

Wiltshire Council

Schools Forum Finance SEN Working Group - 5 October 2020

Schools Forum - 15 October 2020

Annual Schools Consultation Delegation of Central Expenditure 2021/22 Transfer of Schools block to High Needs Block 2021/22

Purpose of report

1. To brief Schools Forum and agree a set of questions to be sent out to all schools in October 2020.

Background - De-Delegation of Central Expenditure

2. In order to give schools greater choice over how to spend their budgets LAs are required to work on the basis that services within the notional Dedicated Schools Grant (DSG) Schools Block, and the funding for them, should be delegated to schools in the first instance. This means that a number of DSG funded budgets that have previously been retained centrally must now be delegated to schools. There are a number of exceptions to this and there are also a number of budgets that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally.
3. De-delegation cannot be applied to amounts delegated to academies or to special schools. Delegation or de-delegation cannot be agreed on an individual school basis for maintained schools but can be agreed by phase so a different outcome can be agreed for primary and secondary schools. Approval for de-delegation is by the relevant phase members of Schools Forum following responses to this consultation.
4. A consultation document will be sent out to all maintained schools in the middle of September to seek views on the delegation of central budgets. The budgets/services being consulted on are as follows:
 - Free School Meal Eligibility Service
 - Licences (Access Budget Planning (formerly called HCSS))
 - Trade Union Facilities costs
 - Maternity costs
 - Ethnic Minority Achievement Service
 - Travellers Education Service
 - Behaviour Support Service
5. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
 - a. Following consultation with all schools, maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;

- b. Schools agree that budgets should be delegated and schools make/purchase their own provision as appropriate;
 - c. Schools agree that budgets should be delegated and they then cluster together to purchase or deliver services.
6. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools, this service may be reduced from current levels unless there is also buyback from academies. The size of the service may also need to reduce over time as the number of academies increases.
 7. Under scenarios b and c the LA would not be able to continue to deliver a service unless there is sufficient buy back on a traded basis from schools (maintained or academy) to enable retention of sufficient staff. This will be difficult to predict and the LA will need to decide whether it can afford to continue to deliver services centrally on a fully traded basis with full cost recovery. This would require a risk assessment.
 8. **Appendix 1** lists the consultation questions.
 9. **Appendix 2** contains a letter from the Trade Unions in support of the De-Delegation process and for trade union facilities time.

Background – Transfer of Schools Block to High Needs Block 20/21

10. Schools Forum will recall a transfer of 0.7% (£2m) of School Funding was agreed to contribute to the High Needs Block recovery plan in the 2020-21 financial year. Schools Forum will recall that following Secretary of State intervention, 0.5% or £1.465m could be transferred.
11. The Update of Schools Revenue Funding for 2021-22 outlines the recent announcements regarding significant national increases in Schools Funding and funding for High Needs.

| | 20/21 National Increase | 21/22 National Increase | 22/23 National Increase | TOTAL | Notes |
|-------------------------|--|--|--|--------------|-------------------------------|
| Schools Funding | £2.6bn | £4.8bn | £7.1bn | £14.5bn | 5-16 schools |
| High Needs Block | £700m | £730m | | | Actual allocations due Dec 20 |

12. The overspend for 2018/19 was £4.8m and in 2019-20 was £9.1m which correlates to the continuing rise in request for new EHCPS and banding / funding increases. The DSG reserve is in a £11.35m deficit position which, requires a recovery plan.
13. The forecast overspend for 2020-21 is subject to another report but shows a significant overspend once again and should this come to fruition the DSG deficit reserve will be even greater which is unsustainable and requires a recovery plan.

14. For this reason, it is recommended that we seek views of all schools on the questions in **Appendix 3** which cover a range of options ranging from transferring funding from Schools Block.

Proposals

15. That Schools Forum decide on the consultation questions for maintained schools around delegation/de-delegation of budgets for central services within the schools' block. **Appendix 1.**
 16. That Schools Forum decide on the consultation questions for all schools around setting the 2021/22 Schools Budget. **Appendix 3.**
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Appendix 1 – De-Delegation Questions

| DfE Heading | Wiltshire Budget | Delegate? | Retain Centrally? |
|--|--|------------------|--------------------------|
| Free school meals eligibility | Free School Meals Eligibility Service | | |
| Licences/subscriptions | HCSS Licence | | |
| Staff costs – supply cover | Trade Union Duties | | |
| | Maternity Costs | | |
| Support for minority ethnic pupils and underachieving groups | Ethnic Minority Achievement Service (EMAS) | | |
| | Traveller Education Service | | |
| Behaviour support services | Primary Behaviour Support Service | | |

Appendix 2 – Letter from Trade Unions



Dear Director

We are writing on behalf of all employees working in your local authority area who are members of NAHT, ASCL and the National Education Union (NEU).

You will recall, last year, local schools agreed through your Schools Forum to ‘dedelegate’ funding for supply cover costs, including for trade union facilities time. We believe that this was the right decision – and a very big majority of Schools Forums made the same decision, acting in accordance with advice issued by the Local Government Association and the National Employers’ Organisation for School Teachers.

We believe that the central retention and distribution of this funding is the most effective and efficient arrangement and we would like to work with you to ensure that this arrangement continues. Discussions are now taking place in your authority on funding arrangements for supply cover costs from April next year and we are asking you to pass the information in this letter to members in your Schools Forum and to encourage them to vote again for de-delegation of funding arrangements for supply cover costs.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time as follows.

- Paid time off for union representatives to accompany a worker to a disciplinary or grievance hearing.
- Paid time off for union representatives to carry out trade union duties.
- Paid time off for union representatives to attend union training.
- Paid time off for union ‘learning representatives’ to carry out relevant learning activities.
- Paid time for union health and safety representatives during working hours to carry out health and safety functions.

These provisions are contained within the Employment Relations Act 1999 and the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety Representatives and Safety Committees Regulations 1977.

NAHT, ASCL and NEU have members and union representatives in academies as well as maintained schools within your local authority area and, in addition to seeking your support for continued de-delegation, we are seeking your agreement for the local trade union funding arrangement to be formally extended to academies within your local authority boundary.

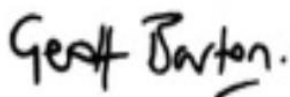
As the DfE Advice on Trade Union Facility Time acknowledges, the trade union recognition agreement between the authority and the recognised unions will have transferred to each academy school as the new employer of the transferred staff as part of the conversion process to academy status under TUPE. We believe that, following conversion, academies should also become parties to local authority trade union facilities arrangements.

The academies within your authority will have received funding for trade union facilities time in their budgets and they are permitted to use that funding to buy-back into local authority arrangements. Indeed, many academies across England have already agreed to buy in to local authority trade union facilities arrangements.

Pooled funding will help the local authority and all schools to meet their statutory obligations on trade union facilities time. Setting up a central funding arrangement will allow academies to pay into a central pool if they wish to. But most importantly it will help maintain a coherent industrial relations environment where issues and concerns whether individual or collective can be dealt with more effectively. All these points are echoed in the advice issued by the LGA and NEOST.

We urge you therefore to support the de-delegation of funding for trade union facilities time and to continue or establish (if you did not do so previously) a mechanism whereby academies within your authority are able to buy into a central fund for trade union facilities time. If you agree to do so, we will write to academy principals to encourage them to buy in to your arrangement.

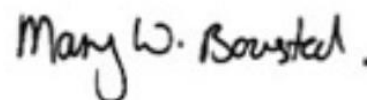
Yours sincerely



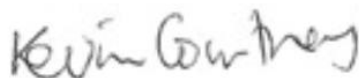
**General Secretary
ASCL**



**General Secretary
NAHT**



**Joint General Secretary
NEU**



**Joint General Secretary
NEU**

Appendix 3 –2020 Schools Consultation:

Background

- *The High Needs block overspent by £4.8m in 2018/19 and by £9.1m in 2019/20 with a further forecast to overspend in 2020/21.*
- *There is a £11.35m deficit DSG reserve in the Council's balance sheet – the forecast 20/21 overspend will increase this deficit further.*
- *EHCPs are increasing by an average of over 11% annually mirroring the national level.*
- *The LA is working with schools and settings and is taking actions to address the level of overspend. Many of these actions require a partnership approach and require planning and change management in order to achieve long term success.*

The DSG is ringfenced and therefore to manage this overspend, it is suggested an amount is transferred from the Schools Block to the High Needs Block as in the previous two years.

Q1 a) Taking the factors above into account, do you support a transfer of funding from the School Block to the High Needs Block?

| | |
|------------|--|
| Yes | |
| No | |

b) If you support a transfer, please indicate the amount:

| Value to Transfer | £/Pupil | Please select |
|--------------------------|----------------|----------------------|
| £0.0m (0.0%) | £0.00 / pupil | |
| £0.5m (0.17%) | £7.81 / pupil | |
| £1.0m (0.34%) | £15.62 / pupil | |
| £1.4m (0.5%) | £21.90 / pupil | |
| £1.5m (0.51%) | £23.44 / pupil | |
| £2.0m (0.68%) | £31.25 / pupil | |

c) No transfer of funding from the Schools Block to the High Needs Block for 2021-22 on the understanding that devolved budgets to schools including top-up and Named Pupil Allowance (NPA) funding levels would have to be reduced to keep the High Needs Block within budget?

| | |
|------------|--|
| Yes | |
| No | |

d) Would you prefer to see a hybrid of the above with a transfer from Schools Block to top up the High Needs requirements of pupils in school together with reduced values of devolved funding for vulnerable pupils e.g. named pupil allowances and top ups?

| | |
|------------|--|
| Yes | |
| No | |

2) If you do not agree to the transfer of funds or the reduction of top-up funding levels, how else do you suggest that we fill the funding gap that we have for High Needs?
