

Agenda Item 23

TITLE 2021/22 Proposed De-delegated Services

FOR CONSIDERATION BY Schools Forum on 9 December 2020

WARD None Specific;

LEAD OFFICER Director, Children's Services - Carol Cammiss

OUTCOME / BENEFITS TO THE COMMUNITY

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

RECOMMENDATION

That Schools Forum note and comment on the update on proposed De-delegated Services for the 2021/22 financial year.

SUMMARY OF REPORT

The services that the Council provides on behalf of schools needs to be approved by the maintained schools representative(s) of the Schools Forum each year.

This report provides an update on the services proposed to be de-delegated for the 2021/22 financial year, and the charging basis principles. Detailed proposals will be brought to Schools Forum for approval at the January meeting.

2021/22 Proposed De-delegated Services December 2020

.01 **Purpose of the Report**

This report is to provide Schools Forum with an update on proposed De-delegated Services for the 2021/22 financial year, in advance of formal approval being sought from maintained schools in January.

.02 **Recommendation**

That Schools Forum note and comment on the update on proposed De-delegated Services for the 2021/22 financial year.

.03 **Background**

The Schools Revenue Funding Operational Guide for 2021/22 allows for a range of de-delegated services to be offered locally. De-delegated services are for maintained schools only. Funding 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.

Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase.

They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued. There may be different decisions for each phase.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902183/Schools_operational_guide_2021_to_2022_1.pdf

.04 **Proposed De-delegated Services for 2021/22**

Those services de-delegated locally have remained the same for a number of years, with changes to the funding allocation basis taken forward in 2019/20 to charge some services on a 'number on roll' basis, better reflecting the size of each maintained school. Cost pressures for each de-delegated service have however remained as schools have continued to academise, and alternative arrangements made.

With potential for the remaining two maintained secondaries to convert to academies in the coming year(s), the financial sustainability of current de-delegated services requires review.

For the 2020/21 financial year, the following services were de-delegated:

- contingencies
- behaviour support services
- support to underperforming ethnic groups and bilingual learners
- staff costs supply cover
- licences and subscriptions
- insurance

Further information on each service is provided below, along with initial principles being considered for 2021/22 proposals.

Contingencies

This contingency is held, on behalf of maintained schools, to support schools in financial difficulty not of the school's own making i.e. falling rolls, exceptional circumstances and to fund closing schools that still have a deficit.

The total amount de-delegated as part of 2020/21 budget setting was £57,000 and this was charged at a 'flat rate' of £1,541 per school. This was a reduction on the level of contingency held in previous years, as a result of discussions with maintained schools and Schools Forum.

No allocations have been made from this contingency to date this financial year.

It is proposed that the level of contingency held for the 2021/22 financial year be £50,000, and that this continues to be charged on a flat rate basis.

Behaviour Support Services

This is commissioned from Foundry College, providing a valued service for maintained primary schools.

The total amount de-delegated as part of 2020/21 budget setting was just under £239,000, a reduction of £30,000 on the previous year. This was charged to maintained primary schools on a 'number on roll' basis.

De-delegated funding to provide this service has fallen as the number of maintained schools has reduced. While Foundry is able to charge academies directly where they use the service, this does not provide for the same level of financial security to inform financial planning as a clear de-delegated budget decision does.

The Schools Finance Team are working with colleagues at Foundry to inform de-delegated proposals for the coming financial year, and this will be presented to Schools Forum in January. There is no proposal to change the 'number on roll' allocation basis at this time.

Support to underperforming ethnic groups and bilingual learners

This support is provided to maintained schools by a small team within LA.

The total amount de-delegated as part of 2020/21 budget setting was £93,400 a reduction of £25,000 on the previous year. This was charged to all maintained schools on a 'number on roll' basis.

The LA currently only just covers immediate, direct costs of the service from the current de-delegated budget, with all appropriate service overheads having to be absorbed by the LA. Given the service is provided on a 'number on roll' basis, academisation of one (or both) of the remaining two secondary schools therefore provides for a significant financial challenge going forward.

Proposals for the 2021/22 financial year are being considered, seeking to maintain affordability for schools where possible while minimising the impact on Council statutory budgets. A longer term review of service options will be taken forward for the 2022/23 financial year, and shared with Schools Forum in due course.

Staff costs supply cover

For example, long-term sickness, maternity, trade union and public duties.

The total amount de-delegated as part of 2020/21 budget setting was £350,000 an increase of £50,000 on the previous year, and reflecting the similar decrease on contingencies. This was charged to all maintained schools on a 'number on roll' basis.

There is no proposal to change the approach to this de-delegated service for the 2021/22 financial year.

Licences and Subscriptions

The total amount de-delegated as part of 2020/21 budget setting was £68,000 and was charged to all maintained schools on a 'flat fee' basis.

The overall cost charged to school reflects the actual cost of the service.

There is no proposal to change the approach to this de-delegated service for the 2021/22 financial year.

Insurance

The total amount de-delegated as part of 2020/21 budget setting was £453,000 and was charged to all maintained schools on a 'number on roll' basis.

This was the only de-delegated service where the overall budget figure remained the same as the previous financial year, despite the reduced number of maintained schools.

As part of the review of insurance arrangements for maintained schools through the Insurance Task & Finish Group, opportunities to provide a more cost effective offer for schools have been identified.

Currently insurance for maintained schools is offered through two different routes, partly as a de-delegated service, and partly as a traded offer. By bringing all insurance arrangements under the traded offer, it is expected that a reduction on costs for schools can be delivered. This will also provide a more visible cost profile for maintained schools to consider against the option to join the RPA scheme that they now have available.

Further discussion with the Task & Finish group planned for November have unfortunately been delayed due to LA Finance Team capacity. Background work within the LA however continues and the T&F group will meet to review costing models and agree reporting prior to Schools Forum in January.

For 2021/22 onwards, insurance will no longer be offered as a de-delegated service. This is purely a funding route decision, and will have no impact on the level and type of insurance offered to schools by the LA for the coming financial year.

.05 Financial Summary

Detailed proposals for de-delegated services for the 2021/22 financial year will be brought to Schools Forum in January, for approval by maintained schools as per funding guidelines.

Lynne Samuel
Finance Business Partner – Children's Services
November 2020

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