

## **Schools Funding Forum 20th October 2022**

## **ITEM 7**

**Subject Heading:**

**De-delegation of funding for central services 2023-24**

**Report Author:**

**Nick Carter – Principal Finance Officer (Schools)**

**Eligibility to vote:**

**LA maintained school representatives**

### **SUMMARY**

This item revisits the de-delegation of funding, to maintain the provision of a range of services provided centrally and for statutory and regulatory duties.

### **RECOMMENDATIONS**

1. For LA maintained primary school representatives to agree the de-delegation of funding for the following services:
  - (i) Contingency to support schools in financial difficulty
  - (ii) Insurance
  - (iii) Free school meals eligibility checking
  - (iv) Maternity leave insurance
  - (v) Trade Union Facility Time
  - (vi) EAL service
  - (vii) Behaviour support service
2. For LA maintained primary and special school representatives to agree the de-delegation of funding for the following:
  - (i) Statutory and regulatory duties
  - (ii) Core school improvement activities

## REPORT DETAIL

The de-delegation of funding for central services was an agenda item at the meeting of the Schools funding Forum held on 22<sup>nd</sup> September 2022. Forum members expressed the wish to discuss all the areas proposed for de-delegation with schools in their clusters. Forum members are invited to provide feedback from those meetings so that a decision can be reached on which services are approved for de-delegation.

### **The following was included on the agenda for the meeting held on 22<sup>nd</sup> September 2022.**

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 for centrally provided services is not an option for academies, special schools, nursery schools and PRUs. De-delegation for education functions can be applied to special schools.

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 2023-24 relate to that year only, so new decisions will be required for any service to be de-delegated in 2024-25.

Schools forum members 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 subtracted from the formula allocation 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 (EAL)
- 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, FSM eligibility £9.50 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

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 2<sup>nd</sup> April to 1<sup>st</sup> September 2023, local authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2<sup>nd</sup> September 2023 to 31<sup>st</sup> March 2024.

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 year as with any other centrally retained budget, and local authorities can choose to use it specifically for de-delegated services.

## **Services for which de-delegation is requested – applicable to LA maintained primary schools only**

### **1. Contingency for schools in financial difficulty**

Each year a small budget is held centrally to support schools who are in financial difficulty. In the 2022-23 financial year, eight schools were supported through this fund receiving amounts that ranged from £13,289 to £36,618. The criteria for distributing funding for 2022-23 was agreed by the Schools Funding Forum at the meeting held on 16<sup>th</sup> June 2022.

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	AWPU
Amount	£11.00
Total	£193,000

2022-23 rate	£11.00
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The allocations agreed for 2022-23 represented 18% of the budget deficit brought forward by each school qualifying for support. Increasing the funding available to distribute would require an increase in the amount per pupil de-delegated. An increase of £1.00 (9.1%) would yield an additional £17,600 for distribution to schools in financial difficulty.

### **2. Insurance**

Insurance for maintained schools is arranged as part of the Borough's main insurance contract and funded through de-delegation.

2022-23	Primary
Formula factor	AWPU
Amount	£20.00

Total	£351,000
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2021-22	£19.00
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It should be noted that the cost of participating in the Risk Protection Arrangement, managed by the Department for Education, has been set at £21.00 per pupil for 2023-24.

### 3. Free school meals eligibility checking

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.

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	FSM eligible pupils
Amount	£9.50
Total	£30,305

2022-23 rate	£9.50
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### 4. Maternity leave insurance

The LA administers an insurance scheme that meets the costs of teachers and support staff who are on maternity leave. The benefit of de-delegating the budget, rather than operating a traded service, 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. This service is not offered to academies.

At the meeting held on 16<sup>th</sup> June 2022, members of the Forum were informed that in the 2021-22 financial year the total payments to schools exceeded the total de-delegated by £78k. The shortfall was caused by an increase in the number of staff taking maternity leave. The LA were able to offset this against a surplus in the de-delegated fund for insurance.

Projections for the current financial year indicate that the de-delegated maternity leave fund will overspend by around £140k. Assuming that maternity leave

continues at current levels in 2023-24 an increase of £8.07 per pupil, which equals 30%, is required to ensure that de-delegated funding matches the payments to schools

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	AWPU
Amount	£34.87
Total	£612,000

2022-23	£26.80
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An alternative approach would be to increase the de-delegated sum by a lower amount and to reimburse a percentage of the maternity costs rather than the full cost. For example if the de-delegated sum was to increase by 5% to £28.14, then it would be possible to reimburse 80% of maternity costs.

To add some context, the total cost of maternity leave for a UPS1 teacher is around £12,600. The total sum de-delegated for a 420 pupil primary school at the proposed (full reimbursement) rate is £14,600.

## 5. 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 four years having been reduced gradually each year from an original £5.70 in 2014-15. Shown below are the figures if the price remains at £2.50.

2023-24	Primary
Formula factor	AWPU
Amount	£2.50
Total	£43,900

2022-23	£2.50
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Shown below are the figures if the sum per pupil were increased by 5% in line with the proposed rise in teachers' pay. This would bring the per pupil sum to £2.63.

Funding required through de-delegation from LA maintained primary schools

2023-24	Primary
Formula factor	AWPU
Amount	£2.63
Total	£46,000

2022-23	£2.50
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## 6. EAL service

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

Funding required through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	EAL 3
Amount	£38.00
Total	£99,000

2022-23 rate	£38.00
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The range in sums de-delegated from each school is shown below. The majority of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegated from individual schools
Lowest	£350
Median	£2,263
Highest	£5,331

## 7. Behaviour support service

In previous years, the Schools Forum has been asked to approve the de-delegation of funding for the Behaviour and Attendance services. Schools sought greater clarity on what services were provided from sums de-delegated. In response to this, and following a re-alignment of the services, for 2023-24 the LA is seeking de-delegation for behaviour support services only. The service now forms part of CAD.

De-delegated funding will be used to pay for the work of the school support family practitioners, meaning that this will be provided to schools without an additional charge. This element of the service would, from April 2023, otherwise be chargeable.

Details of the service to be provided are attached at Appendix B.

The proposal is that for 2023-24 the sums de-delegated remain unaltered:

Funding required through de-delegation from LA maintained primary schools is as follows:

Formula factor	AWPU	FSM Ever 6	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
Total	£87,780	£6,836	£31,075	£26,082	£6,710	£4,671	£1,300	£24,859	£189,314

2022-23 rates	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00
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### Education functions – applicable to LA maintained primary and special schools only

#### 1. Statutory and regulatory duties

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. This too has 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.

The contribution from LA maintained schools budgets' was introduced for the 2018-19 financial year and was set at £19.89 per pupil for primary schools and £44.00 per place for special schools. The primary school rate was reduced to £17.90 for 2019-20. For 2023-24 the rate was increased by 3% to £18.44 in line with the rise in NFF factor values.

For 2023-24 the LA is proposing that the rate for LA maintained primary schools is again increased in line with the rise in NFF factor values. This is a rise of 2.4%, bringing it to £18.88. Using the minimum per pupil funding level of £4,405 this equates to a central services charge of 0.4%. No increase is proposed for special schools.

The cost of providing the services supported by this funding is comprised largely of staff salaries which are likely to rise by more than 2.4%.

The new rate would produce a total contribution of £338,000.

2023-24	Primary	Special
Formula factor	AWPU	Place
Amount	£18.88	£44.00
Total	£331,000	£7,000

2022-23	£18.44	£44.00
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A list of LA responsibilities for maintained schools only is attached at Appendix C.

## 2 Core school improvement activities

In January 2022 the DfE announced that the School Improvement, Monitoring and Brokerage Grant paid to local authorities would be reduced by 50% for financial year 2022-23 and then removed completely from 2023-24.

At the same time, local authorities were given the power to fund all improvement activity, including core activity, via de-delegation with the agreement of schools forums or the Secretary of State.

Havering received £178k in the 2021-22 financial year. Making up the 50% shortfall for 2022-23 required £89k of de-delegated funds, which equated to £5.11 for each pupil Year R -11. At the February 2022 meeting of the Schools Funding Forum, the members representing LA maintained primary schools agreed the de-delegation of £5.11 per pupil for core school improvement activities for the financial year 2022-23.

However, schools had expressed concern at the late inclusion of this proposal in the annual funding cycle due to the DfE not confirming their intention to remove the School Improvement, Monitoring and Brokerage Grant until January 2022.



Forum members stressed the need for any funding raised through de-delegation to be equitably shared, and that it needed a clear demarcation of what is funded from de-delegation, with openness in the use of the funding.

During the Summer term, the LA worked with a group of school and academy leaders to refresh its Quality Assurance (QA) Framework. A key objective of the LA is that all children will attend a school this is judged to be Good or Outstanding by Ofsted. To support the maintenance of high standards, all LA maintained schools will be included in the QA cycle.

Schools which are stand-alone academies, or schools that are part of an academy trust are welcome to participate in all aspects of the cycle in the same way as maintained schools, however they are not required to participate in the way that LA schools are.

Following the pattern set by Ofsted of inspecting Good or Outstanding schools every five years, the LA proposes a five-year cycle of QA where schools retain a judgement of unreservedly Good or Outstanding.

If graded Requires Improvement following a Graded Inspection, or the evidence gathered during an Ungraded Inspection suggests that the grade may be lower than Good if a Graded Inspection was to be carried out, then the school will become subject to 'Additional Support and Intervention' by the LA in the case of maintained schools.

For maintained schools (and academies by election), where a school is considered vulnerable and 'Requiring Additional Intervention & Support', the school relevant LA officers will discuss the situation fully with the Headteacher/Executive Headteacher/Principal and the Chair of Governors.

Where a school is judged to be 'Requiring Additional Intervention & Support':

- Progress Review Meetings (PRMs) will be implemented following an Ofsted grading less than good, or suggestion that it will be less than good following an Ungraded inspection.
- If significant risk is identified, this will lead to a full school or area review, and the school will be subject to regular PRMs.

The purpose of PRMs is for the LA to:

- oversee the implementation of action plans to secure rapid and sustained improvements, so are likely to be 'front-loaded' with more frequent meetings at the outset.
- monitor progress of actions taken to ensure they have maximum impact
- commission additional resources when needed to support rapid improvement
- monitor the impact of brokered support, including partnership support
- where possible, gather direct evidence of progress for LA monitoring and reporting to Schools' Funding Forum' and for Ofsted

PRMs will be resourced for maintained schools by the LA as part of their statutory QA offer and funded from Core Council funding.

However, further in-school support such as a full school review, or review of an area of the school's practice, would be chargeable if deemed that the school is a vulnerable school, and it is proposed that this would be charged to the de-delegated 'School Improvement Monitoring and Brokering Grant' (subject to Schools' Funding Forum approval). If this proposal is approved, spend will be reported to Schools' Funding

Forum in the same way as the Schools Partnership and Schools Causing Concern Fund. Any underspends at year end can be carried forward, or re-distributed, subject to Funding Forum approval.

PRMs are not mandatory for academies but can be offered if requested, but would be chargeable to cover direct costs of LA officer resource, as would any in-school support, such as a full school review or review of an area of the school's practice.

For 2023-24 the LA is proposing that de-delegation remains at £5.11 per pupil as this will be the first year of the new QA framework. This means that the LA is seeking to de-delegate only 50% of the total grant funding removed for the year.

2023-24	Primary	Special
Formula factor	AWPU	Place
Amount	£5.11	£15.33
Total	£90,000	£2,400

2022-23	£5.11	£15.33
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An analysis of expenditure will be presented to the Schools Forum after the year end.

### **English as an Additional Language - Proposal to maintain a central EAL team**

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2023-24. This would provide funding of £99,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service. The level of funding requested in 2022-23 remains unchanged from 2022-23 despite an increase in the numbers of pupils with EAL.

Through the national funding formula, primary schools receive £629.61 per EAL3 pupil so would retain 94% of their funding to provide support to their EAL pupils.

#### **Rationale for maintaining a central team with EAL expertise in Havering**

- Havering's demographic is continuing to change at an accelerated rate. The % EAL in primary schools has risen to 26.7%, resulting in the percentage EAL increase over the period 2019-2022 (4.1%) being higher than the increase over the period 2018 to 2021 (3.4%). Increasing numbers of vulnerable children, including those displaced from areas of conflict, continue to enter mid-phase with little or no English.
- The service continues to be well-used by schools. From April to March 2021-2022, 37 LA-maintained primaries accessed the service for consultancy support and/or CPD whilst 18 academies accessed the service.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

#### **The offer for LA-maintained primaries:**

- Termly consultancy visits (more available on request, depending on the needs of individual schools – may be virtual or face-to-face)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs (may be virtual or face-to-face)
- Unlimited access to centrally-held EAL CPD (may be virtual or face-to-face)
- Telephone, email support and resources

#### **Impact of the EAL team:**

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils that start with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. Many EAL learners are likely to have been disproportionately affected by the Covid-19 crisis due to lack of access to models of spoken English during lockdowns; central EAL funding will ensure ongoing support continues into the next financial year to help schools close these gaps.

Schools Funding Forum 20<sup>th</sup> October 2022**The Behaviour Support service**

Following a realignment, this service now operates as part of the CAD SEMH Team.

**Introduction**

For the 2023-24 financial year the LA is proposing that support provided by the School Support Family Practitioners is financed from de-delegated funds for LA maintained primary schools.

The allocation of practitioner time is determined by reference to the schools' Vulnerability Table. This is produced by statistical analysis of the volume of SEN, LAC, mobility and EAL in each school.

**The work of the School Support Family Practitioners (SSFP)**

SSFPs provide tailored support and interventions based on the identified needs of the family. This can include intensive work with those in care, on the cusp of care or stepping down from statutory services. In partnership with families and other agencies, specifically Education provisions, they carry out a comprehensive assessment, address identified needs and ensure sustainable long term change is achieved. They have a thorough understanding of local need and available resources enabling them to engage partner agencies effectively to ensure that families achieve optimum outcomes.

The work of the SSFPs includes:

- Managing a caseload with an emphasis on encouraging participation, effective and meaningful involvement from families with an aim to improving outcomes for families.
- Planning, delivering and reviewing individual and family Support Plans to assist families with proposed actions set to ensure desired changes are achieved.
- Coordinating the planning of services, taking account of the needs of families and issues they face when caring for their child / children.
- Identifying families who meet the troubled family criteria and informing the appropriate trouble families lead to ensure payment by results are applied for.
- Providing direct support to individuals as well as groups in order to raise awareness of difficulties faced by families.
- Providing comprehensive family assessments and analysis based on information gathered to agreed timescales.
- Putting in place suitable intervention, prevention and enforcement measures that seek to reduce negative behaviour effecting the ability to achieve positive family change.
- Negotiating and coordinating support for families through the development of effective outreach services, including one-to-one support and group work

At the end of the year, the Schools Funding Forum will be provided with an analysis of work undertaken under the de-delegated arrangement.

## **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, 59)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 75)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 60)
- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 61)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 62)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 63)
- 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, 64)
- 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, 65)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 78)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 67); determination of conditions of service for non-teaching staff (Sch 2, 67); appointment or dismissal of employee functions (Sch 2, 67)
- Consultation costs relating to staffing (Sch 2, 69)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 70)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, 71)
- School companies (Sch 2, 72)
- Functions under the Equality Act 2010 (Sch 2, 73)
- Establish and maintaining computer systems, including data storage (Sch 2, 74)
- Appointment of governors and payment of governor expenses (Sch 2, 75)

### **Education welfare**

- Inspection of attendance registers (Sch 2, 81)

## **Asset management**

- General landlord duties for all maintained schools (Sch 2, 79a & 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)

## **Central support services**

- Clothing grants (Sch 2, 55)
- Provision of tuition in music, or on other music-related activities (Sch 2, 56)
- Visual, creative and performing arts (Sch 2, 57)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 58)

## **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, 77)

## **Therapies**

- This is now covered in the high needs section of the regulations and does not require schools forum approval

## **Additional note on central services**

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it's the local

authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions

- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services