

SCHOOLS' FUNDING FORUM

SUBJECT:	De-delegation of DSG budgets in 2014-15
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DATE:	13 December 2013
SUMMARY OF REPORT: To request Forum approval to de-delegate a number of specific budgets for 2014-15 financial year from maintained primary and secondary school budgets. This will enable these services to continue to be provided centrally by the Local Authority. As de-delegation does not apply to Special Schools or PRU's, this paper also raises awareness of the need to establish a similar yet alternative arrangement for these types of provision.	
FOR:	Decision & Note

1. **Background**

- 1.1 As part of the DfE Schools Funding Reforms, which commenced on 1 April 2013, a number of former centrally retained DSG budgets were delegated to schools for the first time. This new delegation of funding was directed by the DfE and applied to some specific S251 budget lines. Full details of this additional delegation are contained in the Forum paper of 12 October 2012, which can be accessed via the link below:
http://www.clusterweb.org.uk/UserFiles/CW/File/Finance_Assessment/SFF/12_Oct_2012/Item_7_Delegation_and_De_delegation.doc
- 1.2 At the same time as this directed delegation, Forums were given additional powers to de-delegate and return this funding to the Local Authority. This de-delegation power applies only to maintained schools and not to special schools, PRU's or academies. Voting on de-delegation is restricted to maintained school members only and is further restricted to each phase of education (i.e. maintained primary school reps vote on primary de-delegation).
- 1.3 At the Schools' Funding Forum meeting on 12 October 2012 relevant members (who had the authority) voted to de-delegate a number of specific budgets for 2013-14. The Forum also noted the following:
 - Any underspends on de-delegated budgets would be returned to all maintained schools the following financial year

- Any overspends on de-delegated budgets would be first call on the following years DSG settlement

The LA will update the Forum on the 2013-14 de-delegated budgets once the financial year has closed.

- 1.4 The DfE have confirmed that approval is restricted to one financial year at a time. This paper is seeking Forum approval to continue de-delegating some specific budgets for 2014-15.

2. De-delegation in 2014-15

- 2.1 The Local Authority is seeking permission from the Forum to de-delegate the following budgets in respect of maintained Primary and Secondary schools only.

2.2 Schools in Financial Difficulty (DFFG)

This funding is used to support individual maintained schools experiencing financial difficulty. We would propose that the current process of submitting applications to the Delegated Formula Funding Group (DFFG) should continue prior to a recommendation to this Forum for its formal approval.

2.3 Schools in Financial Difficulty (Targeted Intervention)

This funding is used to support the many maintained schools in vulnerable positions by means of projected Ofsted ratings. Failure to de-delegate this funding will mean that the LA could not support any maintained school requiring help and this will impact significantly on our ability to move Kent schools from satisfactory to good and potentially jeopardize the progress we have made this year. All payments are approved by the Director of Education, Quality and Standards and are made to maintained schools only.

2.4 Free School Meal (FSM) eligibility

This funding is used to fund a small team of staff who undertake checks on the Governments Hub database (run by DWP/HMRC) to confirm individual pupil's eligibility for Free School Meals.

In 2013/14 this service had planned to start charging academies for this service but instead invested time and resources into procuring an on-line system to enable parents to confirm eligibility instantly. This system has the benefit of being able to provide immediate eligibility confirmation to the parent and at the same time send secure/confidential notification to the school / academy. This is a significant efficiency on the current system which has been in place for a number of years. The Local Authority is seeking approval to de-delegate this funding for maintained schools on the basis that it commences charging academies for its fair share for 2014/15.

2.5 County wide SiMS Licence

KCC uses this funding to purchase a county wide SiMS licence from Capita, which is of benefit to all maintained schools in Kent. There are significant financial savings to maintained schools from this arrangement. This licence is owned by KCC and we pay Capita in a single payment at the start of the financial year. As maintained schools convert to academy status during the year a credit is returned by Capita to KCC (only when the academy purchases a licence with Capita directly). The county wide contract is managed by EIS on behalf of the Council.

2.6 Supply Cover - Trade Union Duties

At the Schools' Funding Forum (SFF) meeting on 12 July 2013 the de-delegation of Trade Union duties funding was discussed and it was agreed that it would continue for 2014-15. You may be interested to know that the chair of the SFF has written out to all academies to encourage them to join their funding into the pooled arrangement with their maintained school colleagues to obtain the maximum benefit that such an arrangement brings.

2.7 Supply Cover – School Personnel Services

This funding is firmly linked to the work covered by the Schools in Financial Difficulty (Targeted Intervention) funding mentioned above in paragraph 2.3. It is used to fund SPS time where personnel support is needed in difficult cases to negotiate compromise agreements or work with Governing Bodies where action is needed in respect of the senior leadership team in the school. This funding only covers SPS support to maintained schools.

2.8 MCAS and Education Assessment Service

The Local Authority has undertaken a review of the funding of these services and has established that de-delegation does not work for these budgets as the LA has a statutory role to all Kent pupils and is therefore unable to restrict expenditure to solely maintained schools. It therefore is not requesting de-delegation in 2014-15 and will instead fund these services from the LA's existing budget. This means that schools benefit from this decision.

3. De-delegation Rates per pupil

- 3.1 The 2013/14 de-delegation rates per pupil will remain the same for 2014/15 (as we have a flat cash settlement), and these are:

2014/15 De-delegation rates (£p per pupil)	Primary	Secondary	Special
Schools in Financial Difficulty (DFFG)	£1.06	£1.06	£0
Schools in Financial Difficulty (Targeted Intervention)	£17.75	£8.39	£16.95

MCAS (non-traded element of the service)	£2.88	£2.88	£0
Education Assessment Service (part of Virtual School Kent)	£1.90	£1.90	£0
Free School Meal (FSM) eligibility	£0.57	£0.57	£0.57
County wide SiMS Licence	£3.63	£3.63	£3.63
Supply Cover - Trade Union Duties	£1.85	£1.85	£1.85
Supply Cover – SPS	£0.80	£0.80	£0.80

- 3.2 It has recently come to light that there is no arrangement between the LA and Special Schools (and this also now extends to PRU's) in relation to this funding and whilst it is felt too late in the current year to set something up, an agreement to return this funding to the LA or the introduction of a charging policy in relation to these services is required for 2014/15. The Local Authority will work with KASS and PRU's to resolve this issue.

4. Recommendation

- 4.1 Each representative phase of maintained education is asked to approve de-delegation for the following budgets:
- Schools in financial difficulty (DFFG)
 - Schools in financial difficulty (Targeted Intervention)
 - Supply Cover – Schools Personnel Services
 - Free School Meal eligibility
 - County wide SiMS licence
- 4.2 To note that the LA is not requesting de-delegation of the MCAS (non traded element) or the Education Assessment Service.
- 4.3 To note the need to establish a similar yet different arrangement to de-delegation with Special Schools and PRU's.