

Schools Forum

17 October 2018

Maintained Schools De-Delegation 2019/20

1. Purpose of report

- 1.1 To provide maintained schools with the opportunity to decide whether to de-delegate funding for relevant services back to the local authority for the 2019/20 financial year.

2. Recommendations

- 2.1 Maintained Secondary School members of Schools Forum **approve or do not approve** de-delegation of the Free School Meal Eligibility Service (estimated at £16.99 per free school meal eligible pupil).
- 2.2 Maintained Secondary School members of Schools Forum **approve or do not approve** de-delegation of Insurance Services (estimated at £18.20 per pupil).
- 2.3 Maintained Secondary School members of Schools Forum **approve or do not approve** de-delegation of Staff Costs – Teaching Union and Public Duties (estimated at £4.99 per pupil).
- 2.4 Maintained Secondary School members of Schools Forum **approve or do not approve** de-delegation of Staff Costs – Support Staff Union and Public Duties (estimated at £2.99 per pupil).
- 2.5 Maintained Primary School members **approve or do not approve** de-delegation of Free School Meal Eligibility Service (estimated at £16.99 per free school meal eligible pupil).
- 2.6 Maintained Primary School members **approve or do not approve** de-delegation of Insurance services (estimated at £18.20 per pupil).
- 2.7 Maintained Primary School members **approve or do not approve** de-delegation of Staff Costs – Teaching Union and Public Duties (estimated at £4.99 per pupil).
- 2.8 Maintained Primary School members of Schools Forum **approve or do not approve** de-delegation of Staff Costs – Support Staff Union and Public Duties (estimated at £2.99 per pupil).
- 2.9 Maintained Primary and Secondary School members recognise that library services, maternity support and contingency are not being offered under de-delegation and they will have to purchase individually any service they require.
- 2.10 Maintained Primary and Secondary School members note that a request for de-delegation of Behaviour Support Services is not included within this report, as work is underway to review the structure of the service going forward. As such a separate report regarding Behaviour Support Services will be provided to Schools Forum at their January 2019 meeting.

3. Background

- 3.1 As part of the funding changes introduced for the 2013/14 financial year, the Education Skills Funding Agency (ESFA) introduced the concept of de-delegation. The process of de-delegation only applies to maintained schools and not to academies. Within maintained schools it only applies to primary and secondary schools and not to special, PRU or stand alone nursery schools.
- 3.2 The ESFA definition of de-delegation is reported in depth later in this report. In simple terms there are various services that prior to 1 April 2013 the local authority could hold money centrally for if it wished to deliver the service. Now the value of those funds is highlighted as a funding factor. These funds are passed to schools to commission their own services. However, if schools in a phase (e.g. primary / secondary) and the local authority both want the local authority to deliver that service then a decision can be made to pass those funds back (de-delegate) to the local authority.
- 3.3 Clearly while the decision to de-delegate can be informally discussed anywhere, the formal legally binding vote takes place within Schools Forum. The purpose of this report is therefore to ensure that Schools Forum has the opportunity to make an appropriate formalised vote.
- 3.4 This report does not include the significant data about each service where there is the option for de-delegation, as that supporting information has already been provided to those making the decision. An example of this is that Primary Forum discussed this issue at their meetings on 13 September 2018 and also 4 October 2018 and received detailed information on each service to inform their conversation. Primary representatives on Schools Forum can use that conversation to inform their vote as they wish. Additionally the relevant secondary heads all received the same detailed information directly prior to today's meeting. However it must be clear that it is only the Schools Forum vote that is binding.

4. Guidance from DfE

- 4.1 The operational guidance from the DfE in relation to de-delegation states the following:

De-delegated services are for maintained schools only. 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 isn't an option for academies, special schools, nurseries or PRUs. Where de-delegation has been agreed for maintained primary and secondary schools, our presumption is that 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. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments.

Any decisions made to de-delegate in 2019/20 related to that year only, so new decisions will be required for any service to be de-delegated in 2019/20. From 2017/18, schools forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools. This provision sits alongside the new school improvement grant for statutory local authority intervention functions. This grant commenced in September 2017.

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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 shown below:

Additional school improvement services

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 (other than those paid by the DfE)

Staff costs supply cover (e.g. long-term sickness, maternity, trade union and public duties).

For each service de-delegated, 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. Academies will continue to receive a share of funding for these services in their delegated budget.

Where de-delegation is agreed, middle schools will be treated according to their deemed phase and the unit value for de-delegation will follow that phase. If the primary sector agreed to de-delegate a service but the secondary sector did not, middle deemed primary schools in the authority would have their formula allocation reduced for all of their pupils at the agreed primary school rate. Middle deemed secondary schools would not be subject to de-delegation.

Where a school converts to academy status before or on 1 April 2019, no de-delegation can take place. Where a school converts on or after 2 April 2019, up to and including 1 September 2019, the authority can retain any de-delegated funding until 1 September 2019. Where a school converts to academy status on or after 2 September 2019, up to and including 31 March 2020, the authority can retain any de-delegated funding for the remainder of the 2019/20 financial year. This will help services to plan their future operations. After the dates specified, the academy will receive the full formula allocation and this will be recouped from the local authority.

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

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a school converts to an academy in the period 2 April to 1 September 2018, authorities will have an opportunity to present an evidence based case to the EFA to request a recoupmnt adjustment for the period 2 September 2018 to 31 March 2019.

5. Financial Implications

- 5.1 Where the decision to de-delegate is not approved schools will need to identify the costs of procuring the service directly and ensure that they account for these costs when setting their school budget.

6. Legal Implications

- 6.1 Where the decision to de-delegate is not approved schools will need to ensure they follow the correct rules in terms of procuring alternate services.

7. School Improvement

- 7.1 No issues directly arising from this report.

8. Members eligible to vote

- 8.1 Only maintained secondary members with voting rights are eligible to vote on this issue for Secondary Schools.
- 8.2 Only maintained primary members with voting rights are eligible to vote on this issue for Primary Schools.