**SCHOOLS FORUM – 9th December 2015**

**SCHOOLS FUNDING FORMULA – CENTRALLY RETAINED AND DE-DELEGATED EXPENDITURE DECISIONS – 2016-17**

1. **PURPOSE**

Members will re-call that the DfE regulations require Schools Forum, as part of the funding formula submission, to vote on the proposed recommendations of the Local Authority in respect of a number of centrally retained expenditure and delegated expenditure decisions. The purpose of this paper is to provide information to enable those members eligible to vote and to assist in the voting process.

1. **BACKGROUND**

The introduction of the new Fairer Funding For Schools reforms for the 2013-14 financial year required funding in respect of certain services to be delegated to schools in the first instant. An option is permitted for this funding to be returned (de-delegated) to Councils by the maintained schools (should the maintained reps vote to agree to this) for the services to be provided by the Council.

In addition there are certain items of expenditure that the Council can retain centrally however the Schools Forum as a whole must vote to approve this on a line by line basis. The expenditure on these must not exceed the original 2013-14 budget amounts.

The decision on both centrally retained expenditure and any de-delegated expenditure is an annual decision and that is the purpose of this report. For centrally retained expenditure then the whole Schools Forum must vote on a line by line basis. In respect of those services where expenditure can be de-delegated back to the Council School Forum members who represent maintained schools are required to vote, again on a line by line basis whether they wish this de-delegation to take place. Whilst voting is by sector only one vote per line is now required as a result of there are now only maintained primary schools within the borough.

1. **WHAT WE NEED TO VOTE ON**

A full list of the those items of expenditure affected as detailed in the Operational Guidance is included in Appendix A for information.

The items that concern the Schools Forum at this time are as follows:

**Centrally retained expenditure**

|  |  |
| --- | --- |
| Admissions | £217,559 |
| Servicing of Schools Forum | £11,300 |
| SEN Transport | £300,000 |
| Termination of employment costs | £434,400 |

**Items of Expenditure that can be de-delegated**

It should be noted that these amounts are best estimates based on the information available for the October 2015 proforma submission. These require confirmation from the EFA and will be further reduced if there are further in year academy conversions

|  |  |
| --- | --- |
| Schools in financial difficulties contingency/other | £65,183 |
| Free school meals eligibility | £8,268 |
| Support for ethnic minority pupils | £15,977 |
| Behaviour support services | £47,620 |
| TU Facilities Time | £13,708 |

1. **THE VOTE**

**Centrally Retained Expenditure**

In respect of those expenditure items that the Council can retain centrally it proposes to do so. To do this it requires Schools Forum to approve such proposals on a line by line basis at the amount stated.

To assist with this process an explanation of what is involved in respect of each item of expenditure is detailed in Appendix B

Eligible Forum members are therefore asked to approve whether they support the central retention of funds for the following:

* Admissions - £217,559

And again whether they approve the central retention of funds for:

* Servicing of Schools Forum - £11,300

And again whether they approve the central retention of funds for:

* Termination of Employment Costs - £434,400 (to part fund pre 1998 pension payments)

Finally in respect of SEN Transport costs of £300,000 Schools Forum are asked:

* whether they approve that this amount of expenditure can be centrally retained, and

**Expenditure which must be initially delegated but which can be de-delegated**

In respect of those items that are initially delegated to schools budgets but which can be de-delegated back to the Council then the Council proposes that with the exception of one service, Support for Ethnic Minority Pupils, such de-delegation takes place. Schools Forum is requested to vote on these proposals again on a line by line basis.

In respect of the Support for Ethnic Minority Pupils then the continuing loss of funding through academy conversions has resulted in the council taking the operational decision that it is no longer viable for this service to continue to be provided as an-house service and as such this element of funding will be delegated to maintained schools budgets for them to make their own purchase decisions direct.

In respect of these items of expenditure only those members who represent the maintained sector are permitted to vote, in our case it is the primary sector maintained representatives.

In respect of those schools that are Academies these delegations are built into the new funding formula payments received from the Education Funding Agency.

Where the Local Authority has decided to recommend de-delegation then If members decide not to de-delegate then funding for these would be built into their new funding and they will need to pay for any such service direct from their own budgets. If they do decide to de-delegate then funding for these services will be retained and provided centrally.

In respect of the Schools in financial difficulties contingency then were the decision to de-delegate not made and a school(s) got into financial difficulties then to balance the DSG the Council would need to seek any shortfall off the remaining maintained schools.

Eligible Forum members in respect of the primary sector are therefore asked to vote whether they wish to de-delegate the following item of expenditure:

* Schools in financial difficulties/other contingency - £65,183

And again whether the primary sector representatives wish to de-delegate the following item of expenditure:

* Free school meals eligibility - £8,268

And again whether the primary sector representatives wish to de-delegate the following item of expenditure:

* Behaviour support services - £47,620

And finally whether the primary sector representatives wish to de-delegate the following item of expenditure:

* TU facilities time- £13,708

In respect of the following items of expenditure primary sector representatives are requested to vote on whether they accept the Council’s recommendation to delegate the following item of expenditure to maintained school budgets for the 2016-17 financial year:

* Support for ethnic minority pupils - £15,977

David Kirven

Service Finance Manager – Partnering

27th November 2015

**Appendix A**

It is still permissible for services to be retained centrally with certain approval. Authorities will need to obtain School Forum approval to retain central funding for all of these services. The position is best demonstrated by reproducing an extract from the table from the EFA Schools Revenue Funding 2016 to 2017 Operational Guide July 2015

|  |  |
| --- | --- |
| Schools forum approval is required on a line by line basis. | EY Block provision  ? Funding to enable all schools to meet the infant class size requirement.  Back-pay for equal pay claims.  Remission of boarding fees at maintained schools and academies.  Places in independent schools for non-SEN pupils. |
| Schools forum approval is required on a line by line basis. The budget cannot exceed the value agreed in the previous funding period. | ? Admissions.  ? Servicing of schools forum. |
| Schools forum approval is required on a line by line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into. | Capital expenditure funded from revenue (ie no new projects can be charged to the central schools budget).  Contribution to combined budgets.  Existing termination of employment costs (ie no new redundancy costs can be charged to the central schools budget).  Prudential borrowing costs.  SEN transport costs. |
| Schools forum approval is required on a line by line basis, including approval of the criteria for allocating funds to schools. | Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained, academy.  Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years. |

**Appendix B**

**Description of Services**

**Centrally retained expenditure**

**Admissions**

Funding to be retained to enable the local authority to fulfil its statutory duties in respect of school admissions for both maintained schools and academies in line with the School Admissions Code and associated legislation. This includes:

General duties:

* + Determination of its duties in light of local circumstance and in accordance with guidance issued by the Department for Education and the Secretary of State.
  + Promotion of Fair Access to educational opportunity for all children and young people.
  + Formulation, consultation, determination and publication of:
* its own admission arrangements and associated coordinated schemes for each year for all maintained schools and academies within the area;
* the authority’s school term dates for those schools for which it is the admission authority; and
  + Publication of the admission arrangements for all maintained schools and academies in the area.
  + Offer advice and guidance on legislative requirements and policies and procedures in respect of all aspects of school admissions to those schools for which it is the admission authority.
  + Provision of impartial and independent advice to parents/carers on school admissions and school admission appeals.
  + Maintaining and updating the local authority’s catchment areas maps and lists.
* Keeping the local authority’s website up to date with all admission policies, relevant information, links to school/academy sites, DfE etc.

Phased primary and secondary coordination for maintained schools and academies:

* Having an on-line application service available.
* Collect, administer, monitor, chase up and coordinate all applications ensuring that all applicants receive their highest available preference.
* Allocate and formally notify all applicants of the outcome of their application.
* Co-ordinate beyond the National and local offer dates to ensure available places are reallocated effectively.
* Inform all unsuccessful applicants of their right of an independent appeal.

Phased primary and secondary coordination for maintained schools:

* Identify, confirm and rank all preferences which are LAC, SEN, sibling, catchment, distance, belief etc in line with the published arrangements.
* Provision of an independent appeals process.

In year coordination for maintained schools and academies:

Provide a Common Application Form for parents/carers to apply for all schools/academies in the area.

* Provide all parents/carers of the availability of school places at any one time within the local area.
* Have a Fair Access Protocol and appropriate processes in place.

In year coordination for maintained schools:

* Collect, administer, monitor, chase up and coordinate applications ensuring that all applicants receive their highest available preference
* Allocate and formally notify all applicants of the outcome of their application.
* Inform all unsuccessful applicants of their right of an independent appeal.
* Provision of an independent appeals process.

**Servicing of Schools Forum**

Funding to be retained in respect of meeting schools forum expenditure costs. In the past this funding has been used to meet not only Schools Forum costs but working party costs and the costs of one off projects / pieces of work.

**Termination of Employment Costs**

Funding to be retained to contribute to the pension costs of a number of pre 1998 retirees. The total spend on this area is £1.9M, the DSG contribution funds £0.4M.

**SEN Transport**

Funding to be retained to assist the local authority to fulfil its statutory duties in respect of special educational needs transport for both maintained schools and academies. This provision of transport is in line with the local authority’s published education transport policy which is compliant to the Special Educational Needs Code of Practice and associated legislation.

**Delegated expenditure**

**Schools in financial difficulties contingency**

Funding retained to provide a contingency In respect of any maintained schools who experience temporary financial difficulties. This contingency protects the financial position of the maintained schools and should prevent calls on their budgets. If the decision to de-delegate is not made and a school(s) got into financial difficulties then to balance the DSG the Council would need to seek any shortfall off the remaining maintained schools.

**Other contingency**

Funding retained to meet other unexpected costs an example being a rates revaluation. Rates are pass ported through at the start of the year prior to the bills being finalised. Any change in the initially estimated figure is given to the school.

**Free school meals eligibility**

Funding covers the cost of Free School meals officer responsible for assessing eligibility for Free School Meals. Eligibility is based on receipt of certain qualifying benefits or having income less than a set amount. The officer works in conjunction with the Housing Benefits service, and information is collected once by the service in order to process both Free School Meals and Housing Benefits.

Following the introduction of universal free school meals for infant school children the service continues to collect information relating to children who would have received free meals, in order to calculate the pupil premium and ensure that the correct levels of funding are achieved.

If the decision to de-delegate is not made, schools will need to ensure that they have procedures in place for parents to apply for free school meals, collect evidence of income, assess entitlement, deal with changes in eligibility when the financial circumstances of the parent changes and reconcile the number of meals awarded.

Infant schools will need to ensure that they have procedures in place to identify children who would previously have qualified for free school meals as above.

**Support for ethnic minority pupils**

The budget for this service is proposed to be delegated to the school.

**Behaviour support services**

The Behaviour Service provides a facilitation framework for the management of those children and young people who present with significant emotional, social and behavioural difficulties.  This includes the process of case management through the primary Behaviour and Attendance Collaborative (BAC) The Behaviour Service Manager chairs the weekly primary BAC and the referrals become the responsibility of the service’s Inclusion Officers who provide support and guidance for the completion of referral papers; this work is supported by the service’s Administrative Officer.  The BAC consider each case and where appropriate brokers an alternative school place or alternative provision, ensuring access to appropriate placements.  The range of options is from in-school support and advice through to placement, for the most complex cases, in the 2 local pupil referral units and / or a variety of alternative provision placements including 2 primary resource based provisions.  Also included is support for the process of exclusion.

**TU facilities time**

Funding to be retained to enable access to Council employed trade union representatives from UNISON and UNITE and local branch representatives from NASUWT and NUT to resolve employee relations and organisational change matters at an earlier stage thus minimizing cost and delays.  Local trade union representatives will be available to attend meetings with individuals and groups of staff at your school if the monies are de-delegated.  If schools were not to de-delegate the monies, the only trade union representatives would be regional officers who are not often available at short notice or at certain times of the day/week due to other commitments across many authority boundaries.  Therefore, this could add to the delay of resolving staffing matters which may have resultant costs for the school such as extended sickness, precautionary suspension, investigations and hearings.