



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

Report to:	Lincolnshire Schools' Forum
Date:	05 October 2023
Subject:	De-delegation of maintained primary school budgets 2024/25 and 2025/26

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 2024/25 and 2025/26.

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 2024/25, and 2025/26 (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 continue¹.

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.

¹ DfE: Schools Revenue Funding 2024 to 2025 – 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 2022/23

For 2022/23 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;
- School Improvement services; and
- Ethnic Minority and Traveller Education Team (EMTET).

No funds were de-delegated for maintained secondary schools.

The cumulative underspend reported at 31st March 2023 was £1.396m. This included an underspend on activities of £0.518m during 2022/23. This underspend was largely related to the termination of employment costs for maintained primary schools in financial difficulty to support their future financial sustainability (£0.179m). Although school balances have fallen slightly from the prior year, the maintained primary schools remain in a good financial position overall. The budget for termination of employment costs has been reduced to £0.150m from 2023/24. Other underspends included the natural conclusion of the interim headteachers service (£0.177m), which has been superseded with Locality lead support to leaders and improved partnership working between schools, and school intervention support (£0.141m). Further information of de-delegated services can be found in Appendix A.

The cumulative underspend includes the additional one-off school advisor support fund of £0.260m² from Council funding to support with the Council's statutory duties for school improvement services to maintained schools. The Council has been able to provide this function without drawing on this reserve, however from 2023/24 it is planned to be drawn on. The Council wish to earmark further school advisor support funding of £0.138m to support sustained improvements to 2026/27, therefore increasing the earmarked fund to £0.398m overall.

Maintained primary school members of the Forum supported the Council in launching last year 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

² 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.

these approaches in Lincolnshire, including the development of reading and language frameworks and assessment approaches. Funding of £0.151m remains earmarked for this. This programme was 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's gaps in attainment to national, for English related subjects (reading, writing & grammar, punctuation, and spelling), has improved in 2023 - all narrowing by 1% or more.

The focus of the service is on intervening early and supporting schools in driving school improvement activity. 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 the national context. The percentage of pupils achieving Reading, Writing and Maths above the expected standard in Maintained schools is higher on average than those in Academies, Academy Converters, Academy Sponsored and MATs. The progress of Lincolnshire Children in Care in Reading Writing and mathematics is greater than Lincolnshire pupils average and National Children in Care in 2022 and 2023. Due to improvement in 2023, Lincolnshire Children Adopted from Care now outperform National Children Adopted from Care. Since September 2022, there are 25 maintained schools who were previously less than good, are good or better or have remained good after an ungraded inspection. The offer of support brokered with the Teaching School Hub is also available to academies as a paid service. The Education Team will continue to engage as much as possible with the academy sector to offer support and advice.

The Council proposes to continue supporting this journey of improving education standards for primary maintained schools and has identified £0.500m from the cumulative underspend to facilitate this. Following analysis of patterns of impact and intervention, the Council are in the process of developing plans in how it can support leaders to more effectively monitor and assess the performance of children through all key stages at primary phase, along with key strategies to secure effective intervention processes. This will be aimed at all pupils but emphasising the 'first 20%' (the lowest attainers) and disadvantaged pupils. It is envisaged that the Teaching School Hub would be a key partner in its delivery running with the project running over a five-year period and provide a universal framework for schools to use coupled with bespoke support for schools in the most challenging circumstances. The legacy of the project will be that schools are more effective in providing support for all pupils and attainment gaps are closing across the county, with a cadre of school-based colleagues on hand to offer support to their peers.

The remaining de-delegated reserves balance would be £0.347m. 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 core schools spending increasing to £59.6bn nationally in 2024/25, which

includes funding for Teachers’ Pay Additional grant and a 2.7% per pupil increase in the national funding formula, the education sector continue to see rising costs putting pressure on school budgets. It is considered that a degree of prudence is required which is consistent with prior treatment; therefore, the Council propose to retain £0.347m 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 2023/24

The de-delegation budgets for 2023/24 were agreed by the maintained primary school representatives of the Schools’ Forum in October 2022. The final per pupil rates using the October 2022 census (26,066 primary maintained pupils) were set at:

Contingency	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£ 7.16 per pupil ³

This financed the following:

Termination of employment costs	£0.150m
Primary maintained Locality Lead support and Intervention Funding	£0.522m
Additional Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.187m

For 2023/24, the Council responded to the DfE’s ending of LAs School Improvement Monitoring and Brokering Grant for school improvement activities supporting maintained schools by reviewing existing de-delegation budgets and re-purposing to support the direct work with maintained primary schools. The Council 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, therefore the reason the Council re-purposed the de-delegation funding towards this priority.

The existing Council funding continues to support the strategic system leadership for all schools and statutory responsibilities. The Council reviewed opportunities for general

³ The EMTET per pupil rate reflected the number of maintained schools and the budget requirement of £0.187m – this ensures the current staffing establishment is fully funded.

efficiencies and smarter working through both the strategic system leadership and our statutory responsibilities for maintained schools that are being implemented in 2023/24.

Proposals for 2024/25

The Council 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 2024/25, 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 in 2022/23; the previously agreed additional school improvement capacity; primary maintained intervention funding, and termination of employment costs for maintained primary schools in financial difficulty.

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 £0.187m⁴ – this ensures the current staffing establishment is fully funded.

The per pupil rates will be set at:

Contingency (financial difficulties) and school improvement services	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£ 7.16 per pupil

This would finance:

Termination of employment costs	£0.150m
Primary maintained Locality Lead support and Intervention Funding	£0.522m
Additional Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.187m

⁴ The EMTET budget requirement is currently provisional.

These budget figures are indicative. They are based on the school census in October 2022 and 26,066 primary maintained pupils. The figures may change slightly due to the DfE's requirement for LAs to use the actual October 2023 census for the detailed calculations.

Proposals for 2025/26

It is proposed that the charges for 2025/26 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 2025/26 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 2024/25.

The Council responded to the DfE decision to remove the School Improvement Monitoring and Brokering Grant for school improvement activities supporting maintained schools through its delivery of services in 2023/24. The 2024/25 core de-delegation proposals of primary maintained schools support remain the same as the current year. It is proposed that the current contingency rate of £29.23 per pupil will continue at the same monetary value in 2024/25, as applied in the current year.

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 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.

Consultation

a) Risks and Impact Analysis

The DfE require annual decisions to take place for de-delegation services. The Council 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.

Schools can at any point require extra support; therefore, the remaining de-delegated reserves balance will support such variable factors leading to costs rises, including changes to de-delegation income levels from a change to maintained primary school pupil numbers and schools converting to an academy.

In the event of a no decision by primary maintained Schools' Forum representatives, the Council will consider its 2024/25 proposals. The Council would be required to provide a further paper in the next Schools' Forum meeting (January 2024). The DfE can act as an adjudicator where maintained Schools' Forum representatives do not agree to the Councils proposal.

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 2023/24 and 2024/25 (item 6).	Agenda for Lincolnshire Schools' Forum on Thursday, 6th October, 2022, 1.00 pm (moderngov.co.uk)

This report was written by Mark Popplewell, Strategic Finance Lead – Children's Services who can be contacted on 01522 553326 or mark.popplewell@lincolnshire.gov.uk.

This page is intentionally left blank