

Report to Schools Forum

Title:	De-delegation issues
Date:	8 th June 2017
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Schools affected:	All maintained schools

1. Purpose of this report

- 1.1. This report sets out the proposals for the new de-delegations for 2017-18 following consultation and meetings of a maintained schools working group.

2. Background

- 2.1. A paper on the results of consultation on new dedelegation was discussed at Forum in March 2017.
- 2.2. In schools individual budget shares for the April 2017 to March 2018 financial year an amount of £18 per pupil was deducted for proposed new de-delegations, as a result of changes in the Education Services Grant (ESG).
- 2.3. This was always subject to agreement of detailed proposals at a later date of the maintained schools, per DfE guidance.
- 2.4. The Forum constitution requires any final decision to be made at a formal Schools Forum meeting. Only maintained school representatives may vote on dedelegation proposals affecting their schools.

3. Recommendations

- 3.1. That maintained primary and secondary representatives of Schools Forum agree to a de-delegation of £2.45 per pupil (£15.55 less than the original proposal in budget shares) to cover the activities set out in the detailed proposals below.**
- 3.2. That special school and PRU representatives on Forum agree a charge of £9.80 per place for their contribution for the activities set out in the detailed proposals below.**
- 3.3. That maintained schools (of any type) agree to the proposal to add £117k of de-delegated funding held on reserve to the contingency for schools in financial difficulty**

3.4. That the Forum reps support the proposal for the contingency panel to retrospectively address any unresolved claims from 2016/17.

3.5. That the Forum notes the position on de-delegation for schools converting to academy.

4. Detailed proposals

In relation to recommendation 3.1 and 3.2

Revised amounts for de-delegation from school budgets for 2017/18

4.1. Following a meeting of a working group (notes in Appendix 1)) the revised proposals for de-delegation are set out in Table 1.

4.2. The total amount per pupil in maintained primary and secondary schools now being recommended for dedelegation in 2017/18 is £2.45 per pupil.

4.3. ESG funding for Special schools and PRUs was previously at 4 x the level of funding for maintained primary and secondary schools and the total amount per place (not pupil) in maintained special schools and PRUs being recommended for dedelegation in 2017/18 is £9.80 per place (4 x £2.45)

4.4. The difference of £15.55 per pupil (£18.00 less £2.45) will be returned to schools budgets before the end of the summer term. The charge for PRUs and special schools will be calculated and agreed with the relevant schools also by the end of the summer term.

Table 1 – summary of revised proposals, based on 7/12ths of recommended budgets being applied to schools in 2017/18 and 44,000 pupils.

De-delegation area	Revised annual amount	Other financial impacts	Revised 2017/18 (prorated) de-delegation per pupil
Specialist Finance support for schools with deficit budget risks previously covered by ESG. (see Appendix 2)	£110k	Schools needing a service cannot self-refer and BLT will support only schools as directed by the Council. The FD for Education will report back on demand to Forum each term. Schools needing support outside of the scope of this commission will need to purchase the relevant package support.	£64k or £1.45 per pupil

De-delegation area	Revised annual amount	Other financial impacts	Revised 2017/18 (prorated) de-delegation per pupil
BCC Finance support, previously covered by ESG. (see Appendix 3)	£30k	<ul style="list-style-type: none"> Salary modeller now included in traded packages at no more than £100 per school. Support to academy conversion after 1st Sept will also come under traded services. Traded services for this team also revised to provide better Value for money for schools. Charge against contingency budget of no more than £4k for support around contingency bids. Justification and final charge to be agreed with the Contingency panel Forum reps at a later date. BCC council tax will contribute £4k directly. 	£17.5k or 40p per pupil.
Educational Visits (Evolve) service provided by BCC (see Appendix 4)	£44k	The service will develop a traded offer for all schools for 2018/19. This is a one year de-delegation request.	£26k or 60p per pupil
Additional school improvement, through BLT	£0	BLT will offer traded services to schools as appropriate.	£0
Total	£184,000		£107.5k or £2.45 per pupil

In relation to recommendation 3.3

Use of carried forward de-delegation funding held on reserves.

Any contributions to de-delegated budgets that have not been used are held in reserve at year end and carried forward to be used in future years.

- In total de-delegated reserves at year end stand at £1.038m. This arose from deficit write off contingency underspends due to delays in conversions plus a known underspend in union cover.
 - Exceptional funding is still required in reserve for one secondary school deficit. The DfE have recently confirmed that upon conversion to an academy this deficit would

still be written off. Through proactive work by the school concerned and the support of the Council and BLT the reserve required would not exceed £0.9m (whether that is needed in 2017/18 or beyond is uncertain).

- £21k is committed for union cover in 2017/18 to reduce the dedelegation request from schools in 2017/18.
- £117k is therefore uncommitted in 2017/18.

It is recommended that in light of the pressures on the contingency for schools in financial difficulty (as evidenced by the fund running out in 2016/17) that this unallocated carry forward is added to the contingency budget for schools in financial difficulty to be determined by the Contingency panel.

In relation to recommendation 3.4

Exceptional contingency meeting for outstanding 2016/17 claims.

- The cancelation of the final contingency budget in 2017 due to lack of funds has resulted in a number of informal complaints and a risk of challenge from schools with valid claims that could not be heard.
- To mitigate the risk of challenge it is recommended that a special meeting of the contingency panel is convened in July 2017 to address any valid 2016/17 outstanding claims and consider any agreed use of contingency where the amount agreed had to be reduced due to the inadequate contingency budget left. The sum available to be disbursed at this meeting will be £117 000, being the carry forward from the dedelegated reserves at the end of the 16/17 financial year.
- This links to recommendation 3.3, regarding funding any additional costs.

In relation to recommendation 3.5

Academisation /conversion

- Any school becoming an academy on or before 1st Sept 2017 will receive a 7/12ths refund on dedelegation via the EFA.
- Any conversion after 1st Sept will not result in any refund by the EFA.
- Schools converting will lose rights to any contingencies for maintained schools on the date of conversion and will not be eligible for services paid for from de-delegation from the date of conversion.
- Schools converting after 1st Sept 2017 will be charged for any finance support relating to their conversion.

Appendix 1 –notes of meeting of the working group

Notes of meeting to discuss new de-delegation proposals for maintained schools for the 2017-18 financial year, held at Cressex School, 11th May 2017.

In attendance

Primary

- Gareth Drawmer, Juniper Hill School, Chair of PEB
- Janice Freeman King's Wood School and Nursery
- Gaynor Bull, Chair of Governors, Haddenham St Mary's CE School
- Kathryn Tamlyn, Cheddington Combined School
- Owen Lloyd, Iver Heath Junior School

Secondary

- Robert Preston, The Misbourne School
- Angela Wells, The Buckingham School
- Andy McBurnie, The Cottesloe School
- Sarah Hammond, The Mandeville School
- David Hood, Cressex Community School
- Victoria Hillier, Business Manager, Cressex Community School

BLT

- Kevin Burrell, Head of Schools (Primary), BLT
- Kate Rumboll, Director of Education Standard, BLT

BCC

- Atifa Sayani, Education Champion, BCC
- John Huskinson, Finance Director, , BCC
- Janaki Try, Senior Accountant, BCC

Apologies

- Sarah Callaghan, Service Director, Education (BCC)
- Mike Moore, St Michael's Catholic School (All through)
- Katherine Douglas, Brookmead School (Primary)
- Mrs Karen Duckworth, Padbury School (Primary)

Notes

- For future meetings, schools would like Papers circulated in good time. Not all Headteachers received the documentation.
- Schools did not feel there was sufficient detail in the De- delegation Paper to enable them to make an informed decision.
- Schools would especially like a more detailed breakdown of the work to be funded through for Areas 1 and 2
- Question were raised about the full year impact of dedelegation because transitional funding was given to BCC for 5 months, so schools questioned if they were being asked to pay (through dedelegation) for a full year for something BCC has funding for in part.

- Schools would support SFMA being directly managed by BCC, not a third party organisation, in this case the BLT

Recommendations made

(Subsequently Member Services advice states that constitutionally the group can only make recommendations to the Forum, so a Forum meeting has been set for 8th June)

1. *Dedelegation for school improvement was not recommended by Primary or Secondary*
2. *Dedelegation for educational visits at a rate of £1 per pupil was recommended but subject to a review of pricing for packages from 2018*
3. *Members of the contingency panel present at the meeting agreed to the proposal to set up an extraordinary meeting to consider the claims from January 2017 to March 2017 that were not fully met (because of the pro rata reduction applied to the claims in January) or not considered at all (because there had been no funds left following the January meeting. These would be considered out of the pot available in 2017/18, up to a maximum disbursement of £117k (see point 4 below)*
4. *The use of £117k dedelegation funding held on reserve was recommended to be added to the school financial difficulty contingency pot for 2017/18. This sum would be used to fund any claims agreed at the extraordinary meeting of the contingency panel. It was agreed that there should be equal treatment in terms of pro rata reductions of the claims made in March as there had been of the payments made in January. If possible, both sets of payments would be made in full.*
5. *It was not recommended for there to be any compensatory adjustments to dedelegation or extended rights to contingencies after conversion, for any school converting within a financial year.*

Recommendations deferred

(To working group prior to new Forum meeting then onto Forum on 8th June)

1. *A recommendation on dedelegation paid to BCC for Schools Financial Management Advisory services provided by the BLT requires further information and clarification*
2. *A recommendation on dedelegation for finance services of the county also requires further clarity before a decision can be made.*

Actions by BCC finance team

- A meeting to be organised at Cressex School for 8th June 2017 at 1.00pm – 3.00pm.

(Subsequently agreed a full Forum meeting will be held from 1:30-3pm on the 8th June to be hosted by Cressex School. The working group will meet from 12:45- 1:30pm instead, if deemed necessary)

- A paper providing further clarification on the :
 - 1) Finance services provided by BCC funded through de-delegation
 - 2) Schools Financial Management Advisory services provided by the BLT and commissioned by BCC, funded through dedelegation
- This Paper to be circulated to all attendees above by May 19th 2017

Presentation of proposed use of de-delegated funding by the BLT, key points made:

- The £308,000 for School improvement – would be held as a contingency fund for preventative work for schools causing concern, as identified by the BLT, ahead of any Ofsted judgement.
- A Headteachers Panel would decide how to allocate funds on a case by case basis
- Accountability would be to the Schools
- BLT stated that the BCC grant was £2.2m but had now reduced to £0.6m only.
- BLT stated that this reduced funding means they can only support targeted schools and not commit to doing preventative work as was needed.

Comments from Headteachers

- BLT is a charity and reinvest in services.
- David –managing the contingency fund for school improvement is likely to be very complicated...
- Robert - supported view of supporting other schools, but budgets mean schools cannot afford to fund this level of support for other schools. Misbourne looking at applying to become Teaching Schools etc., so we need to think more broadly about support provided by Teaching Schools..
- New school improvement fund - Teaching Schools can bid to support schools
- Kathryn – although we are a family of schools. The idea of the contingency is good and schools want to support it but it is very hard financially to commit resources to this.
- Janice - we prefer funding so that we can to make our own decision on which packages to purchase. View supported by Owen and Gareth. Schools still want a school improvement service.
- Kate – asked ‘what do schools need from BLT?’ Said the BLT is keen to engage with schools as they are there to help.
- Andy MCPc –with the funding my school would need to commit, I can purchase 13.5 days of School Advisor support which my own school needs.
- Further information from Kevin on contact points, could be included in next paper.
- Janice –who are BLT trust board members? We are not aware because this information is not shared with us

- Kathryn – desktop and phone call support is not school improvement. Face to face is the key part.
- Janice –what is the actual amount of the BLT grant?
- Kathryn – need more information on BLT structure, costs, income, cross subsidy etc. What level of support is needed, to support those schools?
- Atifa –Through the Education & Skills strategy the whole school community have an opportunity to contribute their thoughts and ideas to the vision for education in Buckinghamshire and an operating model that is cost effective. The BLT and Teaching Schools will contribute to this discussion.

Appendix 2 – Specialist Finance support for schools with deficit budget risks previously covered by ESG.

The Schools Finance Management Advisory (SFMA) team within the Buckinghamshire Learning Trust (BLT) are commissioned by the Council to provide specialist finance support for schools with deficit budget risks and help them set recovery plans.

SFMA are also commissioned to monitor progress against agreed plans and raise concerns with the Council, who may intervene by issuing Notice of Concerns or in extreme cases remove delegation for schools or impose an Interim Executive Board.

SFMA also support training for heads, governors and school finance staff.

More information on the SFMA service is included on the BLT website below.

<http://www.learningtrust.net/service/financial-management-advisory-service/>

Dedelegation request

The £110k originally requested was based on the full cost of the SFMA including reasonable overheads, admin support and associated costs. The team comprises one finance specialist on a full time basis and a second on a term time only basis. Both are qualified accountants with strong experience in school settings.

In the financial year 2017/18 5/12ths of this is covered by transitional ESG funding to BCC, hence the amount requested in 2017/18 from schools will be £64k (= 7/12 x 110 000). With roughly 44,000 pupils in maintained schools this equates to a request of approximately £1.45 per pupil.

Traded services packages for other forms of financial support have been restructured to make them more flexible than previously. BCC believes that these packages represent good value for money. The SFMA will not provide support for schools which falls under the traded finance packages.

Revised Budget	Rates per pupil / place	Notes
<p>£110,000 originally suggested</p> <p>See breakdown</p>	<p>Originally suggested £2.50 (primary and secondary) or £10 per place in specials and PRUs.</p>	<p>The dedelegation would be used to commission the following level of support from the SFMA team on an annual basis.</p> <ul style="list-style-type: none"> • 400 half days of targeted support to individual school at a cost of £100k (£250 per half day) • With £10k held in contingency for either other specialist finance support outside of the SFMA team or as a contingency for additional half days if required. <p>The support commissioned would only be agreed by the Finance Director for Education at the Council and this would be reported back to the Schools Forum on a termly basis.</p> <p>The arrangement is covered by a Service Level Agreement and Key Performance Indicators and the effectiveness of the service will be monitored through feedback from schools to the County Council.</p> <p>SFMA would have a small amount of “spare” capacity to provide traded services to academies or other schools choosing to purchase services, but under this new model there would be no risk of funding through dedelegation</p> <p>A minimum commission of £100k (400 half days) will be set across a full year.</p> <p>Based on the number of schools supported in 2016/17 and the</p>

Revised Budget	Rates per pupil / place	Notes
		<p>deficit risk increasing in 2017/18 it is expected that activity will have to be tightly controlled to manage within the £110k total pot and not use more than the £10k contingency.</p> <p>All maintained schools needing support will be eligible for this service.</p> <p>The arrangements for 2018/19 will be kept under review.</p> <p>This support does not cover business as usual finance support, which is available on a traded basis.</p>

Appendix 3 – BCC Finance support, previously covered by ESG.

Schools are able to receive support on a number of financial matters through traded service packages, however there are a number of other activities that were previously funded by the ESG that are not covered by these packages.

Some of these are difficult to charge for discretely. There are advantages to maintained schools supporting these for the benefit of all schools in the sector.

Dedelegation request

This paper sets out in greater detail than previously how the £55k that was initially requested was derived. Following discussion with schools, this sum has been reduced such that the request for dedelegation is now £30k per annum. In the financial year 2017/18 5/12ths of this is covered by transitional ESG funding to BCC, hence the amount requested in 2017/18 from schools will be £17.5k (= 7/12 x 30 000). With roughly 44,000 pupils in maintained schools this equates to a request of approximately 40 pence per pupil.

The table below shows:

- more information on the costings underpinning all the various elements of the initial dedelegation request;
- which activities are no longer included in the dedelegation request, and how it is proposed that they will be funded; and
- Which activities remain within the dedelegation request?

Traded services packages for other forms of financial support have been restructured to make them more flexible than previously. BCC believes that these packages represent good value for money.

Revised Budget	Rates per pupil / place	Notes
<p>£55,000 originally suggested</p> <p>See breakdown</p>	<p>Originally suggested £1.25 (primary and secondary) or £5 per place in specials and PRUs.</p>	<p><u>Activities we will not include in dedelegation proposals and charge for alongside the traded finance packages: £17k</u></p> <ul style="list-style-type: none"> • Provision of a budget and salary modeller tool (developed in house with associated telephone support to all schools). of providing this: <ul style="list-style-type: none"> ○ £4k for contact centre staff supporting the tool over the phone. ○ Cost of BCC finance time, developing and supporting the modeller. Estimate 10% of two FTEs, at direct cost of c. £8k ○ Under the new traded service package, all schools would be charged the same for this. The cost would not exceed £100 per school. • Some authorities charge for work to support school “conversion” to academies. Schools receive a grant for conversion costs. As this is a cost to BCC this will charge on a case by case basis to the schools concerned. If the school has a deficit budget that is being written off, this will be included in the balance written off. We are assuming that four schools per term will convert estimated 10% of one FTE c £4k cost. Schools will be able to include any work within the traded financial packages offered. • Loan applications and emergency cash advances. This is

Revised Budget	Rates per pupil / place	Notes
		<p>exceptional, so will be moved to traded basis. The cost of estimated cost if left in dedelegation £1k.</p> <p><u>Work deemed to be “statutory in nature” and BCC will fund: £4k</u></p> <ul style="list-style-type: none"> • Review of surplus and deficit in schools and reporting to Schools Forum and BCC. Estimated 10% of one FTEs, c £4k Linked to Schools finance management advisory team work. <p><u>Work to be charged to a different de-delegated fund: £4k</u></p> <ul style="list-style-type: none"> • Support to contingency panels. If there was no contingency BCC officers would not need to attend or support this. Finance costs are not currently charged to contingency. Estimated c 5% of one FTE including advice pre application and support for meetings. C. £4k. <p><u>Activities that we seek dedelegation for where charging for this would generate a very high admin overhead for BCC: £30k</u></p> <ul style="list-style-type: none"> • Monitoring of coding/accounting entries through internal controls, including year-end entries. C 5% of two FTEs £4k cost. • Review of Schools Financial Values Standards including assessing whether schools have complied and reviewing evidence provided. Chasing, reviewing, checking, following up. c.10% of two FTEs. £8k cost. • Advice on VAT and tax issues in schools provided by the BCC VAT team. To help schools get the appropriate advice from BCC, this is not deemed suitable for charging. Estimated 20% of 1 FTE, c £10k • Maintaining the financial guidance and instructions for schools to support them in effective accounting and financial controls. This should reduce the need for schools to pay for as much financial advice. Equivalent of 10% of one FTE c. £4k cost. • Normal cash advances for all cheque book schools require works each month and this is estimated at 10% of one FTE, c £4k.

Appendix 4 – BCC Educational Visits Service previously covered by ESG.

Dedelegation request

The £44k originally requested was based on the full cost of the service team supporting maintained schools.

In the financial year 2017/18 5/12ths of this is covered by transitional ESG funding to BCC, hence the amount requested in 2017/18 from schools will be £26k (= 7/12 x 44 000). With roughly 44,000 pupils in maintained schools this equates to a request of approximately 60 pence per pupil.

Revised Budget	Rates per pupil / place	Notes
£44,000 originally suggested	Originally suggested £1.00 (primary and secondary) or £4 per place in specials and PRUs.	<p>Comprises the Outdoor Education Adviser and one administrative support. (Costs: salaries of the two staff, Evolve licence fee and overheads such as phone / laptop / hot desk space.)</p> <p>Duties: The Health and Safety at Work Act (1974) places general duties of care on employers to conduct their undertakings without risk to the health and safety of others (staff and students) (The duty of care owed by the employer for school curriculum activity is non-delegable.) Employers must ensure that employees are provided with appropriate Guidance, Training and Access to competent expert advice.</p> <p>Legal: In a worst case scenario, Rachael Shimmin as the CEO could be prosecuted under criminal law for not fulfilling the duties of the employer. (Directors found guilty of not fulfilling their legal obligations resulting in the death of young people have been jailed).</p> <p>Background: In 1986 four boys from Stoke Poges middle school in Buckinghamshire died during a school visit to Lands' End as consequence of poor planning. Nationally this resulted in the appointment of LEA Outdoor Education Advisers to ensure that LAs (as the employer of LA schools) fulfilled their H&S duties (see below). Buckinghamshire has had an Outdoor Education Adviser since that time.</p> <p>The current position: The Outdoor Education Adviser represents the LA in fulfilling its legal duties to LA schools. LA schools do not pay for support, guidance or advice. Academies are charged which helps to offset the cost to the LA for its work with LA schools. All Buckinghamshire LA schools and academies (less seven) use the service. Schools are expected to have access to competent expert advice about Educational Visits.</p> <p>Processes in place: LA schools and academies use an IT system called Evolve for the registration of their visits. This provides an approval chain to ensure as far as possible good planning. The Outdoor Education Adviser approves residential, overseas and adventurous activity for LA schools and all but one academy asks that their visits are similarly authorised. Each school has an Educational Visits Coordinator (EVC) that has been trained by the Outdoor Education Adviser and they are the link with the Outdoor Education Adviser and advice. The Outdoor Education Adviser also provides INSET, training for governors, for NQTs and for admin staff who support teachers with their Educational Visits arrangements. The information held on the LA Evolve site is available to help support in an emergency.</p> <p>Charges - comparison of yearly charges per school and type:</p>

Revised Budget	Rates per pupil / place	Notes
		<p>The LA (based on a flat rate + pupil numbers). Evolve system with <u>LA advice and support</u>: Primary £ 350 / Secondary £ 700 (both approx.)</p> <p>Evolve direct from company with <u>advice from the preferred Evolve provider</u>: Primary £1098 / Secondary £1898</p> <p><u>In addition to cost differences shown above, considerations for future provision if the service was deleted:</u></p> <p>Evolve: The LA would no longer hold an LA licence for the Evolve IT system and so schools would either <u>return to a paper system or buy direct from the Evolve IT company.</u></p> <p>Advice and support: The Evolve IT company does <u>not</u> provide Advice for Educational Visits but it does have a preferred provider who will give advice. The scrutiny of Educational Visits by the County Outdoor Education Adviser would cease as would approval of LA school residential, overseas and adventurous activity along with the checking process provided to academies. The LA would no longer know what Educational Visits were taking place in the County and would not be able to identify poorly planned visits. The list of Educational Visits out during holidays would stop and it would not be possible to directly access information about the visit in an emergency. There would be no one to provide and update the County Guidance for Educational Visits. The LA would not fulfil its duties of care as an employer.</p>