

Appendix 1

Consultation on the De-Delegation of Funding for Services for the 2019/20 Financial Year

MAINTAINED MAINSTREAM SCHOOLS ONLY

1.0 Background

Funding provided by the Education and Skills Funding Agency (ESFA) must be delegated to schools each year by the local authority. Schools Forum can however agree that the local authority retains some of this funding to provide central services for maintained mainstream schools. This is known as 'de-delegation' of funding.

Before seeking approval from Schools Forum, the local authority must consult with all maintained mainstream schools to obtain their views on whether funding should continue to be de-delegated for these services in 2019/20. Primary and secondary maintained mainstream schools are therefore requested to complete the attached consultation response form by **8th January 2019** in order to inform the vote to be taken by Schools Forum at their meeting on 17th January 2019. Please return the form and direct any queries by email to education.finance@leeds.gov.uk

This consultation is for maintained mainstream schools only as the ESFA regulations do not allow other settings, such as academies or SILCs, to de-delegate their funding in this way.

The figures quoted below are draft and are based on forecast October 2018 pupil data. The actual figures de-delegated for 2019/20 will be updated for changes in the budget requirements and the actual October 2018 pupil data once this information is available.

We were previously expecting 2019/20 to be the last year that de-delegation would be possible, as the ESFA had intended to bring in the full national funding formula in 2020/21. However implementation of this has now been delayed until at least 2021/22 and we are expecting de-delegation to continue until the national funding formula is fully introduced. We will consider alternative arrangements for operating services once Schools Forum can no longer vote to de-delegate funding.

All of the services listed below were de-delegated in 2018/19 and we are proposing that this continues for 2019/20. The total amount of funding proposed to be de-delegated in 2019/20 is £4,420,000. This is a reduction of £143,000 compared to 2018/19 proposals which totalled £4,563,000.

1.1 School Contingency Fund

Purpose of the budget

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;
- b. Schools in financial difficulties; and
- c. Additional costs relating to new, reorganised or closing schools

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

Method of de-delegation

It is proposed that the funding would be de-delegated as an amount per pupil of **£14.90**, the same rate as was proposed for 2018/19. Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£954,000**. This is a reduction of £80,000 compared to 2018/19.

Consequence of delegation

If the funding remains delegated to schools, 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 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 or traded offer.

Recommendation

It is recommended that the budget for the School Contingency Fund should continue to be de-delegated and a central contingency fund retained for primary and secondary maintained schools.

1.2 Maternity and other cover

Purpose of the budget

The 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.

Method of de-delegation

It is proposed that this funding would be de-delegated based on an amount per pupil and an amount per pupil eligible for FSM, to reflect the additional staff numbers at schools with higher measures of deprivation, as follows:

2019/20 proposals for consultation

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£24.89	£14.84
Secondary	£26.49	£15.87

Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£1,894,000**. This is a £24,000 increase in funding compared to 2018/19 and a 10% increase compared to the 2018/19 rates per pupil, details of which are shown in the table below. The rates have increased not only due to increased demand but also increased costs in relation to the pay award and future 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.

2018/19 figures for comparison

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£22.63	£13.49
Secondary	£24.08	£14.43

Consequence of delegation

If the funding remains delegated, 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.

Recommendation

It is recommended that the Maternity and other cover budget should continue to be de-delegated and that funding should be retained centrally to meet costs in maintained primary and secondary schools.

1.3 Suspended staff cover

Purpose of the budget

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.

Method of de-delegation

It is proposed that this funding would be de-delegated based on an amount per pupil and an amount per pupil eligible for FSM, to reflect the additional staff numbers at schools with higher measures of deprivation, as follows:

2019/20 proposals for consultation

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£0.52	£0.36
Secondary	£0.52	£0.36

Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£40,000**. This is the same amount compared to 2018/19, when the total funding was £40,000. The 2018/19 figures are shown below for information:

2018/19 figures for comparison

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£0.47	£0.33
Secondary	£0.47	£0.33

Consequence of delegation

If the service remains delegated 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.

Recommendation

It is recommended that the Suspended staff cover budget should continue to be de-delegated.

1.4 Trade Union Facilities

Purpose of the budget

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.

A new TU facilities agreement was negotiated with effect from April 2013. It continues to provide schools with access to collective bargaining frameworks as well as access to local convenor support for members in respect of complex casework.

This agreement requires that all unions work towards realigning their convenor levels to ensure that convenor allocation across both schools and Leeds City Council reflects the membership in both areas and that school convenor time is maintained at the agreed levels of support. Historically, in addition to those convenors employed in schools, LCC departmental based convenors have also provided convenor support to schools. The new agreement also incorporates a mechanism which provides for in year reductions in funding as a result of academy conversions.

Leeds City Council believes that this agreement provides an effective partnership approach to city-wide Trade Union Facilities.

Method of de-delegation

It is proposed that this funding would be de-delegated in 2019/20 based on an amount per pupil of **£5.61**. Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£359,000**.

This is a reduction in the total budget of £23,000 compared to the 2018/19 proposals, when the total de-delegated funding was £382,000. The amount per pupil has increased by 2% compared to 2018/19 proposals (£5.50 per pupil) to reflect some additional costs due to the pay award.

Based on the pay award and future increases in pension contributions, the actual cost of this scheme would be higher than the amount proposed. However rather than seeking a greater increase in the contributions from all schools through de-delegation, when we reimburse schools for their union convenors we will take into account any funding they have already received from the ESFA towards the pay award or pension increase for that person. This should ensure that schools are only compensated for the actual cost to their budget of their union convenors.

Consequence of delegation

The future access to local trade union representatives to support staff at all levels of seniority within schools is at stake if the current budget is delegated. 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.

Recommendation

It is recommended that the budget for Trade Union Facilities should continue to be de-delegated.

1.5 School Library Service (primary only)

Purpose of the budget

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

Part of Leeds' public library service, SLS is a vibrant and pro-active specialist provider of the most up to date books for primary schools, providing schools with newly published children's factual topic books to support classroom teaching; fiction books to support reading for pleasure; and professional support to schools through an annual advisory visit, helping to develop school libraries through support for design, stock acquisition and editing.

In addition SLS organises a range of reading for pleasure and cultural events for all pupils, engaging both reluctant and high achieving readers through both the Leeds Book Awards, and offering schools the opportunity to take part in Meet the Author events, embedding a reading for pleasure culture across schools.

Method of de-delegation

It is proposed that the funding would be de-delegated for primary schools as an amount per pupil of **£5.37**. Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£277,000**.

This is a reduction of £23,000 of total funding compared 2018/19 (£300,000). The amount per pupil has increased by 2% compared to the previous per pupil amount (£5.26), due to the pay award.

Consequence of delegation

If delegated, primary schools would have to meet all School Library Service costs from their delegated budget provided that the service was able to continue by operating on a traded basis.

Recommendation

It is recommended that the School Library Service budget should continue to be de-delegated for primary schools.

1.6 Free school meals (FSM) eligibility

Purpose of the budget

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.

Method of de-delegation

It is proposed that the funding for FSM eligibility checks would be de-delegated based on an amount per pupil and an amount per pupil eligible for FSM (ever 6), to reflect the additional volume of work for schools with higher measures of deprivation as follows:

2019/20 proposals for consultation

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£1.56	£3.63
Secondary	£1.56	£3.63

Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£168,000**. This is a decrease compared to 2018/19, when the total funding was £180,000. The individual rates have increased by 2% to reflect increases in costs due to the pay award. The 2018/19 figures are shown below for information:

2018/19 figures for comparison

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£1.53	£3.56
Secondary	£1.53	£3.56

Consequence of delegation

If the budget remains delegated, 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 would charge £1.56 per pupil (based on the pupil numbers on roll) plus £3.63 per pupil eligible for FSM (ever6).

Schools buying into the service would continue to receive electronic weekly listings of new qualifiers and those pupils who no longer qualify; termly listings of all pupils on the roll who qualify; direct telephone and email enquiry service; assistance to identify potential qualifiers and notifications to parents.

Recommendation

It is recommended that the budget for FSM eligibility checks should continue to be de-delegated.

1.7 SIMS licences (primary only)

Purpose of the budget

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

Method of de –delegation

It is proposed that the SIMS licences budget be de-delegated as an amount per pupil of **£4.39** for primary schools only. Based on forecast October 2018 data and expected academy conversions this would provide central de-delegated funding of **£227,000** for 2019/20. This is a reduction of £18,000 compared to the total 2018/19 figure of £245,000, and a 2% increase compared to the 2018/19 proposed rate of £4.30 per pupil.

The 2019/20 proposals take into account the estimated costs of SIMS licences based on previous years' increases. The actual costs will not be confirmed by the provider until after a decision is required on de-delegation by Schools Forum. We have recently been made aware of some benchmarking which indicates that it may be possible to reduce the cost of SIMS Licences to schools in future. We intend to carry out further work in this area and will report back to Schools Forum as appropriate on the findings from this. If any savings arise from this during the year then these would be passed on to schools as appropriate.

Consequence of delegation

If delegated, schools would meet licence costs from their delegated budgets.

Recommendation

It is recommended that the SIMS licences budget continues to be de-delegated for primary schools.

1.8 Behaviour support services

Purpose of the budget

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).

Method of de-delegation

It is proposed that the Behaviour Support budget would be de-delegated based on an amount per pupil and an amount per pupil eligible for FSM, to reflect the additional need at more deprived schools as follows:

2019/20 proposals for consultation

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£0.89	£2.75
Secondary	£0.89	£2.75

Based on forecast October 2018 data and known academy conversions this would provide central de-delegated funding of **£108,000** for 2019/20, a reduction of £8,000 compared to the 2018/19 amount of £116,000. The individual rates have increased by 2% to reflect additional costs due to the pay award. The 2018/19 amounts per pupil are shown below for information:

2018/19 figures for comparison

Phase	Per Pupil (Yr R to 11)	Per FSM (ever 6)
Primary	£0.87	£2.70
Secondary	£0.87	£2.70

Consequence of delegation

If delegated, 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.

Recommendation

It is recommended that the Behaviour Support budget should continue to be de-delegated.

1.9 Support to underperforming ethnic minority groups and bilingual learners

Purpose of the budget

This budget makes provision for staff who build capacity within schools to improve the educational outcomes for 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; curriculum materials for BME and EAL pupils; consultancy support to individual schools or localities and training programmes in order to meet specific identified BME and EAL needs.

Method of de-delegation

It is proposed that the budget for support to underperforming ethnic minority groups and bilingual learners should be de-delegated as an amount per pupil with EAL and an amount per pupil eligible for FSM as follows:

Phase	Per EAL 3 Pupil	Per FSM (ever 6)
Primary	£39.00	£1.65
Secondary	£221.00	£1.75

Based on forecast October 2018 data and known academy conversions this would provide central de-delegated funding of **£393,000** for 2019/20. This is a reduction of £3,000 from 2018/19 where the de-delegated funding proposal was £396,000. The rates for 2019/20 remain

the same as in the 2018/19 and 2017/18 proposals, and no increase has been made for the pay award.

Consequence of delegation

If delegated, then there would be no centrally retained budget to support narrowing the attainment gap for 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 calculate/predict. The ability to operate the service under an SLA could not therefore be guaranteed.

Recommendation

It is recommended that the budget for support to underperforming ethnic minority groups and bilingual learners should continue to be de-delegated.

1.10 Consultation questions

Primary and secondary maintained mainstream schools are requested to consider the de-delegation of each of the above services for the 2019/20 financial year and to complete the attached consultation response form by **8th January 2019**. Appendix 1 shows the illustrative school by school allocations for the above services. The views of schools will be reported to the Schools Forum on 17th January 2019 to inform their decision on de-delegation for 2019/20.