Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 16 January 2020

Subject: De-delegation of funding for maintained schools – 2020/21

Report author: Louise Hornsey **Contact telephone number: 0113 3788689**

Summary of main issues

1. Schools Block funding within the Dedicated Schools Grant (DSG) is delegated to schools each year by the local authority. Schools Forum can however agree that the local authority retains some of this funding for maintained primary and secondary schools, in order to provide certain central services for schools. This is known as 'de-delegation' of funding.

2. This report informs Schools Forum members of the outcome of the recent consultation with all maintained primary and secondary schools on the de-delegation of funding in 2019/20. The majority of primary and secondary schools submitting a response wished to continue to de-delegate the funding for all services, although for some of the secondary services the level of support was not as high as in previous years.

3. The local authority's recommendation is that de-delegation continues in 2020/21 for these services. Primary and secondary members of Schools Forum are responsible for deciding whether this should be the case and will be asked to vote for each service.

1 Main issues

1.1 The Education and Skills Funding Agency requires that the local authority consults all maintained primary and secondary schools on whether to delegate funding to schools for the services detailed below or whether to opt to de-delegate this so that the funding is retained centrally. A copy of the consultation paper is attached at Appendix 1.

1.2 The consultation was for maintained primary and secondary schools only as the regulations set by the Education and Skills Funding Agency (ESFA) do not allow other settings, such as academies or SILCs, to de-delegate their funding in this way.

1.3 In total the 2020/21 consultation proposed de-delegated funding of £4.605m. Taking into account the proposed new Schools Urgent Improvement Fund, this is an increase of £185k (4.2%) compared to 2019/20 proposals which totalled £4.42m.

1.4 A summary is provided below of the proposals that were consulted on for each de-delegated budget for 2020/21 compared to 2019/20, along with the results of the consultation for each budget. Further information on each area that was consulted on is available in the attached consultation document (Appendix 1).

1.5 Responses were received from 39 primary schools and 10 secondary schools. This is an improvement to the response rate for 2019/20 (22 primary schools and 5 secondary schools). The majority of primary and secondary schools submitting a response wished to continue to de-delegate the funding for all services, although for some of the secondary services the level of support was not as high as in previous years. In line with the voting by schools it is recommended that funding for all the services listed below continues to be retained centrally in 2020/21 in order for these services to be provided. A summary of the results and recommendations are provided below. A summary table of the consultation results is provided in section 2 of this report.

1.6 For 2018/19 there was an overall underspend on de-delegation and the council has distributed a total of £462k back to all schools that contributed to de-delegation in that year. If future underspends occur on the proposals below the council will again look to distribute funding back to schools.

1.7 It is estimated that schools would pay between 1.1% and 2.1% of their formula funding for the de-delegated services detailed below, based on the funding figures consulted on in November. Differences in the percentage contributions between schools reflect the fact that primary schools are able to delegate an additional two services compared to secondary schools, in addition to there being variances in schools' individual funding levels, due to both pupil and premises related factors.

1.8 Contingency and support for schools in financial difficulty

Purpose of the budget

1.8.1 The School Contingency Fund is retained centrally for maintained schools but only for a limited range of circumstances:

a. Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet (including some costs relating to Managed Staff Reductions);

b. Schools in financial difficulties;
c. Additional costs relating to new, reorganised or closing schools; and
d. Establishing a schools urgent improvement fund that schools can apply to if they require additional support from local authority services for urgent school improvement priorities.

1.8.2 The budget can be considered as one to pool risk, providing a safety net for schools.

Proposed budget

1.8.3 It is proposed that the funding would be de-delegated as an amount per pupil of £17.00. This is the first increase since 2016/17 when the rate was set at £14.90.

1.8.4 Based on forecast pupil data this would provide central de-delegated funding of £1,049,000, with £50,000 of this being ringfenced for the schools urgent improvement fund. This is an increase of £95,000 (14%) compared to 2019/20 when the budget was £954,000. The increase reflects the addition of the schools urgent improvement fund plus a projected increase in demand on the budget. If there was an underspend on de-delegation in 2020/21 then funding would be returned to schools, in line with the approach taken previously.

Consequences if de-delegation does not continue

1.8.5 If de-delegation does not continue there will be no central contingency fund available to schools. Schools would have to take all action necessary to balance their own budgets and there would be no central budget available for schools finding themselves in financial difficulty, requiring urgent support for school improvement or for funding capitalised pension costs where staff have been made redundant due to financial difficulties. The budget is not suitable for operation under a Service Level Agreement (SLA) or traded offer.

Consultation responses

1.8.6 Of the 39 primary responses received, 38 (97%) were in favour of continuing to de-delegate this funding.

1.8.7 Of the 10 secondary responses received, 6 (60%) were in favour of continuing to de-delegate this funding. Only one school that did not support the proposal provided a comment, which said that they did not support the proposal as they had not received funding from it in the past.

Recommendation

1.8.8 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.9 Maternity and other cover

Purpose of the budget

1.9.1 This budget reimburses schools for the cost of staff that are on maternity leave, working as a justice of the peace, magistrate or on reserve services duties.

Proposed budget

1.9.2 The total budget proposed for 2020/21 is £2,025k, which is a £186k (6.9%) increase compared to 2019/20 and a 10.8% increase per pupil. The increase is due to a combination of increased demand as well as increased costs in relation to the pay award and pension contribution increases, which schools will receive funding towards from the ESFA. The increase in the cost of de-delegation to schools is therefore partly offset by the additional funding schools will receive.

Consequences if de-delegation does not continue

1.9.3 If de-delegation does not continue schools must meet all costs of maternity and other cover from their delegated budgets. There would cease to be any central support for schools that incur cover costs for staff away from school for the above reasons.

Consultation responses

1.9.4 Of the 39 primary responses received, all 39 were in favour of continuing to de-delegate this funding.

1.9.5 Of the 10 secondary responses received, 9 (90%) were in favour of continuing to de-delegate this funding.

Recommendation

1.9.6 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.10 Suspended staff cover

Purpose of the budget

1.10.1 This budget provides support for schools where employees are suspended, after the first three months. Whilst this is very rare, it can be costly for a school to continue to pay a member of staff that is suspended pending investigations being completed and also paying for cover.

Proposed budget

1.10.2 The total budget proposed for 2020/21 is £30k, a £10k reduction compared to 2019/20. This equates to a rate of £0.49 per pupil.

Consequences if de-delegation does not continue

1.10.3 If the de-delegation does not continue there will be no central support for schools where staff have been suspended, and schools will have to meet the continuing cost of the staff concerned and any cover costs from their delegated budgets.

Consultation responses

1.10.4 Of the 39 primary responses received, 37 (95%) were in favour of continuing to de-delegate this funding.

1.10.5 Of the 10 secondary responses received, 8 (80%) were in favour of continuing to de-delegate this funding.

Recommendation

1.10.6 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.11 Trade Union facilities

Purpose of the budget

1.11.1 The Trade Union Facilities budget covers the cost of providing convenor salaries, physical facilities and other associated costs. The allocation of union convenor time is based on a ratio of convenors to members of 1:1000. Where convenors work within a school, this budget provides the school with funds to cover the cost of release to undertake city-wide Trade Union duties.

Proposed budget

1.11.2 The total budget proposed for 2020/21 is £370,000. This is an increase in the total budget of £11,000 (3.1%) compared to the 2019/20 proposals, when the total de-delegated funding was £359,000. The amount per pupil has increased by 6.8% compared to 2019/20 proposals (£5.61 per pupil) to reflect additional costs due to the pay award and increase in pension contributions, for which schools have received additional grants. In addition the 2020/21 proposals are still lower than 2017/18 when the total amount requested was £470,000.

Consequences if de-delegation does not continue

1.11.3 If de-delegation does not continue then the future access to local trade union representatives to support staff at all levels of seniority within schools is at stake. By retaining this budget centrally, schools benefit from collective bargaining; professional representation in policy-making; representation of employees in grievance, performance, absence and disciplinary processes; support in employment tribunals; reduced litigation risk by working with employers; advice on TUPE; support with school governance structures and support with Ofsted outcomes.

Consultation responses

1.11.4 Of the 39 primary responses received, 37 (95%) were in favour of continuing to de-delegate this funding.

1.11.5 Of the 10 secondary responses received, 9 (90%) were in favour of continuing to de-delegate this funding.

Recommendation

1.11.6 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.12 School library service (primary schools only)

Purpose of the budget

1.12.1 The School Library Service (SLS) provides a range of resources to underpin the curriculum, inspire creativity and raise attainment for primary-aged pupils.

Proposed budget

1.12.2 It is proposed that the funding would be de-delegated for primary schools as an amount per pupil of £5.69. Based on forecast pupil data this would provide central de-delegated funding of £280,000.

1.12.3 This is an increase of £3,000 in total funding compared 2019/20 (£277,000). The amount per pupil has increased by 6% compared to the previous per pupil amount (£5.37). This budget has increased due to the pay award as well as an increase in costs for transport needed to provide the service. The increase also reflects that de-delegated contributions have been set at a lower level than actual cost in some previous years in order to reduce the impact of increases on schools.

Consequences if de-delegation does not continue

1.12.4 If de-delegation does not continue primary schools would have to meet School Library Service costs from their delegated budget provided that the service was able to continue by operating on a traded basis.

Consultation responses

1.12.5 Of the 39 primary responses received, 35 (90%) were in favour of continuing to de-delegate this funding.

Recommendation

1.12.6 It is recommended that funding for this service continues to be de-delegated for primary schools in 2020/21.

1.13 **Free school meals eligibility**

Purpose of the budget

1.13.1 The budget supports the administration cost of carrying out free school meal eligibility assessments and is provided by the council's Welfare & Benefits Service. The service is provided to all Leeds schools and charges are made separately to academies for the service where they choose to use it.

Proposed budget

1.13.2 It is proposed that the funding for FSM eligibility checks would be de-delegated as £1.59 per pupil plus £3.70 per pupil in receipt of FSM in the past six years. This mechanism reflects the additional volume of work for schools with higher measures of deprivation.

1.13.3 Based on forecast pupil data this would provide central de-delegated funding of £165,000. This is a decrease of £3,000 compared to 2019/20, when the total funding was £168,000. The individual rates have increased by 2% due to the pay award. For 2019/20 the rates were £1.56 per pupil and £3.63 per pupil in receipt of FSM in the past six years.

Consequences if de-delegation does not continue

1.13.4 If de-delegation does not continue then each school would need to make arrangements to administer its own free school meals service. The Leeds Welfare & Benefits Service would continue to provide a traded service that assesses entitlement to FSM and assuming all schools continue to buy into the service would charge the above rates plus any additional costs created by the administration of charging individual schools. If all schools do not buy into the service then the rates charged above may need to increase.

Consultation responses

1.13.5 Of the 39 primary responses received, all 39 were in favour of continuing to de-delegate this funding.

1.13.6 Of the 10 secondary responses received, 7 (70%) were in favour of continuing to de-delegate this funding. No comments were received from secondary schools that were not in favour of this proposal.

Recommendation

1.13.7 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.14 **SIMS Licences (primary schools only)**

Purpose of the budget

1.14.1 This budget supports the cost of the Capita SIMS licence for administrative software purchased on behalf of primary schools.

1.14.2 Work was carried out by Children and Families to review the cost of SIMS licences and ensure these are providing value for money. This has confirmed that the council contract offers cost savings compared to schools purchasing individual SIMS licences.

Proposed budget

1.14.3 It is proposed that the SIMS licences budget be de-delegated as an amount per pupil of £4.52 for primary schools only. Based on forecast pupil data this would provide central de-delegated funding of £223,000 for 2020/21. This is a reduction of £4,000 compared to the total 2019/20 figure of £227,000, and a 3.1% increase compared to the 2019/20 proposed rate of £4.39 per pupil.

Consequences if de-delegation does not continue

1.14.4 If de-delegation does not continue, schools would meet licence costs from their delegated budgets. Schools would still be able to access the rates available through the council's contract with Capita however the amount charged to schools may increase due to the additional administration costs associated with the council charging individual schools.

Consultation responses

1.14.5 Of the 39 primary responses received, 34 (87%) were in favour of continuing to de-delegate this funding.

Recommendation

1.14.6 It is recommended that funding for this service continues to be de-delegated for primary schools in 2020/21.

1.15 **Behaviour support services**

Purpose of the budget

1.15.1 This budget is for the Inclusion Support Team which provides support to schools for pupils with social, emotional and mental health difficulties. Work is undertaken to develop the capacity within schools to promote positive behaviour and successful inclusion for individuals or groups of pupils. The team undertake consultations with relevant adults (including parents), observations in the school setting, personalised intervention work, support for the development of individual behaviour plans and behaviour funding

requests (in primary schools).

Proposed budget

1.15.2 It is proposed that this funding would be de-delegated at £0.92 per pupil plus £2.85 per pupil in receipt of FSM in the past six years. This reflects the additional need at schools with higher measures of deprivation.

1.15.3 Based on forecast pupil data this would provide central de-delegated funding of £108,000 for 2020/21, the same amount as in 2019/20 which is required partly due to costs associated with the pay award. The amounts per pupil have increased by 3.5% compared to 2019/20.

Consequences if de-delegation does not continue

1.15.4 If de-delegation does not continue then there would be no centrally retained budget for behaviour support unless the service operates under a traded basis. The difficulty in operating under a traded basis would be the fact that the budget would be delegated to all schools but as the service provided is targeted, the charging levels and income collection would be difficult to calculate and predict. The ability to operate the service under an SLA could not therefore be guaranteed.

Consultation responses

1.15.5 Of the 39 primary responses received, 36 (92%) were in favour of continuing to de-delegate this funding.

1.15.6 Of the 10 secondary responses received, 6 (60%) were in favour of continuing to de-delegate this funding. Only one school that did not support the proposal provided a comment, which said that they did not support the proposal as they had invested in their own capacity to support students with SEMH needs and would therefore rather retain this funding themselves.

Recommendation

1.15.7 It is recommended that funding for this service continues to be de-delegated in 2020/21.

1.16 **Support to underperforming ethnic minority groups and bilingual learners**

Purpose of the budget

1.16.1 This budget makes provision for staff who build capacity within schools to improve the educational outcomes for new arrivals (NA), black and minority ethnic (BME) pupils as well as those for whom English is an additional language (EAL), in order to narrow the attainment gap. They provide leadership support and challenge; specialist advice and guidance on teaching and learning strategies and EAL assessment; curriculum materials for NA, BME and EAL pupils; consultancy support to individual schools or localities and bespoke training programmes in order to meet specific identified NA, BME and EAL needs.

Proposed budget

1.16.2 The total budget proposed for 2020/21 is £300,000. This is a reduction of £93,000 (24%) compared to 2019/20 where the de-delegated funding proposal was £393,000. This reduction in de-delegated contributions has been possible due to an alternative funding source being identified for part of the service and it does not affect the service offer. Individual rates have reduced by 18% compared to 2019/20 amounts, further detail on the rates is available in appendix 1.

Consequences if de-delegation does not continue

1.16.3 If de-delegation does not continue there would be no centrally retained budget to support narrowing the attainment gap for NA, BME and EAL pupils. The difficulty in trying to trade the service would be the fact that the budget would be delegated to all schools but as the service provided is targeted, the charging levels and income collection would be difficult to predict. The ability to operate the service under an SLA could not therefore be guaranteed.

Consultation responses

1.16.4 Of the 39 primary responses received, 35 (90%) were in favour of continuing to de-delegate this funding.

1.16.5 Of the 10 secondary responses received, 7 (70%) were in favour of continuing to de-delegate this funding. No comments were received from secondary schools that were not in favour of this proposal.

Recommendation

1.16.6 It is recommended that funding for this service continues to be de-delegated in 2020/21.

2 Recommendations

2.1 Schools Forum members representing maintained primary and secondary schools only are requested to vote (by phase) on the de-delegation of funding for each of the services above in 2020/21. It is recommended that all nine services continue to be de-delegated.

2.2 The services to be voted on are shown in the table below, along with the number and percentage of schools that voted in support of de-delegation continuing.

Service area	Primary schools in support of de-delegation continuing		Secondary schools in support of de-delegation continuing	
	Number	**Percentage**	**Number**	**Percentage**
School contingency fund	38	97%	6	60%
Maternity and other cover	39	100%	9	90%
Suspended staff cover	37	95%	8	80%
Trades union facilities	37	95%	9	90%
School library services (primary only)	35	90%	n/a	n/a
Free school meals eligibility	39	100%	7	70%
SIMS licences (primary only)	34	87%	n/a	n/a
Behaviour support services	36	92%	6	60%
Support to underperforming ethnic minority groups and bilingual learners	35	90%	7	70%