

Report of Director of Children's Services

Report to Scrutiny Board (Children and Families)

Date: 30th October 2013

Subject: The implications of academies for the Leeds Children's Services and education in general

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

1.0 Summary of main Issues

1.1 At the December 2012 meeting of the Scrutiny Board the board received a report that advised of Government update, the number of schools in Leeds and the proportion of those which were Academies. Discussed were the freedoms afforded to academies, funding and resources, policies and admissions including fair access and exclusions policies, land and buildings and partnership working. It was difficult to clarify at the time what impact academies (or other schools moving from being maintained) are having on attainment and in communities.

The Board agreed that further investigation was required in order to

- appreciate the full implications of costs and resources on Leeds Children's Services
- inform the development of a comprehensive Leeds position statement on structural change that guides improvements in schools' standards and effectiveness and meets the needs of all young people educated in Leeds.

1.2 Purpose of this report

- 1.2.1 The purpose of this report is to provide the information on the recommendations requested by the Scrutiny Board at the meeting in January 2013.

2.0 Background Information

- 2.1 An academy is a state funded independent school. There are two types of academy:

Converter academies are higher attaining schools that have chosen to convert to academy status.

Sponsored academies are usually set up to replace “under-performing schools”.

Appendix 1 presents sponsor information on both academy types in Leeds.

- 2.2 Leeds currently has 9 academy sponsors working in the city: Diocese of Ripon and Leeds, LEAF Academy Trust (LEAF), The Co-operative, The Gorse Academies Trust (GORSE), Schools Partnership Trust Academies (SPT), Academies Enterprise Trust (AET), E-ACT, and United Learning (UL), Leeds City College.

- 2.3 Since the last report the number of academies in Leeds has increased from 17 to 29.

2.3.1 Summary of primary provision in Leeds

- 2 through schools (2-19 years)
- 5 Specialist Inclusive Learning Centres (2 – 19 years)
- 1 Pupil Referral Unit
- 205 primary LA maintained schools
- 13 primary academies, equating to 6% of all primary schools. Since the last report there are a further 5 primary converter academies and a further 5 primary sponsored academies.

- 2.3.2 **Primary converter academies (7):** Manston St James (LEAF), Garforth Green Lane Primary School (SPT), St Benedict's Primary (The Bishop Konstant Academy Trust), St. Peter & Paul Catholic Primary (The Bishop Wheeler Academy Trust), St. Joseph's Pudsey (The Bishop Wheeler Academy Trust), St Joseph's Otley (The Bishop Wheeler Academy Trust), St Mary's Catholic Primary Horsforth (The Bishop Wheeler Academy Trust).

- 2.3.3 **Primary sponsored academies (6):** Park View Academy (SPT), Brownhill (The Co-operative Group), Cottingley (AET), Woodlands (The Co-operative Group), Oakwood (The Co-operative Group), East Garforth (SPT)

2.3.4 There are 2 primary sponsored conversions in process: Hillcrest Primary (GORSE), Rothwell CE Primary (LEAF).

2.3.5 Summary of secondary provision in Leeds

- 2 through schools (2-19years)
- 5 Specialist Inclusive Learning Centres (2 – 19 years)
- 1 Behaviour Emotional Social Difficulties provision
- 3 Pupil Referral Units
- 20 secondary LA maintained schools
- 16 secondary academies, equating to 42% of all secondary schools.
Since the last report there are a further secondary converter and a further secondary sponsored academy.

2.3.6 Secondary converter academies (9): Abbey Grange Church of England Academy, Crawshaw School, Horsforth School, Garforth Academy (SPT), The Morley Academy (GORSE), Otley Prince Henry's Grammar, Rodillian School, Woodkirk, St Mary's Menston (The Bishop Wheeler Academy Trust).

2.3.7 Secondary sponsored academies (7): David Young Community Academy (LEAF), The Farnley Academy (GORSE), The Co-Operative Academy (the Co-operative Group), Leeds East Academy (E-ACT), Leeds West Academy (E-ACT), Leeds South Academy (SPT), Swallow Hill Academy (AET).

2.3.8 There are 2 secondary sponsored conversions in process: John Smeaton (UL), City of Leeds (Leeds City College).

2.3.9 Free schools are also academies, funded directly by central government. They are run on a not-for-profit basis, and can be set up by groups like: charities, universities, independent schools, community and faith groups, teachers, parents, businesses.

3.0 Main issues

3.1 Funding implications resulting from schools converting to academy can be broken down into two areas:

1. direct and in-direct financial consequences for the Leeds Children's Services brought about by the re-designation of schools as Academies
2. actual costs to the Leeds Children's Services arising from processing and managing each conversion

3.1.1 Direct loss of Education Services Grant (ESG)

The Education Services Grant is currently paid at a rate of £131.45 per pupil per year to fund certain responsibilities the Leeds Children's Services has to maintained schools. Of this amount, £116.45 per pupil relating to responsibilities that transfer to academies is removed from the date at which a school becomes an academy. £15 per pupil continues to be paid to fund continuing responsibilities to all pupils, whether attending maintained schools or academies. For example, for a Secondary school with 1,000 pupils the grant is reduced by £116,450 per year from the date of transfer. Including the four

schools currently in the conversion process the total loss of ESG per year due to academies is £2,960,000. The loss of this funding requires reductions in the central Leeds Children's Services functions supporting the functions that transfer. *Appendix 2* lists the functions for which the Leeds Children's Services retains responsibility. *Appendix 3* lists those functions that transfer and for which funding is reduced.

3.1.2 Loss of Non Domestic Rates (NNDR)

All academies receive mandatory rates relief of 80%. Under the revised arrangements for National Non Domestic Rates (NNDR), 49% of any additional relief since localisation falls on the City Council, with 1% falling on the Fire Service precept and 50% being met by the national pool. Including the relief to the four schools currently in the conversion process the cost of additional mandatory rates relief to academies is £2,129,000. The direct impact on Leeds City Council is 49% of the relief to those schools that have converted since the local arrangements were brought in and is estimated at £850,000 per year.

3.1.3 Loss of funding for De-delegated Services

The Schools Forum has supported the de-delegation and continued central provision of a number of services newly delegated from April 2013. When a school transfers to academy status funding for these services must be delegated and is transferred to the individual academies. Including the four schools currently in the conversion process the total loss of de-delegated funding will be £1,513,000 per year. The following table shows a breakdown of the reduction by function

Service / Budget Area	De-delegated funding loss
School contingency fund and support for schools in financial difficulty	£311,524
Free School Meals Eligibility Checks	£57,918
Licences/ subscriptions	£19,513
Maternity and other cover	£566,749
Trades Union Facilities Time	£149,573
Suspended Staff Cover	£41,499
Support to underperforming ethnic minority groups and bilingual learners	£256,113
Behaviour support services	£33,918
Museum Service	£53,969
Library Service	£22,707
Total de-delegated funding	£1,513,483

In a number of instances this automatically results in savings. For example the largest de-delegated budgets are for the School Contingency fund and Maternity Cover that would be expected to reduce pro-rata.

In some instances academies buy-back the services. For example all academies buy back the City Council's service to check free school meal eligibility. Where academies do not buy back services this must result in

reductions in expenditure.

3.2 Leeds Children's Services conversion costs

- 3.2.1** When a maintained school converts to academy status, a number of legal documents are put in place which formally detail the transfer of land/property, assets and staff, and the corresponding liabilities and obligations that will exist between Leeds City Council and the sponsor / academy. There are 2 main documents that are required for all conversions: a 125-Year lease and a Commercial Transfer Agreement (CTA).
- 3.2.2** Under the Academies Act 2010, Leeds City Council is statutorily required to grant a 125-year lease of the applicable school site to each academy sponsor/trust at nil cost. In the case of PFI schools, the lease is subject to the restrictions and obligations with the PFI contract and the academy only becomes liable for repair, maintenance and insurance of the buildings once the PFI contract expires.
- 3.2.3** Each academy conversion has its own set of land and asset issues to be considered during conversion. Whilst there is a DEPARTMENT FOR EDUCATION model template lease which should be entered into, each lease needs to be reworked and negotiated to take into account of site specific land and asset issues which need to be considered as part of the conversion process. Examples of such issues include the use of off-site playing fields and leisure facilities, shared site usage, caretaker's properties, community leases, boundary and title discrepancies, Leeds City Council managed Children's Centres on school sites, Private Nurseries.
- 3.2.4** In the case of faith based schools, most of the land and property should have already transferred freehold to the relevant faith body (e.g. Diocese) under the School Standards and Framework Act and a lease is therefore not required, however there are a number of school sites across the Leeds Estate whereby these transfers are still being agreed. It should also be noted that where a Trust school converts to academy status, Leeds City Council would not be required to grant a lease on the basis that the freehold of the school site will already have transferred from LCC to the Trust under the relevant legislation.
- 3.2.5** The purpose of the Commercial Transfer Agreement is to legally document the transfer of staff, assets and contracts from LCC and the School Governing Body to the Academy Trust. Under the Academy legislation, all staff employed at the school will transfer from Leeds City Council to the Academy under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and the CTA provides for apportionments of payment of salaries, pension contributions, etc. and indemnities from both parties in relation to employment matters. It also details the transfer of liabilities for contracts that the Governing Body have entered into and also the funds in any applicable bank accounts.
- 3.2.6** In Leeds there are 15 primary schools, 9 secondary schools, and 5 academies that have been designed, built and funded under the Private Finance Initiative (PFI) and are subsequently operated and maintained by the Private Sector for a period of at least 25 years. Of the four schools currently undergoing conversion,

one secondary school is a PFI school. As highlighted earlier in the report, Leeds City Council continues to manage the PFI contracts irrespective of whether a school has Community, Foundation/Trust or Academy status, although for the most recent (and all future) PFI Academy conversions, the Academy Trust is required to pay a fee to LCC for this service.

- 3.2.7** The level of legal costs incurred by Leeds Children's Services in relation to the drafting of leases for each particular conversion is determined by the complexity of the site issues and the subsequent extent of legal work required to resolve these complexities and issues.
- 3.2.8** To date, the academy conversion costs for the 29 converted academies and the 4 in current process, have totalled £821,683. Leeds Children's Services receive no funding from the Department for Education or the Academy Trust to cover these costs.
- 3.2.9** The major factor within the conversion costs is the PFI dimension, as on top of the costs for Legal Services and City Development, there are also costs incurred through Public Private Partnership and Procurement Unit (PPPPU) for negotiating the PFI transfer documents. In addition, PFI Funder's Advisors costs arise. In effect, this means that PFI conversions are at least five times more expensive than non-PFI conversions.
- 3.2.10** Within the total costs quoted at 3.2.8, £536,455 of the costs relate to the conversion of 6 PFI funded schools.
- 3.2.11** Further revisions are required to the documentation of a converted academy to reflect a proposed change to Multi Academy Status. Under such circumstances, the agreed stance of Leeds Children's Services is that the Academy Trust must cover Leeds City Council's legal costs on the basis that the Authority has already been required to stand its own costs during the original conversion process and that all work undertaken on behalf of an academy/non-maintained school should be on a cost recovery basis.
- 3.2.12** It should be noted that the process undertaken and financial implications arising when a school changes category to a Trust school, differ widely from those converting to Academy status. Under the Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, instead of granting a lease to the Trust (as under the Academy legislation), the freehold of all land held or used by the Council immediately before the implementation date of the Trust for the purposes of the school, will transfer to (at nil consideration) and vest in the Trust to be held for the purposes of the new school.
- 3.2.13** Normally this will include the school's buildings, hard and soft play areas, all-weather sports areas, games courts, playing fields, habitat areas, roads, paths and car parks. There is a presumption that all land held by the school immediately before it publishes proposals to change category will transfer: Any exceptions to this that will be agreed between Council and Trust, or failing agreement, determined by the Schools Adjudicator.

3.3 Financial implications summary

3.3.1 The financial consequences for Leeds City Council brought about by the re-designation of schools are a loss of £5,323,000 per year. This is a recurring annual loss of funding, summarised as follows:

Direct and in-direct financial consequences	Value of Loss
Direct loss of Education Services Grant	£2,960,000
Direct impact of the loss of relief on Non Domestic Rates	£850,000
Loss of funding for De-Delegated Services	£1,513,000
Total Funding reduction	£5,323,000

3.3.2 Actual costs incurred by the Leeds Children's Services arising from processing and managing each conversion to total £821,683. This is a one-off cost but one which will increase at each subsequent conversion.

3.4 Expectations of local authorities in relation to academies

3.4.1 Leeds has an ambition to become a child friendly city, working with all partners with the child at the heart of everything we do. The publication of 'The framework for the inspection of Leeds Children's Services arrangements for supporting school improvement' sets out clearly the responsibility on local authorities to support improvement in all schools, regardless of their governance arrangements. This is in line with the way Leeds has already been working since the last report, to re-define our role and relationship with schools and academies.

3.4.2 For a city as large and diverse as Leeds in particular, it means embedding a genuinely effective model of local partnership working. In Leeds, schools and academies have signed up to a way of working – 25 local clusters of secondary and primary schools and academies working with the other key services for children in their local area so that the child is at the heart of everything.

3.4.3 For our academies in particular this means a clear offer and clear expectations. We expect our academies to be fully engaged with and to benefit from the range of innovative practice that we have introduced for all our children across Leeds. We ask that our academies engage with us by sharing data and information about children, supporting these and other initiatives, participating in their cluster and crucially by being at the table for the conversations that make a difference to children's lives.

3.4.4 The new model that is being built within children's services, and across the whole Leeds Children's Services reflects this: one that blurs traditional barriers by emphasising:

- civic enterprise across the city - making public services more enterprising and the private sector more socially responsible.

- A new social contract with our citizens - where support comes with responsibility and participation.
- And a restorative approach – where our work with families and partners, including schools, is based on just that, doing things with them, rather than to them or for them.

3.4.5 Wherever the child or young person is being educated, the Leeds Children’s Services has a statutory requirement to ensure that the Section 13A duties are carried through. The White Paper ‘The Importance of Teaching’ also emphasized this. Working together with all our schools and academies is the only way we can do it. This is set out clearly in the Learning Improvement Strategy (*appendix 4*), written in partnership with headteachers, that was sent to schools last term.

3.4.6 When a school converts to an academy they open as a new school and the maintain school is closed. Of the schools that have converted to academy 7 secondary academies have received an Ofsted inspection. One academy has been judged ‘outstanding’, four have been judged as ‘good’ and two have been judged as having ‘serious weaknesses’.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Further collaboration is required across Children and Young People’s Services, Corporate Governance, Resources and City Planning to establish a greater understanding of the implications of structural change of Leeds schools.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The issue of how to ensure that all children receive equal opportunities of the same highest standards of provision across all Leeds schools needs to be further addressed.

4.2.2 The issue of how all Leeds schools work together to ensure the benefits of community cohesion and social integration needs to be further addressed.

4.3 Council policies and City Priorities

4.3.1 As mentioned above, through the vision for Leeds to become the best UK city and within this, the best city for children and young people to grow up in, we have outlined an ambition to become a child friendly city. This is one of the key objectives of the council plan. Realising this ambition requires a co-ordinated partnership approach across the city where all organisations, including schools, that are working with and for children and young people contribute to each other’s efforts and successes. As such, academies are an important part of our

city-wide approach and it is crucial that, in line with the model outlined in this report, they both support and complement other local services that work with children and families, as well as being able to benefit from those services.

4.4 Resources and value for money

4.4.1 Service/Officer costs, recovery costs of past conversions, new trading implications, demonstration of school improvement data, land transfer (assets maintenance).

4.5 Legal Implications, Access to Information and Call In

4.5.1 Land transfer (assets maintenance).

4.6 Risk Management

4.6.1 Land transfer issues, PFI indemnities, checking maintenance of leased buildings, communications on safeguarding information, exclusions, admissions, SEN duties, equal opportunities.

5.0 Conclusions

5.1 Financial implications summary

The financial consequences for the Leeds Children's Services brought about by the re-designation of schools are a loss of £5,323,000 per year.

Actual costs incurred by the Leeds Children's Services arising from processing and managing each conversion to total £821,683.

5.2 Although the number of academies in Leeds has increased since the last report, the number of academies in process has slowed dramatically. Leeds is now looking more actively at local solutions for schools to drive improvement.

6.0 Recommendations

6.1 The Scrutiny Board are recommended to note to the contents of this report and make comment on the report.

7.0 References

The School Finance (England) Regulations 2011

8.0 Appendices

Appendix 1 Academy list

Appendix 2 Appendix 2 List of Continuing Responsibilities for all Schools funded from ESG

Appendix 3 Services / Duties to Leeds maintained Schools funded from ESG

Appendix 4 Leeds Learning Improvement Strategy

School	Primary/Secondary/Free	Current School Status	Converter/Sponsor	Conversion Date	Name of Sponsor
Abbey Grange CE	Secondary	Academy	Converter	August 2011	
Crawshaw School	Secondary	Academy	Converter	July 2012	
Garforth Academy	Secondary	Academy	Converter	November 2010	School Partnership Trust (SPT)
Horsforth School	Secondary	Academy	Converter	January 2012	
Morley Academy (The)	Secondary	Academy	Converter	January 2011	
Prince Henry's Grammar School Specialist	Secondary	Academy	Converter	December 2011	
Rodillian School	Secondary	Academy	Converter	July 2012	
St Mary's Catholic High School	Secondary	Academy	Converter	1 March 2013	The Bishop Wheeler Academy Trust
Woodkirk Academy	Secondary	Academy	Converter	September 2011	
Garforth Green Lane Primary School	Primary	Academy	Converter	November 2010	School Partnership Trust (SPT)
Manston St James Church of England Primary	Primary	Academy	Converter	September 2012	LEAF
SS St Peter and Paul Catholic Primary School	Primary	Academy	Converter	1 April 2013	The Bishop Wheeler Academy Trust
St Benedict's Catholic Primary School	Primary	Academy	Converter	November 2012	The Bishop Konstant Academy Trust
St Joseph's Catholic Primary School Otley	Primary	Academy	Converter	1 March 2013	The Bishop Wheeler Academy Trust
St Joseph's Catholic Primary School Pudsey	Primary	Academy	Converter	1 March 2013	The Bishop Wheeler Academy Trust
St Mary's Catholic Primary School Horsforth	Primary	Academy	Converter	1 March 2013	The Bishop Wheeler Academy Trust
Co-Operative Academy (The) (formerly Primrose	Secondary	Academy	Sponsor	September 2012	The Co-operative
David Young Community Academy	Secondary	Academy	Sponsor	2006	LEAF
E-ACT Leeds East Academy (Formerly Parkland	Secondary	Academy	Sponsor	September 2011	E-ACT
Farnley Academy (The)	Secondary	Academy	Sponsor	February 2012	GORSE Academies Trust
Leeds West Academy	Secondary	Academy	Sponsor	2009	E-ACT
South Leeds Academy	Secondary	Academy	Sponsor	2009	School Partnership Trust (SPT)
Swallow Hill Community College	Secondary	Academy	Sponsor	1 July 2013	AET
Brownhill Primary School	Primary	Academy	Sponsor	December 2012	The Co-operative Group
Cottingley Primary Academy	Primary	Academy	Sponsor	December 2012	AET
East Garforth Primary School	Primary	Academy	Sponsor		SPT
Oakwood Primary School	Primary	Academy	Sponsor	1 September 2013	The Co-operative Group
Park View Academy	Primary	Academy	Sponsor	September 2012	School Partnership Trust (SPT)
Woodlands Primary School	Primary	Academy	Sponsor	December 2012	The Co-operative Group
City of Leeds School	Secondary	Proposed	Sponsor	1 April 2014	Leeds City College
John Smeaton Community College	Secondary	Proposed	Sponsor	1 November 2013	United Learning Trust
Hillcrest Primary School	Primary	Proposed	Sponsor	1 January 2014	GORSE Academies Trust
Rothwell Church of England Voluntary Controlled	Primary	Proposed	Sponsor	1 January 2014	LEAF

Appendix 1 – Converter and Sponsored academies in Leeds October 2013

Appendix 2 List of continuing responsibilities for all schools and academies funded from ESG

Education welfare services

- Prosecutions for non attendance
- Tracking children missing from education
- Other statutory duties – for example, expenditure in connection with powers and duties performed under Part 2 of the Children and Young Persons Act 1933 (Enforcement of, and power to make bylaws in relation to, restrictions on the employment of children).

Asset management

- Strategic capital programme planning
- Management of BSF schemes and PFI contracts
- Functions in relation to Academy leases
- expenditure in relation to the management of the authority's capital programme, preparation and review of an asset management plan, negotiation and management of private finance transactions and contracts (including Academies which have converted since the contracts were signed), landlord premises functions for relevant academy leases

Statutory and regulatory duties

- Strategic planning of education services including the education element of the Director of Children's Services and other statutory/regulatory duties relating to both maintained schools and Academies
- Planning for education services on an area-wide basis
- Finance, HR and legal functions relating to central services that do not transfer to Academies
- Maintenance and development of local school funding formula
- Expenditure in connection with the authority's functions in relation to the standing advisory council on religious education constituted by the authority under [section 390 of the 1996 Act](#) or in the reconsideration and preparation of an agreed syllabus of religious education in accordance with [schedule 31 to the 1996 Act](#);

Appendix 3 Leeds Children's Services functions to Leeds maintained Schools funded from ESG

Therapies and other health related services

Costs associated with the provision or purchase of speech, physiotherapy and occupational therapies. Include any expenditure on the provision of special medical support for individual pupils which is not met by a Primary Care Trust, National Health Service Trust or Local Health Board.

Central support services

Includes expenditure on:

- pupil support: provision and administration of clothing grants and board and lodging grants, where such expenditure is not supported by grant.
- music services: expenditure on the provision of music tuition or other activities which provide opportunities for pupils to enhance their experience of music.
- Visual and performing arts (other than music): expenditure which enables pupils to enhance their experience of the visual, creative and performing arts other than music.
- Outdoor education including environmental and field studies (not sports): expenditure on outdoor education centres – field study and environmental studies etc. – but not including centres wholly or mainly for the provision of organised games, swimming or athletics.

Education welfare service

Education Welfare Service and other expenditure arising from the LA's school attendance functions. Excludes expenditure where Education Welfare Officers are directly involved in issues related to [The Children Act 1989](#) and duties in *appendix 2* above.

School Improvement

Expenditure incurred by a Leeds Children's Services in respect of action to support the improvement of standards in the authority's schools, in particular expenditure incurred in connection with functions under the following sections of the [2006 Act](#):

- (a) section 60 (performance standards and safety warning notice),
- (b) section 60A (teachers' pay and conditions warning notice),
- (c) section 63 (power of Leeds Children's Services to require governing bodies of schools eligible for intervention to enter into arrangements),
- (d) section 64 (power of Leeds Children's Services to appoint additional governors),
- (e) section 65 (power of Leeds Children's Services to provide for governing bodies to consist of interim executive members) and Schedule 6; and
- (f) section 66 (power of Leeds Children's Services to suspend right to delegated budget).

Asset management

Education health and safety and other landlord premises functions for community schools.

Statutory/ Regulatory Duties

Expenditure on education functions related to:

- functions of the authority under [Part 1 of the Local Government Act 1999](#) (Best Value) and also the provision of advice to assist governing bodies in procuring goods and services with a view to securing continuous improvement in the way the functions of those governing bodies are exercised, having regard to a combination of economy, efficiency and effectiveness;

- revenue budget preparation; the preparation of information on income and expenditure relating to education, for incorporation into the authority's annual statement of accounts; and the external audit of grant claims and returns relating to education;
- administration of grants to the authority (including preparation of applications), functions imposed by or under [Chapter 4 of Part 2 of the 1998 Act](#) and, where it is the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions;
- authorisation and monitoring of:
 - (i) expenditure which is not met from schools' budget shares; and
 - (ii) expenditure in respect of schools which do not have delegated budgets, and all financial administration relating thereto;
- the authority's monitoring of compliance with the requirements of their financial scheme prepared under section 48 of the 1998 Act, and any other requirements in relation to the provision of community facilities by governing bodies under section 27 of the 2002 Act;
- internal audit and other tasks necessary for the discharge of the authority's chief finance officer's responsibilities under section 151 of the Local Government Act 1972;
- the authority's functions under regulations made under [section 44 of the 2002 Act](#);
- 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 carried out in relation to those of the authority's functions and services which are referred to in other paragraphs of Schedule 1 to the School and Early Years Finance (England) Regulations 2012. This relates to staff centrally funded and whose work falls within the scope of the LA Budget;
- investigations which the authority carry out of employees or potential employees of the authority or of governing bodies of schools, or of persons otherwise engaged or to be engaged with or without remuneration to work at or for schools;
- functions of the authority in relation to local government superannuation which it is not reasonably practicable for another person to carry out and functions of the authority in relation to the administration of teachers' pensions;
- retrospective membership of pension schemes and retrospective elections made in respect of pensions where it would not be appropriate to expect the governing body of a school to meet the cost from the school's budget share;
- advice, in accordance with the authority's statutory functions, to governing bodies in relation to staff paid, or to be paid, to work at a school, and advice in relation to the management of all such staff collectively at any individual school ("the school workforce"), including in particular advice with reference to alterations in remuneration, conditions of service and the collective composition and organisation of such school workforce;
- determination of conditions of service for non-teaching staff and advice to schools on the grading of such staff;
- the authority's functions regarding the appointment or dismissal of employees;
- consultation and functions preparatory to consultation with or by governing bodies, pupils and persons employed at schools or their representatives, or with other interested bodies;
- compliance with the authority's duties under the [Health and Safety at Work etc. Act 1974](#) and the relevant statutory provisions as defined in section 53(1) of that Act in so far as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and where necessary the giving of advice to them;

- the investigation and resolution of complaints;
- legal services relating to the statutory functions of the authority;
- the preparation and review of plans involving collaboration with other Leeds Children's Services services or with public or voluntary bodies;
- provision of information to or at the request of the Crown and the provision of other information which the authority are under a duty to make available;
- Expenditure incurred in connection with the authority's functions pursuant to regulations made under [section 12 of the 2002 Act](#) (supervising authorities of companies formed by governing bodies);
- Expenditure incurred in connection with the authority's functions under the discrimination provisions of the Equality Act 2010 in so far as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and where necessary the giving of advice to them;
- Expenditure on establishing, and maintaining electronic computer systems, including data storage, in so far as they link, or facilitate the linkage of, the authority to schools which they maintain, such schools to each other or such schools to other persons or institutions.
- Expenditure in respect of a teacher's emoluments under [section 19\(9\) of the Teaching and Higher Education Act 1998](#) except such expenditure which falls to be met from a school's budget share;
- Expenditure on the appointment of governors, the making of instruments of government, the payment of expenses to which governors are entitled and which are not payable from a school's budget share and the provision of information to governors.
- Expenditure on making pension payments other than in respect of schools.

Premature retirement costs / Redundancy costs (new provisions)

any budget for payments to be made by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, after 1st April 2013 under [section 37, Education Act 2002](#).

Monitoring national curriculum assessment

Expenditure on monitoring National Curriculum assessment arrangements required by orders made under [section 87 of the 2002 Act](#).

Summary:

<u>Direct and in-direct financial consequences</u>	<u>Value of Loss</u>
Direct loss of Education Services Grant	£2,960,000
Direct impact of the additional relief	£850,000
Loss of funding for De-Delegated Services	£1,513,000
Total Financial Loss	£5,323,000