

Members representing Maintained Primary Schools are asked to decide on de-delegation in 2024/25 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 to be held across the Schools, Central Schools Services and Early Years Blocks in the 2023/24 financial year was presented to the Forum on 11 January 2023.

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 in 2024/25 of Schools Block de-delegated funds. This consultation also asks for feedback on the Growth Fund and on the Falling Rolls Fund. Feedback from the consultation 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 April 2018. Some centrally managed funds, previously held within the Schools Block, are 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. The table below summarises the centrally managed funds that were agreed from the 2023/24 DSG (excluding monies allocated from brought forward balances and funds held initially and then delegated during the year within the Early Years Block e.g. EYPP and EYIF).

Fund	Schools Block	Central Schools Services Block	Early Years Block	Total
Copyright Licences	n/a	£406,355	£36,468	£442,823
Growth Fund (net of recoupment)	£796,884	n/a	n/a	£796,884
Falling Rolls Fund (Primary)	£0	n/a	n/a	£0
Schools Forum costs	n/a	£11,700	n/a	£11,700
Pupil Admissions	n/a	£987,000	n/a	£987,000
Statutory & Regulatory Duties	n/a	£1,559,300	n/a	£1,559,300
Education Access Officers	n/a	£500,000	n/a	£500,000
Education Planning & Early Years	n/a	£148,000	£530,000	£678,000
Early Years PVI Area SENCOs & Portage	n/a	n/a	£582,000	£582,000
DD - FSM Eligibility Assessments	£38,007	n/a	n/a	£38,007
DD - Fischer Family Trust	£24,238	n/a	n/a	£24,238
DD – School Improvement	£112,655	n/a	n/a	£112,655
DD - School Maternity / Paternity	£552,523	n/a	£97,477	£650,000
DD - Trade Union Facilities Time	£113,813	n/a	£15,977	£129,790
DD - Trade Union Health and Safety	£17,392	n/a	£2,441	£19,833
DD - Public Duties & Suspensions	£19,466	n/a	£3,434	£22,900
DD - Re-Org: Safeguarded salaries	£14,842	n/a	n/a	£14,842
DD – Re-Org: Deficit Budgets	£0	n/a	n/a	£0
DD - Exceptional Costs & SIFD	£54,500	n/a	n/a	£54,500
Totals	£1,744,320	£3,612,355	£1,267,797	£6,624,472

Background / Context (continued)

The table below summarises the per pupil contributions from the Early Years Block and from maintained schools within the Schools Block to the funds marked as 'de-delegated' ('DD') in the previous table.

2023/24 De-delegated Funds	Early Years £app	Primary £app	Secondary £app
Fischer Family Trust	n/a	£1.16	n/a
Schools Improvement	n/a	£4.29	£4.29
School Maternity / Paternity	£26.44	£26.44	n/a
Trade Union Facilities Time	£4.33	£4.33	£4.33
Trade Union Health and Safety	£0.66	£0.66	£0.66
Public Duties & Suspensions	£0.93	£0.93	n/a
Re-Org: Safeguarded salaries	n/a	£0.66	£0.19
Re-Org: Deficit Budgets (paused)	n/a	£0.00	n/a
Exceptional Costs & Schools In Financial Difficulty	n/a	£2.61	n/a
Total £app maintained schools	£32.37	41.09	£9.48
FSM Eligibility Assessments (Per FSM Ever 6)	n/a	£5.80	£5.14

Appendix 1 provides a summary of the comparison of our funds versus those held by other local authorities in the 2023/24 financial year, based on Section 251 Budget reporting.

Details of the Item for Consideration

The information contained in this report is presented to initiate the School Forum's annual review of centrally managed and de-delegated funds that are held within the Central Schools Services, Schools and Early Years Blocks. Forum will be required to make its recommendations and take its decisions on 2024/25 financial year funds on 10 January 2024. An update to this report will be presented to the Forum in December. **In particular, at this stage, Forum Members are asked to consider whether / what further information is needed. 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 the 2024/25 financial year for the purposes of purchasing subscriptions to Fischer Family Trust.**

General Parameters and Expectations for 2024/25 Financial Year Funds

It is anticipated that:

- Forum will not wish to revisit decisions that have been taken in previous years to cease specific centrally held and de-delegated funds.
- Excepting the specific decision on Fischer Family Trust, Forum will wish to continue the general framework of de-delegation from maintained schools, as is currently agreed, whilst further considering the values of these funds that are held in 2024/25.
- Forum will continue to agree to the apportionment, across the blocks on the basis of pupil numbers, of the DfE-set copyright licences cost.
- 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 Forum decisions that have been taken in previous years.
- Forum will agree to uplift, for pay award / inflation, Central Schools Services Block (CSSB) funds and centrally managed funds within the High Needs Block (HNB) and Early Years Block (EYB).
- Forum will support continuing to charge a proportion of the cost of centrally managed high needs services, relating to early years aged children, to the Early Years Block, whilst further considering the value of this charge in 2024/25.
- The Schools Block Growth Fund for 2024/25 will be set at a value sufficient to cover anticipated costs. It is anticipated that no new budget will be taken for the cost of new growth at September 2024 in the primary phase, with a ring-fenced Schools Block brought forward surplus balance still being available.
- The 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 new budget from the 2024/25 DSG allocation.
- The remaining costs of safeguarded salaries, incurred by the re-organisation of maintained schools, will continue to be funded via de-delegation within the Schools Block on an actual reducing costs basis.
- The Authority's Trade Unions Facilities Time arrangements will continue. It is anticipated that, due to strong buy in, the rate of per pupil contribution can be reduced in 2024/25 (by a further estimated 5%).
- Forum will continue to support the retention of a de-delegated fund to meet any cost of deficit balances held by maintained primary schools that convert to academy status under sponsored arrangements.
- Forum will continue to support the retention of the de-delegated fund to replace the now ceased School Improvement Monitoring and Brokering Grant (SIMB).

Details of the Item for Consideration (continued)

- The Forum will not wish to newly de-delegate from the Schools Block for the purposes of subscribing all maintained primary and secondary schools to the DfE's Risk Protection Arrangement.
- The surplus balance of de-delegated funds that is carried forward will continue to be ring-fenced and will be deployed in support of managing the annual costs of these funds, as well as in reducing the value of the on-going (new year) contributions that are required from maintained schools. A total balance of £0.942m across the Schools and Early Years Blocks was carried forward from 2022/23. The total balance forecasted to be held at the end of 2023/24 will be presented to the Forum in December.

Central Schools Services Block 2024/25

The Authority's Central Schools Services Block (CSSB) allocation is increasing by 3.0% per pupil in 2024/25. Our historic commitments lump sum, however, is reduced from £180,115 to £144,091. The total of our CSSB allocation for 2024/25 is currently estimated to be £3.617m, subject to October 2023 pupil numbers, compared with £3.559m in 2023/24. This relatively small cash increase should be viewed in the context of the CSSB also having to absorb a 10.6% increase in the cost of the nationally set copyright licences charge in 2023/24. Due to: the limited 2023/24 and 2024/25 settlements, the increase in the cost of copyright licences, the continuing reduction in historic commitments funding, and the impact on CSSB income of reducing numbers of pupils in mainstream schools and academies, our CSSB is under greater and increasing financial pressure.

The table below shows the values of the commitments that are present within the CSSB, as a result of decisions that have been taken previously by the Forum, and that are carried forward into 2024/25. The table shows the 2023/24 budget values, and we would expect to uplift these commitments appropriately for pay award / inflation in 2024/25, using available CSSB headroom.

Commitment Heading	2023/24
Copyright Licences	£406,355
Schools Forum costs	£11,700
Pupil Admissions	£987,000
Statutory & Regulatory Duties	£1,559,300
Education Access Officers	£500,000
Education Services Planning	£148,000
Total Central Schools Services Block 2024/25	£3,612,355

As a reminder, there were no structural changes to CSSB budgets in 2023/24; existing budgets were simply increased for pay award / inflation. We set a planned CSSB budget, which overspent the 2023/24 CSSB allocation by £0.054m, with this overspend to be met from the CSSB carry forward surplus balance (£0.232m at March 2023).

The Authority anticipates that, for 2024/25, the Forum will agree to continue the 'pass back' of the funds that are set out above and that are already allocated to the Authority. The Authority proposes that the full value of the CSSB settlement continues to be allocated to CSSB activity. Prior to 2022/23, we transferred a small value of CSSB funding to the High Needs Block, in support of pressures within this Block. However, our CSSB is under increasing financial pressure and this transfer is no longer possible. Subject to the CSSB's actual spending position in 2023/24, we are likely to propose that a proportion of the CSSB carry forward surplus balance is again allocated in support of the 2024/25 CSSB budget. We are also currently concerned about impending national decisions, regarding the increase in the employer's contribution to teacher pensions at April 2024. Our concern is whether the CSSB can afford to uplift budgets to meet this cost. We will discuss this further with the Schools Forum in the autumn and early spring as further announcements are made (including on whether or not additional support funding will be available to the CSSB for higher pensions costs).

Maintained Schools De-Delegated Funds - Introduction

De-delegation is a mechanism through which contributions, for centrally managed funds and services, can be collected from all maintained schools within a specific phase. The cessation of de-delegation would not itself prevent the existence of centrally managed services. Where buy in by academies remains strong, and would be strong from maintained schools, some services could continue on a traded services model.

Members are reminded that the Schools Forum has previously established the principle that the values of contributions per pupil to some de-delegated funds will not be increased in value on the previous year simply to compensate for the loss in budget resulting from the conversion of maintained schools to academy status i.e. all things being the same, as schools convert to academies, the cash values of de-delegated funds will reduce, with any gap in funding as a result of this reduction being recovered through the trading of services. This principle affects the following funds that are currently de-delegated from primary & secondary phases: Trade Union Facilities Time, Trade Union Health and Safety Rep Time and FSM Eligibility Assessments.

Details of the Item for Consideration (continued)

We have previously highlighted to the Schools Forum that the rate of conversion in Bradford of maintained schools to academy status may be such that consideration may need to be given, at an appropriate time, to whether de-delegation remains effective and efficient. The Authority would generally expect, and recommend, the Forum to continue de-delegation in 2024/25 where there is still evidenced value for money, 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 for FSM eligibility assessments and for trade union facilities time. For the 2024/25 financial year, de-delegation cannot be applied to a school that has converted to academy before 2 April 2024. In addition, de-delegation must cease, from 1 September 2024, for any school that converts between 2 April and 1 September 2024. So, there is both a year on year impact as well as an in year impact on the values that can be taken to continue to support the cost of de-delegated funds.

Colleagues in maintained primary schools will be aware specifically of the warnings that have been given previously about the viability of our current arrangements for supporting maternity / paternity costs. We have warned, as happened for the secondary phase, that we may be moving towards the position where existing arrangements are no longer financially efficient nor viable. This is due to the growth in salaries costs at the same time as the number of maintained primary schools continues to reduce year on year, affecting the 'critical mass' that is needed to deliver an effective cost-efficient scheme. There has been a significant number of primary phase academy conversions during 2022 and 2023, which has affected our view of the scheme. The maternity / paternity scheme is expected to continue in 2024/25, subject to agreement following our wider consultation and Schools Forum discussion. However, to provide early warning and planning time, we wish to signal now that we expect that this scheme will cease at the end of the 2024/25 academic year.

In terms of the Authority's recommendations to the Schools Forum for the 2024/25 financial year:

De-Delegation: FSM Eligibility Assessment

The Local Authority recommends that de-delegation is continued from both the primary and secondary phases for Free School Meals (FSM) Eligibility Assessment, at the existing 2023/24 per FSM values, with contributions continuing to be taken using FSM Ever 6 data.

De-Delegation: Trade Unions Facilities Time

The Forum previously reviewed in some detail (in 2018) the Authority's collective Trade Unions Facilities Time arrangements. Buy into these arrangements from academies remains strong. As such, the Authority recommends that de-delegation continues from all phases in 2024/25. The per pupil cost of these arrangements in 2022/23 was reduced by 5%, from £5.26 in total (for both facilities and health and safety time) to £5.00. Depending on updated buy in data for the 2023/24 financial year, which is still being collected, we anticipate that the rate of per pupil contribution could be reduced in 2024/25 (by a further estimated 5%; reduced to £4.75). We will provide an updated view on this in December.

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 maintained nursery schools and for the primary phase in 2024/25, with contributions set at a value to meet anticipated costs. Further work is taking place, but it is currently estimated that the price of the scheme will be in the region of £30.63 per pupil (compared with £26.44 in 2023/24). This price is after the release of £0.10m of carry forward balance and will provide a total estimated budget of £0.75m. The cost of this scheme is estimated and will be substantially affected by both the pay awards as well as by the number of claims, which is difficult to predict. The cost will also be affected by the anticipated increase in the employer's contribution to teacher pensions at April 2024.

The Authority recommends that de-delegation continues in 2024/25 from maintained nursery and maintained primary schools for the suspensions / public duties fund, at the current per pupil value of £0.93.

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

De-delegation continued in 2023/24 to provide a fund to support maintained primary schools that may face exceptional circumstances. This fund is allocated according to criteria that are agreed with the Schools Forum. The Authority recommends that de-delegation for this purpose continues for the primary phase in 2024/25. This will be necessary, in particular, where the Authority / Schools Forum wishes to use the existing criteria to support maintained primary schools that are resolving exceptional budget issues related to under-subscription.

Primary maintained members established in 2017/18 a de-delegated fund to be available specifically to meet the cost of any deficit balances held by maintained 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 Authority has subsequently recommended, since 2020/21, that the de-delegation of additional funds for this purpose be paused. This continues to be the Authority's recommendation for 2024/25. The ring-fenced de-delegated fund carry forward balance would be used, if necessary, to meet any deficit costs.

Details of the Item for Consideration (continued)

De-Delegation: Fischer Family Trust Subscription (FFT)

Owing to timescales that are set by Fischer Family Trust, it is necessary to ask Members representing Maintained Primary Schools to decide now on de-delegation in 2024/25 for the purposes of purchasing subscriptions to Fischer Family Trust on behalf of all maintained primary schools.

In 2023/24, the Authority has continued to facilitate the subscription of the primary phase to FFT. The secondary phase, and other phases, are already required to subscribe to FFT directly, rather than purchasing through the Authority. Maintained primary schools have been charged £1.16 per pupil via de-delegation. Primary academies have also been able to subscribe to FFT via the Authority, on an individual optional basis, charged by invoice at the same £1.16 per pupil, albeit that only a small number of academies have chosen to subscribe via the Local Authority.

De-delegation for the purposes of subscribing all maintained primary schools to the FFT software was established previously in recognition of the value of this software and of the significant savings (and value for money) that collective purchasing has delivered when engagement with the software was high. There are, however, two factors that must be considered: a) the number of maintained primary schools that are accessing the FFT software and b) that FFT has adjusted its pricing model for 2024/25. We have sent relevant members, prior to this meeting, some further information to help them take their decision. Please note that some of this is commercially sensitive and is not therefore, set out in this report.

The Authority's recommendation is that de-delegation ceases. This means that schools and academies that wish to subscribe to FFT would do so directly, and, where this is decided, the Authority will ensure that all schools and academies are made aware of this.

School Improvement

Prior to April 2023, local authorities received from the DfE a School Improvement Monitoring and Brokering Grant (SIMB), to support their "core" school improvement activities, with the amount received calculated to be proportionate to each authority's number of maintained schools. The DfE ceased this grant at March 2023, having already reduced the 2022/23 allocation by 50%. Alongside this, the DSG Regulations have been adjusted to permit local authorities to fund all improvement activities, including the core improvement activities previously funded by the SIMB Grant, via de-delegation of funds from maintained schools' budget shares, with the agreement of their Schools Forum or with the agreement of the Secretary of State, in instances where the Schools Forum does not agree. Effectively, local authorities are required now to charge maintained schools for their school improvement support, with the DfE's view being that this approach brings maintained schools in line with the academies sector.

With the agreement of the Schools Forum, we initially de-delegated a sum of £133,000 from maintained primary and secondary schools for the 2022/23 financial year, with contributions taken at £4.29 per pupil. Following further discussion and the presentation of more information, in December 2023, the Forum agreed to continue de-delegation at the same £4.29 per pupil. The Authority recommends that de-delegation continues in 2024/25 from maintained primary and secondary schools at the current per pupil value of £4.29.

As we have presented to the Schools Forum, the Local Authority has in place a programme of monitoring, intervention and support. Without the continuation of funds via de-delegation, the Authority will not have the resources on an on-going basis to continue to financially support school improvement in maintained schools, as it does currently. In this context, whilst the decision on de-delegation is one for the Schools Forum, was the Forum to not approve any de-delegation, it is very likely that the Authority would need to consider an approach to the Secretary of State. We anticipate however, that the discussion with the Forum will more focus on funding the right quantity and type of school improvement support, and reviewing the impact and value for money of this support.

Early Years Block - Central Funds

The following funds were retained centrally within the Early Years Block in 2023/24

Fund	Early Years Block
Copyright Licences	£36,468
Early Years Central Support	£530,000
Early Years PVI Area SENCOS & Portage	£582,000
De-delegated Funds	£119,329
Totals	£1,267,797

This equated to 3.7% of our estimated 2023/24 DfE core funding for the delivery of the 3&4-year-old entitlements. Members will be aware that, currently, the Regulations require that a minimum of 95% of 3&4

Details of the Item for Consideration (continued)

entitlement funding is allocated to providers, meaning that a maximum of 5% can be retained centrally, be spent on the 2-year-old entitlement or be transferred to another DSG block. Members are reminded that we increased the value of the Early Years Central Support budget in 2023/24, following continued review of national benchmarking information and for the purpose of more appropriately supporting the cost to the Council of providing support services for early years providers and for delivering early years functions.

In response to the extension of the entitlements across 2024/25 and 2025/26, the Authority wishes to review the sufficiency of the capacities that are available, funded by the Early Years Block, to support delivery. This is in the light of the significant increase in the number of children that will access the entitlements for which providers will be funded. The increase in the number of entitlement children will have implications for the capacities that are required: to support sufficiency, sustainability, quality and compliance within the early years sector, to support the administration and calculation of entitlement funding, to support PVI providers with SEND (Area SENCOs) and to support the effective delivery of our Early Years SEND Inclusion Fund (EYIF). The Authority expects to present to the Forum in December a proposal for centrally managed funds for 2024/25 in the light of the extension of the entitlements and the Authority's updated capacity requirements.

This proposal will need to work within the restrictions that are set by the DfE. Within the consultation that was published in July and closed on 8 September, the DfE stated that local authorities will continue to be permitted to retain funds within the Early Years Block to fund centrally managed support services. However, the DfE proposed that the current restriction (of retention of not more than 5%) be reduced to 3% after the roll out of the extended entitlements is complete and that the 3% restriction will apply individually to each of the 3 entitlement streams (under 2s, 2-year-olds and 3&4-year-olds). Assuming that this proposal is taken forward, this means that the budgets that we retain centrally within the Early Years Block, from April 2024, will need to be appropriately apportioned between the 3 entitlement streams (rather than, as now, just being charged against 3&4-year-old entitlement funding) and that we will need to have a care to ensure that we delegate to providers at least 97% of funding for the delivery of each of the entitlement streams. Although we anticipate that the reduction from 5% to 3% retention won't take place before the 2026/27 financial year, it makes sense for us now to seek to 'futureproof' ourselves so that we do not have to make significant changes that may cause turbulence in future years. This does not necessarily mean that we would only retain a maximum of 3% in 2024/25. The Early Years Block will be a substantially larger budget as a result of the entitlement extensions, meaning that there will be greater efficiencies of scale to permit larger values of central budgets with a lower % contributions. However, these efficiencies will not be fully realised until 2026/27, when the new entitlements will be in place for a full financial year. Alongside this, we are very conscious of the need to balance central retention with maximising the rates of funding that are paid to providers for entitlement delivery. In this respect, benchmarking data will continue to be important.

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 2024/25.

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 2024/25 at the January 2024 meeting.**
- (2) Members representing Maintained Primary Schools are asked to decide on de-delegation in 2024/25 for the purposes of purchasing subscriptions to Fischer Family Trust.**

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Benchmarking of Funds

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools),
01274 432678
andrew.redding@bradford.gov.uk