

Schools Funding Forum 20th September 2018 ITEM 9

Subject Heading:

De-delegation of funding for central services

Report Author:

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Eligibility to vote:

LA maintained school representatives

SUMMARY

This item is to seek the approval of the Schools Funding Forum for the de-delegation of funding to maintain the provision of a range of central services permitted by the Schools Funding Regulations.

RECOMMENDATIONS

For LA maintained school representatives to consider:

1. The de-delegation of funding for the following services:
 - (i) Contingency to support schools in financial difficulty
 - (ii) Attendance & Behaviour
 - (iii) EAL
 - (iv) Free school meals eligibility
 - (v) Insurance
 - (vi) Maternity insurance
 - (vii) Trade Union Facility Time
2. The de-delegation of funding in support of LA central services for maintained schools.

REPORT DETAIL

Funding for de-delegated services must be allocated through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation is not an option for special schools, nursery schools and PRUs.

Where de-delegation has been agreed for maintained primary and secondary schools the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

Any decisions made to de-delegate in 2018 to 2019 related to that year only, so new decisions will be required for any service to be de-delegated in 2019 to 2020.

Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be removed from the formula before school budgets are issued. There may be different decisions for each phase.

The services which may be de-delegated are:

- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners
- free school meals eligibility
- insurance
- museum and library services
- licences/subscriptions
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)

For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula (for example, primary insurance £20 per pupil, secondary behaviour support services £30 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

De-delegation arrangements for schools converting to academy status during 2019-20 are as follows:

Conversion date

On or before 1 April 2019

2 April 2019 to 1 September 2019

2 September 2019 to 31 March 2020

De-delegation arrangements

No de-delegation

Local authority retains any de-delegated funding until 1 September 2019

Local authority retains any de-delegated funding until 31 March 2020

Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year. Where a school converts to an academy in the period 2nd April to 1st September 2019, local authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2nd September 2019 to 31st March 2020.

Any unspent de-delegated funding remaining at the year-end should be reported to schools forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and local authorities can choose to use it be used specifically for de-delegated services.

Services for which de-delegation is requested

1. Contingency for Schools in Financial Difficulty

Each year a small budget is held centrally which has been used to support schools who are in financial difficulty, sometimes through past decision making, unforeseen expenditure that cannot be contained within the school's budget or more commonly because of a reduction in pupil numbers. Several schools have been supported through this fund through criteria agreed by the Schools Funding Forum. For 2018-19 the de-delegation per pupil was £11.24 for maintained primary schools and the remaining two secondary schools. This generated a budget of £207,637.

Funding requested through de-delegation

	Primary
Formula factor	AWPU
Amount	£11.00
Total	£186,000

2. Attendance & Behaviour

An explanation of the service offered through de-delegation is attached at Appendix A.

Funding required through de-delegation from maintained primary schools

Formula factor	AWPU	FSM	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£2.00	£17.00	£15.00	£45	£300	£9.00	
Total	£33,758	£33,116	£18,276	£49,927	£1,500	£44,912	£181,489

2018-19	£2.74	£23.63	£47	£0	£490	£9.11	£196,610
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3. EAL Service

An explanation of the service offered through de-delegation is attached at Appendix B.

Funding required through de-delegation from maintained primary schools

Formula factor	EAL 3
Amount	£49.00
Total	£110,000

2018-19	£62.85
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4. Free School Meals Eligibility

This service checks the eligibility of children for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

Funding required through de-delegation

	Primary
Formula factor	FSM
Amount	£9
Total	£17,613

5. Insurance

Insurance for maintained schools is part of the Borough's main insurance contract funded from de-delegation.

Formula factor	AWPU
Amount	£20.50
Total	£346,000

2018-19	£22.50
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6. Maternity Insurance

The LA administers an insurance scheme that meets the costs of teachers who are on maternity leave. The benefit of de-delegating the budget is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. It is not offered to academies.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£26.00
Total	£439,000

7. Trade Union Facility Time

A working group of the Schools Funding Forum has previously considered issues raised in a DFE advice and guidance document and made comparisons of costs with other LAs. Decisions were made to reduce the amount of facility time and therefore the costs to schools and academies.

The pooled arrangements continue to benefit schools through the provision of support from locally based and accredited trade union officials.

The costs have reduced from an original £5.70 per pupil to £4.00 in 2015-16 and to £3.50 in 2016-17 and 2017-18. For 2018-19 the amount per pupil has been reduced to £2.50 for maintained schools and academies.

The total funding received from de-delegation and from academies will generate a budget that will determine the total facility time that is allocated to trade unions based on the proportion of their membership.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£2.50
Total	£42,200

8. Central Education Services

At the September 2017 meeting of the Schools Funding Forum a report was presented on the withdrawal of the Education Services Grant (ESG) which was previously allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies had also been allocated ESG which has also ceased.

The report advised that from a 2016-17 allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After achieving savings of £590k this left a shortfall of £1.2m in financial year 2018-19.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them that are not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services.

This was agreed last year at £19.89 per pupil which produced a total contribution of £340k.

Having established the principle for 2018-19 a contribution from LA maintained schools is again requested for 2019-20. Havering's Education Service reviews its core costs on an ongoing basis to deliver services more efficiently to the benefit of schools and the wider education community and recognises the financial pressures that schools are under.

A request is made for a further contribution in 2019-20 of £17.90 per pupil which is a 10% reduction on 2018-19. Based on an average of £3,500 per schools this equates to a central services charge of 0.5%. This would produce a total contribution of £302k.

Responsibilities held for maintained schools only

Statutory and regulatory duties

Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 57)
Budgeting and accounting functions relating to maintained schools (Sch 2, 74)
Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58)
Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59)
Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 60)

Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61)

Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 62)

Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 73)

Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76)

HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66)

Consultation costs relating to staffing (Sch 2, 67)

Compliance with duties under Health and Safety at Work Act (Sch 2, 68)

Provision of information to or at the request of the Crown relating to schools (Sch 2, 69)

School companies (Sch 2, 70)

Functions under the Equality Act 2010 (Sch 2, 71)

Establish and maintaining computer systems, including data storage (Sch 2, 72)

Appointment of governors and payment of governor expenses (Sch 2, 73)

Education welfare

Inspection of attendance registers (Sch 2, 79)

Asset management

General landlord duties for all maintained schools (Sch 2, 77a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:

- appropriate facilities for pupils and staff (including medical and accommodation)
- the ability to sustain appropriate loads
- reasonable weather resistance
- safe escape routes
- appropriate acoustic levels
- lighting, heating and ventilation which meets the required standards
- adequate water supplies and drainage
- playing fields of the appropriate standards

General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)

Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Other ongoing duties

Clothing grants (Sch 2, 53)

Provision of tuition in music, or on other music-related activities (Sch 2, 54)

Visual, creative and performing arts (Sch 2, 55)

Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56)

Premature retirement and redundancy

Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)

Monitoring national curriculum assessment

Monitoring of National Curriculum assessments (Sch 2, 75)