

**REPORT:** School Forum

**DATE:** 16<sup>th</sup> October 2012

**REPORTING OFFICER:** Operational Director – Children’s Organisation and Provision

**SUBJECT:** Central Services

**WARDS:** Borough-wide

**1.0 PURPOSE OF REPORT**

1.1 This report provides a summary of the delegation requirements for the budgets for services which are currently centrally retained. School Forum are asked to consider which of the allowable factors can be used for those budgets which must be delegated, agree whether any budgets should be de-delegated and confirm those budgets which will continue to remain centrally held.

**2.0 RECOMMENDED:**

**2.1 School Forum agree to de-delegate free school meals eligibility, staff costs/supply cover, contingency and support for ethnic minority pupils;**

**2.2 School Forum agree that the factor used for the delegation of contingency, staff costs/supply cover and , contingency is free school meals and the factor for delegating schools meals eligibility is free school meals;**

**2.3 Confirm the central retention of the budgets listed in paragraph 3.7 and the budget allocations for 2013/2014; and**

**2.4 Agree to the central retention of funding for pupil growth, equal pay back pay and places in independent schools for non-SEN pupils.**

**3.0 BACKGROUND**

3.1 The DFE aims to maximise the delegation to schools and give headteachers, principals and governors more control over how funding for previously centrally retained services is spent. There are therefore a number of budgets that have to be delegated to schools that cannot be de-delegated but that schools can buy into the service, if provided by the LA. These budgets are as follows:

- Threshold and performance pay;
  - 14-16 practical learning options;
  - Primary/special school meals; and
  - Extended services.
- 3.2 In Halton these budgets have been delegated to schools in previous years. No action is therefore required.
- 3.3 Only in a limited number of cases can funding be held centrally. There are a number of exceptions; where maintained schools agree that a service should be provided centrally, historic commitments and statutory functions of the local authority.
- 3.4 **Exception 1** – The following services can only be centrally retained if agreed by the Schools Forum on behalf of maintained schools in a phase e.g. primary and secondary. Funding will have to be delegated to schools in the first instance but can be de-delegated if approved. Academies can also choose to buy into these services by local agreement. The relevant services and current budgets are as follows:
- Schools contingency - £298,110 \* *see exceptions para 3.8*
  - Administration of free school meals eligibility - £10,416
  - Insurance - n/a
  - Licenses or subscriptions – n/a/
  - Staff costs or supply cover - £38,160
  - Support for ethnic minority pupils or underachieving pupils - £146,828
  - Behavior support services – n/a
  - Library and museum services – n/a
- 3.5 The budget for free school meals eligibility pays for the officer time identifying pupils who are eligible for free school meals. In Halton there is currently only one person involved in the administration of free schools eligibility therefore to ensure this is sustainable it would need supporting by each phase. Staff costs/ supply cover includes the cost of facilities time for the trade unions representing school staff. If schools do not opt to de-delegate this budget it will no longer be possible to fund these positions which will impact on each trade unions representational and organisational role. Support for ethnic minority pupils is commissioned by the Local Authority from St Chad's.
- 3.6 All school headteachers and/or their representatives were invited to attend one of two consultation sessions which took place on 27<sup>th</sup> September 2012. 40 school representatives attended one of the two sessions. At the end of the session representatives were invited to complete a consultation form indicating whether they supported de-delegation and the factors to be

used in delegating the additional funding to schools. The majority of schools in each phase agreed that the contingency, free school meals eligibility, staff costs/supply cover and the EAL service budget could be de-delegated. They also agreed that the formula to be used for contingency, staff costs/supply cover and the EAL service should be pupil numbers and free school meals eligibility should be free schools meals.

3.7 **Exception 2** - Authorities can retain funding for some central services but there can be no new commitments or increases in expenditure from 2012/2013. School Forum is required to confirm each of these budget sums. This includes the following budgets:

- Admissions - £132,888;
- Servicing School Forum - £23,120;
- Carbon reduction commitment - £90,500;
- Capital expenditure funded from revenue - £431,330;
- Contribution to combined budgets – including miscellaneous budget - £132,900 + £13,990
- School budgets centrally funded termination of employment costs - £250,750;
- Schools budget funded prudential borrowing costs – n/a

3.8 **Exception 3** - The following budgets can be centrally retained before the formula is allocated with the agreement of School Forum:

- Funding for significant pre-16 pupil growth – any underspend at the end of the year must be added to the following year formula allocations. This provision is currently funded through the contingency;
- Equal pay back-pay; and
- Places in independent schools for non-SEN pupils.

#### 4.0 FINANCIAL IMPLICATIONS

The level of Dedicated Schools Grant will not be affected by the School Funding Reforms proposed for 2013/2014 as the key changes only relate to the distribution of this funding.

#### 5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

##### 5.1 Children & Young People in Halton

The funding changes are likely to have a significant impact on the long term sustainability of small schools.

**5.2 Employment, Learning & Skills in Halton**

None.

**5.3 A Healthy Halton**

None.

**5.4 A Safer Halton**

None.

**5.5 Halton's Urban Renewal**

None.

**6.0 RISK ANALYSIS**

6.1 There is a risk that schools do not agree to de-delegate any of the budgets previously centrally retained. As Halton already has high levels of delegation this is likely to mainly impact on facilities time, free school meals eligibility and the contingency budget. In addition, the EAL service will not be sustainable unless both sectors agree to de-delegate this provision.

**7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 It is the aim of the School Funding review to create a fairer funding system and ensure the funding is more responsive to the individual needs of pupils and students with high needs.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

| <b>Document</b>                              | <b>Place of Inspection</b> | <b>Contact Officer</b>   |
|--|----------------------------|--|
| School Funding Reform Arrangements 2013/2014 | DFE website                | Ann McIntyre – Operational Director – Children's Organisation and Provision & Ed Dawson – Operational Director- Financial Services |