

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Lincolnshire Schools Forum
DATE OF MEETING:	8 October 2014
SUBJECT:	De-delegation of maintained primary schools budgets 2015/16 & 2016/17
REPORT BY:	Tony Warnock (Operations and Financial Advice Manager)
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IS REPORT CONFIDENTIAL?	No

SUMMARY

The purpose of this report is to seek the maintained primary school representatives' approval to the Local Authority's (LA) proposals for the de-delegation of the budgets in 2015/16 and 2016/17.

DISCUSSION

Background

The DfE 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. Therefore:

- In 2013/14, maintained primary school representatives voted to support de-delegation of the budgets for: schools in financial difficulty and exceptional unforeseen costs; equality for minority communities; criminal records bureau, and; union activities. However, for 2014/15, de-delegation was requested only for schools in financial difficulty and exceptional unforeseen costs, and equality for minority communities.¹
- In 2013/14, maintained secondary school representatives voted to support the de-delegation of budgets for equality for minority communities, and criminal records bureau only. For 2014/15, de-delegation was proposed for equality for minority communities. Although the sum involved was comparatively small (£0.007m), this could not be supported as there was no secondary maintained school representative present at the meeting.

It is important to note that:

- Only maintained 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 issues.
- The decision to de-delegate funds for maintained schools should be considered and voted upon separately by each sector.
- 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.

Current financial position

In 2013/14, the de-delegated budgets totalled £1.301m. They underspent by £0.595m. The largest underspend was on the Termination of Employment budget (£0.469m). Only £0.015m of expenditure was incurred, primarily because there were so few schools with overspendings or major financial pressures to give rise to staff redundancies.

Clearly, it is difficult at this time to predict with accuracy the outturn position for the current financial year. However, the early indications are that the de-delegated budgets may underspend again by c.£0.5m. Once again, this will be due largely to an underspending on Termination of Employment costs.

The LA therefore estimates that there may be a cumulative underspending on de-delegated budgets at 31st March 2015 of c.£1.080m.

Proposals

The LA's proposals are set out below.

1. The services for which funds are de-delegated are primarily staffing based and so for planning purposes, it would be helpful to have more advanced notice of the maintained schools' plans for future de-delegation. Maintained school representatives on the Schools Forum are therefore asked not only to support de-delegation, but to do so for two years commencing 1st April 2015. The LA proposes that a similar report to this one is produced each year, not only

¹ To reduce the costs of administration, a decision was taken for 2014/15 to charge schools for the full cost of the Disclosure and Barring Service, rather than continue to charge for most of it and then de-delegate a sum for the administration element. A request was not made to de-delegate funding for union activity, as this was considered unfair. It was noted that schools retain some responsibilities in this regard, but it would be unreasonable to expect only maintained primary schools to finance union activities when all county schools were likely to benefit from this.

to report on progress and to seek feedback, but also to seek agreement to extend the existing agreement by a further year. This would mean that providing mainstream school representatives are content with the services being provided, the relevant services would always be able to plan with the certainty of two years' further funding.

2. As indicated earlier in this report, it is possible that the budgets de-delegated each year may underspend and it is important that this is earmarked for the benefit of the schools that contribute to those. Unfortunately, recent government regulations prevent certain in-year payments being made to schools by the LA. Furthermore, it could become very confusing for schools, and complicated to administer, if partial refunds are issued to schools on the 1st April each year. The LA therefore proposes to adjust the sum that it proposes to de-delegate each year, to take account of the previous underspendings. This way, maintained schools will benefit from any underspendings on their de-delegated budgets by paying reduced amounts in the following financial year. A consequence of this approach, however, will be that the per pupil amounts de-delegated for each service will vary from year to year, but the sums involved should be relatively modest.
3. In light of the 2013/14 actual and 2014/15 projected underspend on the Termination of Employment budget, it is proposed to reduce the budget requirement from £0.467m to £0.250m p.a. for the next two years. This will be kept under review.
4. It is proposed that the budget requirement for Interim Headteachers is reduced from £0.401m to £0.291m p.a..
5. It is proposed that the funding level for Inclusion and Attendance (Ethnic Minority and Traveller Education Team (EMTET)) is set at £0.188m. A modest increase in budget (c.£0.005m) would therefore be needed to offset the modest reduction in funding that would have arisen from recent academy conversions.

The impact of these proposals would be to reduce the total annual budget requirement for all of these services from £1.439m in 2014/15 to £1.115m p.a. in 2015/16 and 2016/17. That would create a budget requirement for the two years of £2.230m. Deducting the projected cumulative underspending at 31st March 2015 (£1.080m), would mean that £1.150m would have to be recovered over the next two years. The sum to be de-delegated would therefore be £0.575m for each of the two years. Clearly, this is significantly less than the £1.439m deducted in 2014/15. As a consequence, the sums de-delegated from schools for the next two years would be:

De-delegated budget	2015/16 & 2016/17 proposed de-delegated sums per pupil	2014/15 actual de-delegated sums per pupil
Contingency This includes the Termination of Employment costs, Interim headteachers and School Improvement.	£11.01	£35.70
Ethnic Minority and Traveller Education Team (EMTET)	£5.34	£5.21
Total	£16.35	£40.91

Clearly, this represents a significant reduction in the proposed charges compared to the current year and that is due to a reduction in some of the proposed budgets for the next two years, but also the credit being taken for the £1.080m projected cumulative underspend on these budgets at 31st March 2015.

These figures are indicative and may change slightly due to the DfE's requirement for LAs to use the October 2014 census for the detailed calculations.

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

Next Steps

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

RECOMMENDATIONS

The maintained primary school representatives on the Schools Forum are asked to support the proposals for de-delegation of the budgets for the period 2015/16 and 2016/17, as set out above.

APPENDICES (If applicable) - these are listed below and attached at the back of the report.

Appendix 1 – Details of current service provision

BACKGROUND PAPERS

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
Report to Schools Forum	School Funding Reform: Findings from the Review of 2013/14 & Arrangements and changes for 2014/15	9 th October 2013	County Offices, Newland, Lincoln, LN1 1YQ

Details of current service provision

Schools in financial difficulty and exceptional unforeseen costs

a. Schools in financial difficulty

The DfE reforms no longer permit the LA to hold a budget for school redundancies. For 2013/14, Schools Forum representatives of maintained primary schools voted to create a budget for schools in financial difficulty. The LA's Staffing Reduction panel continues to meet to consider requests for redundancies and access to those funds. The LA's long established policy of charging schools for a share of redundancy costs remains in place. However, a tightening of those arrangements was introduced in 2013/14, such that a contribution from this budget will only be made for schools that are likely to overspend within the next two financial years if no action is taken.

The costs incurred against this budget in 2013/14 were low when the decision for de-delegation in 2014/15 was made, but it was agreed that it would be prudent to continue to set aside funds each year.

A budget was not created for maintained secondary schools in 2013/14 or 2014/15. That was mainly because there were relatively few maintained secondary schools and several of them were considered unlikely to fall in to financial difficulty. It was therefore assumed that the sector would probably not be supportive of creating a de-delegated budget. Also, it was recognised that with so few secondary maintained schools, there would not be sufficient critical mass to operate an insurance type arrangement, as is possible with maintained primary schools.

b. Exceptional unforeseen costs

The DfE expects a de-delegated budget for exceptional unforeseen costs to finance those costs which it would be unreasonable to expect governing bodies to meet. In Lincolnshire, de-delegation was approved in 2013/14 to finance the long established school intervention work undertaken by CfBT, and the provision of the interim head-teachers service. A budget was not de-delegated for maintained secondary schools in 2013/14 or 2014/15, for similar reasons to those explained above.

Further detail on the use of the funds this year for:

- Interim Head Teacher
- Primary Maintained School Intervention
- Ethnic Minority and Traveller Education Team (EMTET)

is set out below.

Service Area – Interim Head Teacher

The purpose

Interim Head Teachers are experienced and highly skilled practitioners who have been placed in maintained Lincolnshire primary schools to cover short and long term absences of head teachers in schools in which there is no viable alternative leadership solution.

Amount of funding received and spent

The interim head teacher budget for 2013 – 2014 amounted to £369,950, of which £280,000 was allocated to cover the salaries and associated costs of the Interim Head Teacher permanent staff and to fund school to school interim leadership support. The underspend is returned to the dedicated schools budget.

How funding was spent

The interim head teacher budget, as identified above, was spent on permanent staffing and to provide school to school leadership solutions. Arrangements are such that schools are not left financially vulnerable as a result of either providing or receiving Interim head teacher support. Schools are charged for the number of working days provided at the rate of pay of their substantive head. If insurance or other cover is an amount less than this, the interim head teacher budget will be used to cover the difference. If a school is financially vulnerable, the charge to the school can be reduced or waived.

The permanent interim head teacher team is most often placed in schools graded by OfSTED as Requiring Improvement or inadequate or those that are deemed to be highly vulnerable should effective leadership not be in place. Their role is to provide immediate strength to the strategic drive for improvement and to ensure the quality of teaching and learning is leading to good achievement for all pupils. The time spent in each school is determined by the school's own capacity for sustaining the improvements and the security of substantive leadership arrangements.

In addition to their interim head teacher role, their wide ranging skills and expertise are utilised in supporting other leaders within Lincolnshire maintained schools through the delivery of induction support for new and acting head teachers and through designing and delivering leadership training. This has led to even greater impact across the county.

To augment the permanent interim head teacher team, and to promote effective school to school leadership support, the interim head teacher budget is used to utilise the skills and expertise of current head teachers and aspiring head teachers to provide interim leadership support on a more flexible basis. This arrangement can take a number of models including:

- The substantive head teacher of the donor school becoming full time interim head teacher in receiving school, with a member of senior leadership team in the donor school taking the acting Head Teacher role
- A member of the senior leadership team becoming full time interim head teacher in receiving school, supported by their own head teacher
- The head teacher of the donor school taking the role of executive head teacher over both schools with senior leaders in both schools taking head of school role

All of these models are making a significant contribution to developing the leadership potential of senior leaders and improving retention and recruitment opportunities. CfBT Education Advisers are currently developing a central database of schools with potential to provide interim leadership support and are guiding school leaders and governing bodies so that they can become more confident in identifying their own leadership solutions. Coaching and guidance for prospective interim head teachers through this model will be available from the permanent team.

Outcomes

Education Advisers monitor and evaluate the impact of all interim head teacher arrangements through their regular visits to the schools and validation of the school's self-evaluation evidence base. In September 2013, 79% of maintained primary schools were judged good or better; this had, to that date, been the highest amount ever achieved in Lincolnshire. That figure is now 85% compared with a national picture of 81%; effective leadership is key to these improvements. Interim head teachers are also placed in schools in an Ofsted category where the substantive leadership does not have capacity to drive the required improvement with sufficient rigour and the impact of this is recognised in HMI feedback.

Ofsted and HMI have been very complimentary of the support provided by interim head teacher arrangements. Comments include:

Bythams Primary School - July 2013

The local authority provided very effective support when leadership and the quality of teaching became fragile at the time of the section 5 inspection. They immediately provided a strong seconded headteacher to stabilise the school and to introduce essential improvements.

Swineshead St Mary's - July 2014

The support provided by the local authority and their swift response to the inspection has been essential to the recent and rapid progress at the school. It has been instrumental in completing the review of governance and responsible for arranging for the interim executive headteacher and assistant head of school to take up post.

At the end of all placements an exit survey is completed by the school leaders who have been supported or by the Governing Body to evaluate their view of impact. Feedback has included

The IHT was a vital source of information and advice. I felt I could discuss issues with her of a confidential nature that then enabled me to take the best next steps. She supported the amending and detailing of the school SEF document and supported in grading the school accordingly.

Support was given by the IHT around working with the Governing Body and support with difficult situations around roles and responsibilities.

The IHT is superb! Thank you for the support. I am eternally grateful!

Proposals for 2015/16

The support provided through the interim head teacher budget is invaluable to schools and it is imperative that this funding remains available to continue to maintain the permanent team of interim head teachers to support those schools who find themselves suddenly in extremely challenging situations and to continue the programme to develop the skills and competence to those head teachers who are offering interim leadership support. However it is recognised that, with efficiencies made within the permanent team and the more flexible support available to those schools through the utilisation of existing head teachers through the school to school model, this budget could be reduced to reflect the spending pattern noted this year.

Service Area – Primary Maintained School Intervention

The purpose

The school intervention budget is used to provide targeted support for those primary maintained schools graded as Requiring Improvement (RI) by OfSTED or, through Education Adviser evaluation, identified as at risk receiving an RI judgement if inspected and whose own financial capacity could be identified as a barrier to rapid improvement.

Amount of funding received and spent

The school intervention fund for 2013 – 2014 amounted to £347,918, of which £147,918 was allocated to CfBT staff to provide intervention services to maintained schools, and £199,770 was allocated to 18 Lincolnshire Primary Schools to provide CPD resources and training to enable the school to tackle overcome identified barriers to improvement and accelerate progress towards addressing key priorities.

How funding was spent

All funding to primary schools follows a formal request process which identifies the specific reason for the request and the actions the school will be taking to address the concerns. The request also considers the school's own financial capacity to resource the actions for rapid improvement to ensure intervention funding is targeted at schools with greatest financial need. Evaluation of impact is through Education Adviser visits and relates to timescales identified within the funding request. The Head of Primary School Improvement monitors the effectiveness of the school intervention funding through regular one to one meetings with the Education Adviser and, where required, through Core Group meetings held at the school.

Through the school intervention fund, the following services and support have been available to those identified schools:

- Allocation of funding to the school to enable the leaders to fund bespoke CPD from their choice of provider and to purchase resources, which could include short-term additional staffing, to ensure that the quality of leadership and management, and of teaching and learning is such that it will accelerate pupil progress
- Access to focused training in the school to ensure that leaders at all levels, including Governors, understand the requirements of the most recent Ofsted inspection framework and are confident and competent in their leadership role
- Enhanced Education Adviser allocation, in addition to that time allocated within the Core Offer, to provide regular support and challenge for senior leaders, including bespoke training in the effective analysis of all school data to ensure precise target setting and accurate evaluation of performance
- Programme of additional support for RI schools so that they are fully prepared for each HMI visit where appropriate, or for the subsequent Ofsted Section 5 inspection
- Supported school reviews, through which senior leaders work alongside Education Advisers to undertake a range of monitoring activities to evaluate the effectiveness of the school's performance and identify precise actions for addressing priorities for improvement in teaching and learning and in leadership and management
- Programme of paired monitoring activities with senior and middle leaders to ensure self-evaluation is accurate and outcomes contribute to school self-review and further school improvement priorities
- Interrogation and evaluation of school data – published data and internal pupil tracking – so that a school has an accurate view of performance against national and local benchmarks
- Guidance for the accurate completion of key school improvement and self-evaluation documentation
- Support and guidance for establishing and implementing rigorous monitoring and evaluation programmes to ensure actions undertaken are having expected impact

- Guidance with completing relevant CPD audit and agreeing CPD plan to ensure staff have competencies to address areas for development and overcome underperformance in teaching and learning; relevant support brokered for all school staff
- CPD for non-teaching/ support staff to enable them to make effective contribution to school improvement
- Guidance to ensure staff performance management/ appraisal objectives are correctly focused on pupil outcomes and tightly aligned to Teachers' Standards with time-limited and measurable milestones for achievement
- Attendance at SLT meetings to model high quality evaluative discussion
- Provision of consultant support for subject leaders to ensure accurate depth of subject knowledge and quality of school curriculum
- Brokering of external reviews of governance so that governors have an accurate understanding of their statutory duties and their role in school improvement, and have the skills and attributes to enable to undertake that role successfully
- Programme of Governor training, and attendance at governor meetings, so that governors are effective in their duties and make good contribution to strategic drive

Outcomes

In September 2013, 79% of maintained primary schools were judged good or better; this had, to that date, been the highest proportion ever achieved in Lincolnshire. That figure by July 2014 is 85% compared with a national picture of 81% which demonstrates a sustained trend of improvement as an outcome of the continued focus on supporting schools in their journey from RI to good or better.

OfSTED and HMI have been very complimentary of the support which had been provided through the intervention budget. Comments include:

Sutton St James – HMI May 2014

The local authority has worked to support the school through a period of upheaval and uncertainty with staffing and governance. You report that you have valued highly the support you have been given by the local authority to strengthen leadership and management systems

Lutton St Nicholas – Ofsted June 2014

The school is well supported by the local authority and external consultants. The education adviser has been involved in helping leaders with long-term planning and developing strategies to improve the quality of teaching.

Mareham-le-Fen – HMI June 2014

The school has benefited from some effective external support, notably the review of governance and subsequent action carried out by the local authority.

Proposals for 2015/16

Whilst there have been many successes in the support for school through the intervention funding this year, there are still 31 maintained schools judged as RI (19/09/14); 3 of these have been judged as RI for a second time although the improvements in leadership and management have been noted. For all RI schools, or those vulnerable to being judged RI, it is imperative that CfBT Education Services continues to provide the support that has contributed to the improvements we are now seeing and that the budget allocated is maintained at the current level to enable this work with schools to continue the drive towards every child in Lincolnshire attending a good or better school.

To support these schools in achieving a good Ofsted outcome, we intend to continue with our focused drive to strengthen leadership and provision for maintaining the high quality of support and challenge which is recognised as a significant contribution to our improving Ofsted outcomes in Lincolnshire. CfBT Education Services will continue to work in partnership with HMI and Ofsted and the DfE, and will broker a range of support to include that offered by the National College (National Leaders of

Education; Local Leaders of Education; Specialist Leaders of Education), Teaching School Alliances and the Diocese to meet our intention that every Lincolnshire pupil will attend a good school.

Ethnic Minority and Traveller Education Team (EMTET)

The Service Area

The Ethnic Minority Achievement Service (EMAS) was reconfigured in September 2011 to form the Ethnic Minority and Traveller Education Team (EMTET). The current team has a two tier structure that advises and supports schools to accommodate the needs of ethnic minority and Traveller children. The officers support schools to work with families and ensure that they are able to access services available to their children; particularly education. They support the integration of specific children as well as help schools to develop and maintain systems that are needed to provide a fully inclusive and safe environment for these particular groups of young people. The team leaders are able to offer the more specific advice required by schools to support children with English as an additional language (EAL).

Background to need

- The number of pupils with English as an additional language in schools continues to increase (June 2012- 5672, June 2014- 7,480, an increase of 32%). 36% of the children are in maintained primary schools.
- There is a lot of variation in the experiences with supporting Ethnic Minority and Traveller children in maintained primary schools across Lincolnshire. 1426 EAL children attend 11 maintained schools where good practice is usually well established but constantly challenged. 1298 EAL children attend 141 maintained schools where experience of supporting pupils and families from ethnic minority backgrounds can be limited.

The purpose of the Service

The overall aim of The Ethnic Minority and Traveller Education Team is to provide a service to schools and families that support the following objectives:

1. Improving the safety and well-being of Ethnic Minority and Traveller children. (supporting families to find a school place and settle into education)
2. Improving access to learning particularly those with EAL (advising schools on good EAL practice through training and consultancy)
3. Supporting transition (supporting family's knowledge of school admissions, school systems, transport, free school meals etc.)
4. Improving conditions for learning that reflect culture and lifestyle and value diversity (training and workshops to school staff and young people, working with parents to improve integration)

Budget received/ spent

The service is funded, in part, by a de-delegated contribution (from the dedicated schools' budget) of £188k. At the start of the 2013/14 financial year, this was £110k short of the previous year's contribution and the budget needed to run the current service, due to the per-pupil apportionment of the original budget to Academy schools. During 2013/14 the service undertook a number of measures to ensure that it operated within its budget for the financial year for 2014/15 including re-structuring the service and, consequently service delivery.

As a consequence, the service reduced to 1.8fte team leaders and 4.6fte officers both on 38 week contracts. To part-mitigate the annual budget reduction the service introduced elements that are income generating for this financial year.

The 188K currently funds 78% of the total service cost. It is the intention of this paper to seek resolution from the forum as to the commitment to the service to enable longer-term planning.

Outcomes for the Service

The service works with approximately 120 schools. This work includes:

- Supporting approximately 90 children per year, through a single child referral process (this may lead to impact on wider family and/or whole class/school).
- Support to develop and improve current practice for supporting Ethnic Minority and Traveller families. 16 schools received an intensive support package.
- Training for schools and school staff including supporting pupils with English as an additional language and cultural awareness.
- Supporting the admission of approximately 75 ethnic minority and Traveller families into school, particularly reception.
- Workshops with young people around cultural and language awareness and understanding equality.
- Coordinating racial incident reporting and assisting schools to deal with racist related behaviour.
- Exploring opportunities through communities that impact on pupil's progress and integration e.g. supporting 11 supplementary schools across Lincolnshire.

Future Developments

The current service delivery is based on school referral for support. From September 2014, the service will introduce a system to monitor through a short analysis of the current provision in each school. This will allow the service to highlight not only areas for development but also examples of good practice in schools in Lincolnshire. This approach has been viewed by schools to be a very useful activity providing an opportunity to evaluate schools' day to day practice and allowing those involved to consider improvements. Through this, we hope to be able to work towards supporting a consistently good level of provision across maintained schools

Option 1: Cease contributing to the service from April 2015

The SF can choose to no longer contribute to the funding of the service and delegate the monies to maintained schools. The service would then no longer be viable and would be removed. Lincolnshire County Council would therefore not offer a traded product and schools would seek to purchase their needs from other providers.

Option 2: Continue to contribute in part from April 2015

The service scope/offer can continue to part fund the service to maintain current provision. Further reductions due to pre-pupil apportionment of the original budget to academies will have an impact on the service's capacity to deliver at current level. Further elements of the service delivery will need to be traded or cease.

Option 3: Continue with the same level of contribution without annually adjusted by the per-pupil apportionment to Academy schools.

The service scope/offer would continue to offer the same level of support as in 2014/15.

Option 1: £0k

Option 2: £188k minus the pre-pupil apportionment

Option 3: £188k

Amounts above are based on the current trend of 1% pupils per 6 months adjustment for school conversion to academy status.

The service is currently funded from the de-delegated primary school DSG as no secondary representative available to vote at previous forum. Should a secondary representative be present, a new vote would be required from them.

Recommendation: Option 3