



**Open Report on behalf of Heather Sandy, Executive Director – Children's Services**

Report to:	<b>Lincolnshire Schools' Forum</b>
Date:	<b>06 October 2022</b>
Subject:	<b>De-delegation of maintained primary school budgets 2023/24 and 2024/25</b>

**Summary:**

The purpose of the report is to seek approval from the maintained primary school representatives of the Forum to the Local Authority's (LA) proposals for the de-delegation of certain budgets in 2023/24 and 2024/25.

**Recommendation(s):**

That the maintained primary school representatives on the Schools' Forum are asked to:

1. Agree to the proposals for the use of de-delegation reserves.
2. Agree to the de-delegation of the budgets for the period 2023/24, and 2024/25 (in principle), as set out below.

**Background**

The Department for Education (DfE) previously introduced radical reforms to school funding arrangements in April 2013. Although LAs were required to delegate more budgets to schools as part of the reforms, they were permitted to seek de-delegation of some services for maintained schools. The government's decision to implement the national funding formula still allows the de-delegation arrangement for maintained schools to continue<sup>1</sup>.

Key features of these arrangements include:

- Only maintained primary and secondary mainstream schools can have funds de-delegated from their budget share. Academies are therefore unaffected, and for that reason, they are not permitted to vote on de-delegation matters.
- The decision to de-delegate funds for maintained schools should be considered and voted upon separately by each sector.

<sup>1</sup> DfE: Schools Revenue Funding 2023 to 2024 – Operational Guide

- Where there are no maintained school representatives on the Schools' Forum for a particular sector, no decision can be made and de-delegation is therefore not possible.
- Should there be conversion of any more schools to academies, it will reduce the total sum de-delegated for a service, if the per pupil deduction remains unchanged.
- Any underspendings that arise on budgets de-delegated from maintained schools should, as a point of principle (i.e. fairness), be earmarked for the benefit of the maintained schools in that sector only.

### **De-delegations for 2021/22**

For 2021/22 maintained primary schools agreed to de-delegate funding for:

- Contingency, i.e. termination of employment costs for schools in financial difficulty, and; exceptional unforeseen costs; and
- Ethnic Minority and Traveller Education Team (EMTET).

No funds were de-delegated for maintained secondary schools.

The cumulative underspend reported at 31<sup>st</sup> March 2022 was £1.027m. This includes the additional one-off school advisor support fund of £0.260m<sup>2</sup> from Council funding to support with the Council's statutory duties for school improvement services to maintained schools. The LA has been able to provide this function without drawing on this reserve, however from 2022/23 it is planned to be drawn on.

Maintained primary school members of the Forum in October 2021 supported the LAs proposal to commit £0.301m of the cumulative underspend to support maintained primary schools in responding to the pandemic and addressing the learning needs of the children who have been most disadvantaged. The LA is to launch this term a two year programme to increase pupils' fluency in reading by Year 2, develop pedagogical approaches of practitioners in relation to communication and language and early reading and to provide a sustainable model to ensure the on-going development of these approaches in Lincolnshire, including the development of reading and language frameworks and assessment approaches. This is in the context of Lincolnshire's children performing less well than the majority of their peers nationally, although the gap is narrowing in Reading and Maths against national and our more positive position against our neighbours. Lincolnshire is now mid-way in the league table of our statistical neighbours, and we estimate (validated data is not available), that we are now in the bottom quartile – up from the bottom decile - compared to national. The focus is on intervening early and supporting schools in returning to school improvement activity.

The remaining de-delegated balance is £0.466m at March 2022. The de-delegation services underspent by £0.166m or 17% of the overall budget in 2021/22. The largest underspend (£0.131m) related to the termination of employment costs for maintained primary schools in financial difficulty to support their future financial sustainability. This is

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<sup>2</sup> The Council has funded the additional school advisor support since its introduction in 2018/19, however going forward it is anticipated that this funding will start to be utilised.

likely to have been as a result of the pandemic and the schools focus on its recovery, which schools received additional government grants for<sup>3</sup>. Even allowing for that, it is proposed for 2023/24 to reduce the budget to £0.150m.

There are a number of variables to these de-delegation budgets: maintained schools to academy status can reduce the budgets in-year depending on their conversion date; the number of schools in financial difficulties or forecasting to be within two years, and financial support in accordance with policy to support schools with staffing changes to secure a sustainable budget going forward; supporting school leaders or providing leadership for vulnerable schools, which require a responsive solution, and interventions to make rapid, identified improvements where school finances would otherwise prevent this from happening. Even allowing for the 2023/24 funding settlement and mainstreaming the 2022/23 supplementary funding to support unforeseen costs, the rising costs within the education sector both relating to pay and energy will put pressure on school budgets. It is considered a degree of prudence is required; therefore the LA propose to retain £0.466m provision within the available cumulative underspend to support the sector. This provision will ensure certainty in de-delegation amounts for primary maintained schools where unexpected costs arise due to the delivery of services, i.e. an increased demand from primary maintained schools.

**De-delegations for 2022/23**

The de-delegation budgets for 2022/23 were agreed by the maintained primary school representatives of the Schools’ Forum in October 2021. The final per pupil rates using the October 2021 census (26,341 primary maintained pupils) were set at:

Contingency	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£ 7.09 per pupil <sup>4</sup>

This financed the following:

Termination of employment costs	£0.209m
Interim headteachers	£0.218m
Primary Maintained Intervention Funding	£0.253m
Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.186m

Information regarding the current services is set out in Appendix 1.

**Proposals for 2023/24**

The Forum will be aware that the DfE launched a consultation late in 2021 on removing the funding for LAs School Improvement Monitoring and Brokering Grant for school

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<sup>3</sup> Government grants include Covid catchup premium (2020 to 2021) and Covid-19 recovery premium funding (2021 to 2022).  
<sup>4</sup> The EMTET per pupil rate reflected the number of maintained schools and the budget requirement of £0.186m – this ensures the current staffing establishment is fully funded.

improvement activities supporting maintained schools. The grant value had expected to be £0.585m in 2022/23. The Council's school improvement activities overall in 2022/23 cost £1.188m with the amount above the grant met by core Council funding. The Council responded strongly to this consultation opposing such a change, as did Council's across the country, however the DfE has pressed ahead with the decision. The DfE's position is that the funding shortfall should be met by maintained schools de-delegations.

The Council considers its investment in the education sector as a strategic priority to enable all children to prosper across all Lincolnshire schools and supports the continuation of the current approach of strategic system leadership and direct work with maintained schools, which is considered a lean school improvement support model. The DfE has reduced the grant by 50% in the current year, which the Council is temporarily managing, with the removal of the funding entirely from 2023/24. The Council's current financial position and the rising costs it is facing in the delivery of services means a permanent solution cannot be secured to offset the grant reduction.

The LA has reviewed opportunities for general efficiencies and smarter working through both the strategic system leadership and our statutory responsibilities for maintained schools for implementation from 2023/24. The Council does not agree with the DfE solution of maintained schools bearing an 'additional' financial burden on their schools budgets, particularly at this time, therefore the Council consider it an opportune moment to review existing de-delegation budgets with an option of re-purposing to support the direct work with maintained primary schools whilst still achieving our overall objectives. The existing Council funding will continue to support the strategic system leadership for all schools and statutory responsibilities.

The LA continues to find that the most impact in schools is from additional expertise being deployed into vulnerable schools to work with leaders to add capacity and address immediate issues. In order to ensure that the most vulnerable primary maintained schools are supported effectively and in a timely fashion we have seen that the capability to deploy an additional school improvement professional into a school, for a limited period, is most effective. Our most vulnerable primary maintained schools are certainly those for which such an approach is beneficial. The Council consider the Education Locality Leads, support, monitoring, challenge and expertise to be a priority for maintained primary schools improvement, previously funded through the grant.

Last year, the primary maintained Schools' Forum members supported the LA proposal to add capacity by appointing one additional school improvement professional to work with school leaders to deliver school improvement expertise on the ground, which was financed within the current maintained primary schools de-delegation 'contingency termed' budgets.

The schools landscape continues to evolve, therefore it is important the de-delegation services are responsive to this. Through Locality Lead support to leaders and improved partnership working between schools, there is not a requirement for the interim headteachers services, which has been reflected in the 2023/24 offer.

The LA proposes to continue operating a hybrid model with capacity provided by the central team for universal maintained primary schools, including those schools in financial difficulties to be able to bid for additional specialist activity over and above this, which includes support from the primary maintained intervention fund. This would ensure that all schools requiring support to improve outcomes and be in a secure position for Ofsted inspection could receive support quickly.

It is proposed that the current contingency rate of £29.23 per pupil continues in 2023/24, which will support a hybrid model of maintaining the support to maintained primary schools from Education Locality Leads following the DfE decision to end the grant funding; the previously agreed additional school improvement capacity, and primary maintained intervention funding.

The maintained primary schools de-delegation 'contingency termed' baseline funding will continue to be flexed to respond to changes in maintained primary schools and their pupil numbers.

The remaining service budget is EMTET, which is made up of staffing costs and therefore requires a fixed budget, albeit it should continue to be reviewed annually to reflect the number of maintained school pupils and the English as an Additional Language (EAL) pupils it supports. The EMTET per pupil rate will reflect the number of maintained schools and the budget requirement of £0.186m\* – this ensures the current staffing establishment is fully funded.

The per pupil rates will be set at:

Contingency	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£6.97 per pupil*

This would finance:

Termination of employment costs	£0.150m
Primary maintained Locality Lead support and Intervention Funding	£0.543m
Additional Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.186m

These budget figures are indicative. They are based on the latest available census in May 2022 and 26,785 primary maintained pupils. The figures may change slightly due to the DfE's requirement for LAs to use the actual October 2022 census for the detailed calculations.

**Proposals for 2024/25**

It is proposed that the charges for 2024/25 will continue to be at the baseline amounts per pupil for the de-delegation budget.

The Schools' Forum maintained primary schools are required to agree de-delegations on an annual basis, however the LA will continue to seek agreement in principle from the Forum for 2024/25 also.

## **Conclusion**

The outcomes from the decisions made by maintained primary representatives on the Schools' Forum will be reflected in maintained primary schools' future budgets from 2023/24.

The LA has had to respond to the DfE decision to remove the School Improvement Monitoring and Brokering Grant for school improvement activities supporting maintained schools (£0.585m) from 2023/24. The Council's funding to supporting the strategic priorities of the education sector will remain to enable all children to prosper across all Lincolnshire schools. The LA has reviewed opportunities for general efficiencies and smarter working through both the strategic system leadership and our statutory responsibilities for maintained schools for implementation from 2023/24. The Council does not agree with the DfE solution of maintained schools bearing an 'additional' financial burden on their schools budgets, therefore the Council has considered it an opportune moment to review existing de-delegation budgets with the recommendation to re-purposing funds to support the direct work with maintained primary schools (that the grant previously funded) whilst still achieving our overall objectives. It is proposed that the current contingency rate of £29.23 per pupil will continue at the same monetary value in 2023/24, as applied in the current year.

## **Consultation**

### **a) Risks and Impact Analysis**

The DfE require annual decisions to take place for de-delegation services. The LA does however seek an agreement in principle for a further year to provide the service with operational and financial stability. A formal decision is still required for that year where an in principle agreement has been made.

Following the DfE decision to remove the School Improvement Monitoring and Brokering Grant for school improvement activities for supporting maintained schools, general efficiencies and the Lincolnshire's de-delegation budgets will support the continuation of direct support to maintained primary schools through the Education Locality Leads along with the targeted support to the most vulnerable schools to raise standards. With the changing education landscape, the re-purposing of de-delegation funding will not impact the overall offer to maintained primary schools. Schools can at any point require extra support; therefore, these services provide a layer of protection to ensure no school is left behind.

In the event of a no decision by primary maintained Schools' Forum representatives, the LA will consider its 2023/24 proposals. The LA would be required to provide a further

paper in the next Schools’ Forum meeting (January 2023). The DfE can act as an adjudicator where maintained Schools’ Forum representatives do not agree to the LA proposal.

The LA has prior Schools’ Forum support to provide additional school improvement activities for all maintained primary schools to support them in responding to the pandemic and overall school performance. The remaining reserves enable unexpected costs to be managed that arise due to the delivery of services.

## Appendices

These are listed below and attached at the back of the report	
Appendix A	Details of the current service provision funded through the de-delegation budgets.

## Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
De-delegation of maintained primary schools budgets 2022/23 and 2023/24 (item 7).	<a href="#">Agenda for Lincolnshire Schools' Forum on Thursday, 7th October, 2021, 1.00 pm (moderngov.co.uk)</a>

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