

Schools Funding Forum 25th September 2019 ITEM 8

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 to schools 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 academies, 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 2019 to 2020 related to that year only, so new decisions will be required for any service to be de-delegated in 2020 to 2021.

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.

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, 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 2012-21 are as follows:

Conversion date

On or before 1 April 2020

2 April 2020 to 1 September 2020

2 September 2020 to 31 March 2021

De-delegation arrangements

No de-delegation

Local authority retains any de-delegated funding until 1 September 2020

Local authority retains any de-delegated funding until 31 March 2021

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 2019-20 the de-delegation per pupil was £11.00 for maintained primary schools. This generated a budget of £186,956 from which 10 schools received financial support towards their deficit.

Funding requested through de-delegation is at the same rate as in 2019-20.

	Primary
Formula factor	AWPU
Amount	£11.00
Total	£186,956

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 is at the same rates as in 2019-20.

Formula factor	AWPU	FSM	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£2.00	£17.00	£47.00	£0	£490	£9.00	
Total	£33,992	£34,986	£57,687	£0	£2,940	£47,756	£177,361

Appendix A states that a charge per school for the same level of service as provided through de-delegation would be £7,618. Based on 2019-20, 86% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

		De-delegation				
	Lowest	£1,308				
	Median	£3,275				
	Highest	£11,630				
No. of schools with de-delegation of above £7,618			6	14%		
No. of schools with de-delegation of below £7,618			37	86%		

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	£38.00
Total	£90,033

2019-20	£49.00
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The charge per school for the same level of service as provided through de-delegation would be £2,309. Based on 2019-20 data, 63% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

		EAL 3	Allocation	De-deleg		
	Lowest	7	£3,901	£266		
	Median	55	£30,738	£2,096		
	Highest	120	£67,143	£4,560		
No. of schools with de-delegation of above £2,390				16	37%	
No. of schools with de-delegation of below £2,390				27	63%	

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	£18,522

5. Insurance

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

Formula factor	AWPU	Maximum
Amount	£20.50	
Total	£346,000	

2018-19	£20.50	Reduced at year end
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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	£441,896

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 cost per pupil to schools has been £2.50 for two years having been reduced gradually each year from an original £5.70 in 2014-15.

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	£42,490

8. Central Education Services

The Schools Funding Forum has previously received reports 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 reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

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 £17.90 per pupil which produced a total contribution of £300k.

Having established the principle for 2018-19 and 2019-20 a contribution from LA maintained schools is again requested for 2020-21 at the same amount per

pupil. Based on an average of £3,500 per pupil this equates to a central services charge of 0.5%. This would produce a total contribution of £300k based on the latest pupil numbers.

A list of LA responsibilities for maintained schools only is attached at Appendix C.