

<b>TITLE</b>	<b>Review of De-delegated Services</b>
<b>FOR CONSIDERATION BY</b>	Schools Forum on 8 December 2021
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	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**

Schools Forum is asked to note the update on the work of the De-delegated Review Group and the recommendations made.

**SUMMARY OF REPORT**

This report provides Schools Forum with an update on the Review of De-delegated Services being undertaken for the 2022/23 financial year.

## Review of De-delegated Services

### 01. Purpose of the Report

This report provides Schools Forum with an update on the Review of De-delegated Services being undertaken for the 2022/23 financial year.

### 02. Recommendation

Schools Forum is asked to note the update on the work of the De-delegated Review Group and the recommendations made.

### 03. Background

The Schools Finance Regulations require the delegation to schools of the entirety of Schools Block funding, subject to certain prescribed exceptions. Maintained, mainstream schools can however choose, by vote at Schools Forum, to de-delegate some of these prescribed elements of funding to be managed centrally by the local authority on their behalf.

Funding for de-delegated services must be allocated to schools through the funding formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with Schools Forum approval. De-delegation is not an option for academies, special schools, nursery schools and PRUs.

Decisions to de-delegate must be taken annually, with Schools Forum members deciding separately for each phase whether the service should be de-delegated or not and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be effectively top-sliced from the formula allocation before school budgets are issued.

Following changes to arrangements for insurance for the 2021/22 financial year a review of all remaining de-delegated services was agreed.

Services de-delegated for the 2021/22 financial year:

- Licences / Subscriptions
- Supply Cover
- Support to Underperforming EMG & Bilingual Learners
- Primary Behaviour Support Service

In addition, contingency funds remain held on behalf of maintained schools that was de-delegated during the 2020/21 financial year. No further funds were de-delegated in 2021/22.

#### 04. **Review Group Membership**

All maintained schools were invited to be part of the review, and 2 groups were established from those who expressed an interest in taking part.

Group 1 – Contingency; Supply Cover; Licences & Subscriptions.

Consisting of Brian Prebble – Rivermead Headteacher, Judy Wheeler - Walter Infant Headteacher, Caroline Thomas - Woodley Primary SBM, Jaime Barrett – Emmbrook Infant SBM.

Group 2 – Support to EMG / Bilingual Learners; Foundry Behaviour Support.

Consisting of Corrina Gillard – Emmbrook Infant Headteacher, Louisa Gurney – Woodley Primary Headteacher, Jo Morsman – Hillside Primary SBM.

Both groups were supported by the LA's Finance Team with input from relevant service representatives.

#### 05. **Objectives of the Review**

The Review Group agreed the following objectives.

##### **For each of the services currently offered as de-delegated:**

- To improve transparency and understanding of activity, usage and costs against funding allowing more informed decision making
- To consider options for funding in future years, delivering financial sustainability for each service
- To inform wider consultation with all maintained schools
- To make recommendations back to Schools Forum for 2022/23 decision making

##### **Not in scope of the review:**

- The review will not consider quality of service or make any recommendations on future operational delivery models

#### 06. **Maintained Schools Profile**

The biggest challenge for de-delegated services in Wokingham is the reducing number of maintained schools within the borough. For those de-delegated services with a largely fixed cost base, a reducing number of maintained schools can result in an increased cost share for those remaining, putting pressure on individual school budgets. Should the amount funded through de-delegation be reduced, this could be balanced through more academies buying in to the service. However, neither of these scenarios provide financial security for the services involved as rely on a series of annual decisions.

While the impact of covid stalled the academisation agenda, the 2021/22 academic year sees a significant rise in those schools exploring this route.

Wokingham currently has 32 maintained, mainstream schools, 31 primary and 1 secondary. Anecdotal information discussed through the De-delegated Review

Group suggests that circa 15 local schools could seek to go down the academy route over the next 12 – 18 months. This would significantly shift the landscape for those services funded through de-delegation and potentially undermine financial sustainability over the coming year.

## 07. **Review Update**

### Contingency

While no funds were de-delegated for the 2021/22 financial year, £55k is being held on behalf of maintained schools from previous de-delegation decisions.

The funding basis in previous years was on a fixed fee per school basis, £1,541 in 2020/21.

The group considered the use of funds over the past few years and noted that no funds had been drawn down from the contingency since 2019/20. While a relatively small amount is held centrally, this remains the only funding flex available for the LA to support maintained schools given the requirement to allocate the entirety of Schools Block Funding. The Group also reflected on the budgeting approach now being taken by individual schools to ensure contingency held at a local level.

### *Group Recommendation:*

- That the principle of a de-delegated contingency be retained
- That no additional funds be de-delegated for the 2022/23 financial year, but that the balance remaining at year end be retained for this purpose
- An annual review be undertaken to consider any top-up to the balance for the next year
- That a timeframe for discontinuation (2-3 years) be set linked to that annual review cycle should no calls be made on the funds
- That criteria and process be refreshed to ensure clarity for all maintained schools

### Supply Cover

The service covers maternity, paternity, and jury cover for teaching and non-teaching staff, but not where cover is required due to sickness. All costs go to a central cost centre through payroll negating the need for individual schools to make claims.

The funding basis for 2021/22 was number on roll at a cost of £37.36 per pupil.

The group considered the current arrangement which is effectively a cost sharing arrangement for maintained schools administered by the local authority. It is not an 'insurance' policy commissioned through a broker.

In order to assess value for money, the group discussed the type of arrangements made by academy colleagues and undertook market testing of alternative insurance policies. Indicative information suggested a per pupil cost of around £22 per pupil for a policy including sickness and jury cover. While this represents a reduction on that previously charged through the de-delegated

service, the group recognised that this entailed a 30 day period before cover kicked-in and the need to claim costs back retrospectively, with potentially additional admin burden for individual schools.

As part of the review it was established that through a system mapping issue costs for non-mainstream, maintained schools had been funded through the de-delegated service without any contribution being levied for them. Arrangements are now being put in place to correct that for 2021/22 onwards.

A 3-year cost average was looked at for maintained, mainstream schools to consider an appropriate per pupil level for the 2022/23 financial year, using provisional October census numbers. This provides for an indicative per pupil charge of £27.07.

Given this is a cost sharing arrangement rather than a contracted insurance policy, costs reduce as the number of maintained schools reduce and therefore is not impacted by the academisation agenda.

*Group Recommendation:*

- That supply cover continue to be de-delegated for the 2022/23 financial year on a per pupil basis
- That a rolling 3 year average for maintained schools be considered for setting future years requirements

Licences / Subscriptions

The service covers the capita system used across the Learning, Achievement & Partnership service supporting a range of teams including SEND, Early Years and Education Welfare.

The funding basis for 2021/22 was a fixed fee per school at £1,837.

Costs associated with the system of around £150k per annum have broadly been funded 50% through de-delegated and 50% through the Central Schools Services Block. The existing contract has been in place for a number of years and breaking down the overall costs into different areas of functionality was not found to be possible.

A full retender exercise for the system is will shortly be underway for April 2023. Financial information around that will allow greater transparency over statutory and non-statutory functionality to inform future decision making.

The group considered that there is currently no clear evidence base to continue to charge through the de-delegated route in a way that would be fully transparent for maintained schools.

*Group Recommendation:*

- to remove as a de-delegated offer and fund the full £150k cost from the CSSB for the 2022/23 financial year.

- for 2023/24 onwards, and once the cost base for the new contract is known, any non-statutory costs will be considered with relevant areas of LAP in setting their traded offer to both maintained schools and academies.

### Support to Underperforming EMG & Bilingual Learners

The service works with schools to develop provision and improve outcomes for pupils learning EAL, pupils from minority ethnic backgrounds, and disadvantaged pupils.

The funding basis for 2021/22 was number on roll at a cost of £7.94 per pupil.

The group considered the total cost of the service of £116k with £85k being funded through de-delegation. 93% of costs is staffing and therefore a largely fixed cost regardless of the number of schools utilising the service.

It was agreed that further information on activity levels was needed, along with consideration to longer term funding options given the level of academisation anticipated over coming years. Options are being explored as an alternative to de-delegation for the 2022/23 financial year.

Group recommendation:

*Work ongoing*

### Primary Behaviour Support Service

The service provides an outreach behaviour support service, working alongside schools and partner agencies to improve outcomes for vulnerable children and young people.

The funding basis for 2021/22 was number on roll at a cost of £23.94 per pupil.

The group considered the role of the service and activity levels, recognising interdependency with the ongoing review of the wider Foundry budget taking place. Costs of the service are predominantly staffing therefore a largely fixed cost regardless of the number of schools utilising the service.

It was agreed that further information on activity levels was needed, along with consideration to longer term funding options given the level of academisation anticipated over coming years. Options are being explored as an alternative to de-delegation for the 2022/23 financial year.

Group recommendation:

*Work ongoing*

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