

READING BOROUGH COUNCIL
REPORT BY FINANCIAL SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	12 JANUARY 2017	AGENDA ITEM:	6
TITLE:	CENTRAL EXPENDITURE AND DE-DELEGATION 2017-18		
SERVICE:	EDUCATION & CHILDREN'S SERVICES	WARDS:	ALL
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report identifies the key decisions for Schools Forum on centrally retained expenditure and on de-delegations and provides the background information to allow these decisions to be taken (including previously circulated reports, annexes, additional information and service representatives attending the meeting). In addition the current priority of Schools Block headroom is identified as being the likely DSG deficit being carried forward into 17/18 flowing from the high needs block overspend.
- 1.2 Schools Forum will have to make these decisions at this meeting due to the school formula submission deadline of the 20th January. This report will be sent out earlier than the other reports to give members a chance to gather further information

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **DECISION FOR ALL SCHOOLS FORUM:** To approve line by line the continued central retentions in Section 4 of the report.
- 2.2 **TO NOTE:** Copyright Licensing Agreement and Music Publishers Association
- 2.3 **DECISION FOR MAINTAINED SCHOOLS FORUM REPRESENTATIVES BY PHASE:** To de-delegate line by line the de-delegations in Section 5 of the report.

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3 FUNDING HEADROOM BY BLOCK 2017-18

3.1 At present we have not received our 17-18 Dedicated Schools Grant allocation and the LA are not in a position to confirm Schools' allocations. However as noted at the last meeting we are proposing to reduce schools formula factors by 1.5%, excluding the lump sum, which creates an estimated £1m in headroom. As noted at the last meeting the priority for this funding will be to finance the DSG deficit carry forward from 2016/17 to 2017/18. Action needs to be taken to bring the DSG back into balance/small surplus

4 CENTRALLY RETAINED EXPENDITURE 2017-18

4.1 In previous years the only areas of centrally retained expenditure funded by the Schools Block which can be increased are for equal pay and growth fund. From 17-18 this can be extended to Admissions and School's Forum administration costs.

4.2 Summary of Central Retentions for review and agreement relating to the Schools Block

	Budgets	£000
4.3.1	Equal Pay Claims	For info only
4.3.2	Growth Fund (Please see Appendix 1)	900
4.3.3	Servicing Schools Forum	20
4.3.4	Admission (<i>Increase by 50k from 16-17</i>)	159
4.4	Prudential borrowing	50
4.5.1	Children's Social Care	275
4.5.2	Children's Action Teams	245
4.5.3	School Improvement	116
4.5.4	Commissioning Support	15
4.6	Schools Kitchens - <i>Please note change - moving to SLA</i>	For info only
4.7	Copyright Licensing Agreement and Music Publishers Association	98
4.8	Education Service Grant Statutory Responsibilities (transferred in to DSG)	314

4.3.1 Equal Pay Claims

Schools Budget has made a contribution to an equal pay provision for Schools. The current total is £1.5m to meet any liabilities associated with schools, including academies. At present there is not an identified need for an additional contribution. However, we will be keeping this under review as we expect the liabilities to begin to be settled in the near future.

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4.3.2 Growth Fund

Annex 1 to this report shows the anticipated Growth Fund in 2017/18 flowing from the previous year's decisions. The cost of this in 2017/18 is £0.9m. As well as school expansions, this also includes provisions for various contingencies that include adjustments to NNDR Budget and any requests relating to Falling rolls.

4.3.3 Servicing Schools Forum

This relates to Local Authority officer time to prepare and research reports, printing, refreshments, pre-meetings, contribution to website for publishing papers plus staff overhead contribution. The total budget of £20,000 compares to the median budget for Schools Forums quoted in the DfE guidance for Schools' Forums of £21k.

Estimated costs are provided below: -

- Staff costs include on-costs and overhead recovery rate of 15%
- Assume 223 working days pa
- Principal Accountant 20 days pa on reports, admin & attendance = £5,000
- Head of Finance 6 days pa on reports, admin & attendance = £2,500
- Other Senior Officer time total £10,000
- Administration including minute taking, provision of room, printing, catering, sundry etc £2,500

4.3.4 Admissions

This funds the statutory admissions service for Primary and Secondary coordinated admissions and for all in year applications. Since 2013 old regulations did not allow this budget to increase from the baseline 2012 budget. From 17-18 the regulation has changed and this amount can increase. Since 2013 the LA has provided over 100k worth of funding to handle the increasing workload of admissions. It is strongly recommended that this expenditure is retained and increased by 50k to gradually transition the whole cost of the admissions services into the schools block.

4.4 Prudential borrowing

“Prudential borrowing” means borrowing money for the purpose of facilitating the modernisation and rationalisation of the school estate, where the revenue savings that will be achieved are equal to or more than the expenditure that will be incurred in borrowing the money.

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Historically Reading has included a small 'notional' amount within the main schools block for prudential borrowing which reflects the fact that a significant element of the ongoing schools capital programme has historically been and will be funded by borrowing over many years, which represents a significant cost to the Authority. The cost which we have included here will be more than matched by revenue savings and/or offset the opportunity costs accruing from these projects. The charge is very small compared to the annual costs of servicing the debt associated with borrowing costs on major schools capital projects. If this were to be unfunded then it is likely that the capital programme would need to be scaled back.

4.5 COMBINED BUDGETS

4.5.1 Children Social Care

This contribution goes toward children's safeguarding more generally including the Multi Agency Safeguarding Hub, as well as funding for the Virtual School for looked after Children.

4.5.2 Children Action Teams

This contribution goes towards a range of Early Help services (which includes, notably family support, mental health, youth, EWOs, EPs, Troubled Families, TP, YOS, drug & alcohol, E CAF) which the vast majority of schools in the borough access.

4.5.3 School Improvement

This has been used to support schools with significant issues regarding standards to support additional staffing. It also supports additional staffing costs if schools require greater leadership capacity. This funding helps to support head teachers new to the post and those new to Reading. This fund is connected to the de-delegation element that is detailed in 5.6 and further details are within Annex 3.

4.5.4 Commissioning

The current level of funding has enabled additional hours to be added to the Children's commissioning team in order that the team can support the process of securing external SEN placements with good providers with increased value for money. Due to the growing numbers of external placements being used this funding is critical and supports the investment that the LA is doing within Commissioning. This has a vital part to play within the SEN strategy.

If this resource is not maintained, those working in all aspects of the process will need to spend more time dealing with the complexities of the negotiations with providers of all types. In addition to the time lost, experience tells us that this post saves on each placement - without that saving the budget pressure will reduce the options we have to spend money in other areas.

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4.6 Schools Kitchens (Capital from Revenue)

This is for kitchen equipment in schools. If the school meal contract administration and kitchen repairs and maintenance services not be bought back or continued, the Council would anticipate the delegation of this budget to schools as well, together with associated responsibilities for maintaining kitchen equipment which is safe and fit for purpose. The EFA has changed the rules on how this budget should be dealt with and from April 17 this budget cannot be part of the central retention. The LA will be introducing a Service Level agreement from April 17 for all Schools.

4.7 Copyright Licensing Agreement and Music Publishers Association

Education Funding Agency has agreed central contracts for copyright and other licensing. This is charged to the schools block and having a central budget for all schools rather than charging schools individually. The Charge is statutory from the Education Funding Agency. Annex 5 gives a detailed explanation of this balance.

4.8 National Changes to Education Services Grant (ESG)

Since 2013, every Local Authority received the Education Services Grant. The grant is made up of two elements.

General Funding Rate.

This element of the grant is being cut for 17-18. It previously covered the statutory duties that are carried out for maintained schools only.

Examples include school improvement, audit, health & safety. Academies previously received the funding for these duties on top of their main formula funding allocation, but will no longer receive this grant, although will still incur the costs.

To pay for these services for maintained schools, there will be a de-delegation (top slice of Individual schools budget allocation). Further information will be supplied by the DFE over Christmas and the LA will review the impact of this and potentially review the possibility of a new de-delegation to support the continuing work within the Education department.

Retained Duties.

This is to cover statutory duties that are carried out for all schools including academies (mainly education welfare, asset management, legal services and school budget payments), and will now be met from the Schools Block budget.

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The retained duties funding has not been cut but moved into the Dedicated Schools grant where the LA is asking for the amount of funds transferred into the DSG to be transferred back to the LA as a central retained budget.

5 DE-DELEGATIONS

5.1 Maintained Schools Forum Members (by phase) are asked to vote to de-delegate the following areas

5.2 Summary of requested de-delegations for review and agreement

	Budgets	£000
5.3	Support for EAL and Underachieving Groups	80
5.4	Behaviour Support	200
5.5	Union Facilities Agreement	48
5.6	School Improvement	233
5.7	Schools in Financial Difficulty	50
5.8	Education Services Grant	161

5.3 Support for EAL and Underachieving Groups

The funding provides the core service elements of:

1. advice, guidance and central training on issues relating to equality, languages and achievement
2. first language assessments for any bilingual pupil where learning difficulties are suspected
3. up to 10 hours first language support from community language assistant and 10 hours teaching support for any newly enrolled beginner in English

The £80k represents just 4% of the EAL budget delegated to maintained schools via the funding formula. An additional “insurance based” SLA will need to be supported to the same budget level for the service to be continued in any form. Given success in raising standards for EAL pupils in recent years, it is strongly recommended that this service has to be maintained as a Reading-wide resource and a de-delegation is a certain way to achieve that continuity and success. **More information is available in annex 2**

5.4 Behaviour Support

It was decided at the Schools Forum meeting in January 2016 to fund the Behaviour Support Services provision by de-delegation.

The Schools Forum is being asked to continue with these funding arrangements for Behaviour support for the next financial year.

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The de-delegation of funding provides for Behaviour Support for all Primary Schools in RBC who are maintained by the local authority. Academies will have to purchase provision from Cranbury College through an individual service level agreement. This de-delegated fund will continue to allow Cranbury College to deliver a core behaviour support team offer. This core offer is currently for PSP support and TA support in the classroom supporting young people and staff.

Risk Factors

Without the de-delegation of funds to Cranbury College the behaviour support outreach team for Primaries will cease and this could have a devastating impact on reducing exclusions and would lead to further permanent exclusions.

Future Developments

The College is seeking to develop its current offer and there will be additional services available for schools and academies to buy into. This will include Training, Time limited interventions, Nurture Group support, Consultations, Coaching and Mentoring as well as looking to develop our Alternative Provision offer. The college is also looking to develop its outreach further into secondary schools and academies.

Current Data:

BST currently actively supporting 25 Primary Schools.

Case load for 2015-2016: 65

Current caseload 2016-2017: 63 and rising

5.5 Union Facilities Agreement

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time. These provisions are contained within the Employment Relations Act 1999, the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety representatives and Safety Committees Regulations 1997. Pooled funding is the most effective and efficient arrangement to help the local authority and all schools to meet their statutory obligations on trade union facilities time. It helps maintain a coherent industrial relations environment where issues and concerns, whether individual or collective, can be dealt with efficiently. It provides funding for union representatives to accompany workers to disciplinary or grievance hearings, attend union training, carry out union duties and relevant learning activities, and to carry out health and safety functions.

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To cover each of these as the need arises, without the arrangements made possible through a central funding arrangement, would be considerably more costly for schools. The recommendation is to support the de-delegation of funding.

5.6 School Improvement

Due to significant cuts in previous years relating to The Education Services Grant (ESG), Schools forum agreed to support School improve standards in maintained schools requiring support. Annex 4 has more information on the type of spend this de-delegation added with the central retained element will be paying for.

5.7 Schools in Financial Difficulty

When the local authority has issued a formal warning notice, removed delegated powers or replaced a governing body it is often the case that the school is already in a parlous state. The interim measures that have to be taken often incur further, one off costs to correct position for the future. These one-off exceptional costs (not including debts amassed prior to intervention) then add additional burden to the school.

5.8 Education Services Grant

As noted in paragraph 4.8, the General Duties element of the grant will be cut from Sept 17 for the LA and Academies. The costs will still be incurred by the Academies and LA. The LA has received £363k of transitional funding that works out to be £50 per pupil for April to August 17.

With the inclusion of the school improvement grant (60k) from Sept 17 the LA has a budget gap of 461k for 17-18.

The EFA has strongly recommended for LAs to create a new De-delegation to cover the shortfall of 461k. Due to the ongoing pressures within other area the LA has purposed a de-delegation of 164k for 17-18 and this will be reviewed for 18-19 within any new regulations coming from the national funding formula and the removal of the 363k transitional grant.

The services that the general duties pay for/contribute to:

- Inspection of attendance registers (Education Welfare)
- Asset Management - General landlord duties for all maintained schools
- Therapies and other health related services
- Budgeting and accounting functions relating to maintained schools - CFR reporting and monitoring the compliance of the scheme of financing schools
- Functions relating to the financing of maintained schools
- Internal Audit
- Health and safety

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- Functions related to local government pension and administration of teachers pensions in relation to staff working in maintained schools.
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost.

Annex 1 - Growth Fund Information

Expanding school allocations 2017-18

School Name	Expanding/bulge class	Funded number of children	Year group(s) as @ Sept 17	In-year allocation
St Johns (12 months)	Expanding	22	Yr 6	70,977
Alfred Sutton	Expanding	30	Yr 5	56,459
St Michaels	Expanding	30	Yr 5	56,459
New Town (12 months)	Expanding	30	Yr 5	96,787
Southcote	Expanding	30	Yr 4	56,459
EP Collier	Expanding	30	Yr 4	56,459
The Ridgeway	Expanding	30	Yr 4	56,459
St Martins	Expanding	6	Yr 4	11,292
Churchend (12 Months)	Expanding	30	Yr 3	96,787
The Ridgeway	Expanding	30	Yr 2	56,459
		268		614,917

Falling Rolls Fund	100,000
Growth Fund Review (if agreed)	130,071
Contingency	55,332

Total Growth Fund

900,000

NB:

1. Churchend, St Johns and Newtown amounts are more due to 12 months of funding due to the Academy funding year being academic
2. Figures above will be adapted based on the final agreements by schools forum following the growth fund review.
3. Reduction of 100k due to two expansions schemes finishing.

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Annex 2 - Equality Services Information



Information for Schools Forum

Equality Services

Schools Forum funding has enabled Equality Services to provide the following support to maintained schools, free of charge.

1. Teaching support for EAL 'new arrivals' Y1 -11

- Initial English language assessment
- Up to 10 hours of 1:1 or small group teaching support for pupils newly arrived from abroad with little or no English from an EAL specialist teacher
- End of support progress report with advice for mainstream teachers

18 schools have benefited from this support

2. Community Language Assistant (CLA) support

- 10-hours of first language support to help newly arrived pupils 'settle into' their new school, assist with communication and help the pupil to access the curriculum (subject to language availability)
- This year we have been able to recruit and train another 9 CLAs to enable us to replace CLAs who have left (some to get permanent jobs in Reading schools) and to expand the range of languages offered.
- There are currently 20 CLAs on our register, covering 23 languages, and we hope to recruit and train more CLAs next year.
- The expansion of the CLA team has enabled us to respond to 'new arrival' requests more quickly and efficiently. This is particularly the case in the autumn term when there is often a waiting list for our teaching support for new arrivals.

Schools have valued this support:

Feedback from a school which initially had a CLA and then 10-hours teaching support:

“Support for a new French speaking pupil was quickly implemented through Equality services via a referral for a CLA. The child dramatically grew in confidence and his language skills in both English and French improved immensely. It was also incredibly useful and supportive for the teacher to be able to liaise with the CLA regarding next steps, to ensure that progress was rapid, and also with the child's family...The child has continued to make good progress and is now attaining at age related expectations.”

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Inclusion Manager at a Reading primary school.

Families have valued this support:

One bilingual mother of a 'newly arrived' pupil appreciated and valued Equality Services' support so much that she decided to apply to become a community language assistant herself. She is now working as a CLA, supporting a pupil in a Reading primary school.

3. First Language Assessments (FLAs)

- FLA for bilingual pupils where learning difficulties are suspected. This year 22 schools used this service. Equality Services sourced interpreters in 24 different languages and arranged assessments within a few weeks of the initial requests.
- FLA reports
 - i. Can help SENCOs decide if a pupil's language difficulties require further investigation or if the pupil just needs more time and support to learn English.
 - ii. Can be used as evidence as part of an Education, Health & Care needs assessment (EHC) - sometimes FLAs are recommended by other professionals such as Speech & Language Therapists or Educational Psychologists.

4. Advice and guidance on issues relating to Equality, Languages and Achievement.

Schools can access specialist advice and support via telephone and email.

5. Free EAL Network meetings for all Reading EAL co-ordinators to share knowledge and expertise.

- Termly meetings to update EAL co-ordinators on relevant issues
- Opportunities to share ideas, resources and expertise

6. Induction support for newly enrolled Gypsy, Roma and Traveller children.

GRT children taught in schools and at home by a specialist teacher.

Advantages for retaining the Service:

1. **Retain the expertise of specialist EAL teachers.** All schools will have access to this specialist knowledge and support. There is an increasing need for this due to the rising numbers of BME and EAL pupils in the Reading area.
 - Expertise valued - e.g. other authorities like Wokingham have used our team to work with their schools and joint training has been delivered with the Wokingham adviser. The University of Reading and NQT training have used our team to deliver specialist EAL training.
 - Schools value this advice. Example of email from one school:

"Equality Services has provided invaluable support over many years. New Arrival support has enabled Beginners in English to gain quicker access to the curriculum and advice given has

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allowed teachers to become skilled and experienced in welcoming, settling and supporting these pupils, getting them off to a much stronger start than would otherwise be the case.

The First Language assessments provided have helped the school to identify where there may be additional language difficulties, enabling further support to be put in place to meet pupils' needs.

Through training and advice, teachers at our school are now skilled teachers of Advanced Bilingual learners. We very much value the work of the Service."

EAL Co-ordinator at a Reading primary school

2. Retain the capacity to respond quickly to changes in demographics - for example, significant increase in needs or emerging achievement issues.
 3. Reduces the impact on small or less diverse schools. E.g. new arrivals
 4. New Arrivals - our team plus the CLAs are able to offer / support more languages than a single school can.
 5. FLAs - more economical to have a central service to organise and carry out FLAs. If schools had to pay it would currently cost £275 - £500+ per FLA depending on the language. If there was no central team of trained bilingual / EAL specialists to call upon, schools would find it hard to arrange FLAs as they would have to develop their own assessments and train staff as well as source interpreters.
- Value for money - it is more cost effective for schools to have a team of experienced, specialist staff to call upon as needed rather than each school having to provide these services in isolation.

What will happen if funding is not approved?

- Equality Services would no longer be able to provide any of the above, including new arrivals teaching & Community Language Assistant support or First Language Assessments, free of charge to schools.
- The Service would no longer be viable and would face closure.

Funding for School Improvement Projects through the Schools Forum

	2015 - 2016	Notes	2016-2017	Cost
Leadership Development	Continue & Embed		<ul style="list-style-type: none"> Expand John Yates program and build into Middle Leadership Development (to be available through RFP) Provide for an NPQML Centre within a dedicated school for Middle Leadership Development (for up to 12 Middle Leaders @ £1350). Spring 2017 Start – closing Date Jan 2017 Early Years Leadership Development Programme 	<p>£15,000</p> <p>£16,200</p> <p>£9,000</p>
Team Around the Schools	St Marys & All Saints Newtown Katesgrove	Expand this for SMAS	<ul style="list-style-type: none"> Incorporated into Schools in Category 3 	£0
IEB's	Retain all IEB's Continuation of IEB at St Annes while transferring to Governing Body until August	Awareness that this will need to be expanded if schools become at risk through OfSTED judgements or not securing sufficient progress from monitoring visits	<ul style="list-style-type: none"> To provide Governance for schools requiring extra support through experienced Governors and to fund Executive Governing Bodies and IEB's 	£14,500
Reading First Partnership	Inception of Partnership Board and funding required initiating support to all schools to share and build on good practice.	There is a need to ensure that good and outstanding practice is shared through a coaching model and Schools will need financial support to ensure release of staff	<ul style="list-style-type: none"> Expand the HMI Coaching element to incorporate more Schools. Extend the OfSTED Training Provide secondment opportunities for a primary Head and a secondary Head to initiate action group 	<p>£3,600</p> <p>£5,500</p> <p>£35,000</p>
SPA's – Focus Roles	SEN (Fixed Term) UPEG (Interim the Fixed Term) L & M PP	Extend the support to all schools by expanding the SPA role to incorporate UPEG and SEN – central to the core purpose of closing the gaps of vulnerable groups	<ul style="list-style-type: none"> Continue the SEN support to SENCo's through a dedicated SPA Continue UPEG SPA role (Both to be as Fixed Term Appointments)	£140,000

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Schools in Special Measures	Ranikhet SMAS New Town	Funding to increase capacity and support through leadership as required	<ul style="list-style-type: none"> • Reading Girls School • Saint Marys and All Saints Funding to provide extra support as identified within the Statements of Action	£37,500
Schools in Category 3	Reading Girls Thameside EP Collier Moorlands Katesgrove	Category 3 Action Plans to be put in place and monitored through Progress meetings and additional days provided through advisors and SPAs	<ul style="list-style-type: none"> • Provide advisory support and extra SPA support to all schools within the Raising Achievement Schools Category 	£35,500
Schools at Risk	Micklands St Annes	Incorporated above	Included in Schools requiring a RAP	£0
Securing Good Program		The focus is on securing Good and is bought through the London Leadership Strategy	Only to be continued if schools require it – can be discounted if bought in bulk (cost is £5000 per school). Assuming 3 schools require this	£15,000
Support for New Heads			<ul style="list-style-type: none"> • Release of Heads from good or outstanding schools to mentor and coach heads that are new to Headship or new to Reading 	£4,500
Support to all schools			<ul style="list-style-type: none"> • Introduction of Perspective, Broadcast and Pendulum to allow all schools to access data and reports (including Notes of Visits and Dashboards) from a one sign in facility 	£17,500
	SUB TOTAL			£348,800

Annex 4

National copyright license

The DFE has agreed with the following agencies to purchase a single national license managed by the DFE for all state-funded schools in England:

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA);
 Educatio
 ning Agency (ERA);
- Film bank Distributors Ltd. (for the PVSL);
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC);
- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)
- Schools Printed Music Licence (SPML).

This means that local authorities and schools will no longer need to negotiate individual licences. The Department will pay the cost to the agencies and will provide this as a service to local authorities.

These arrangements will cover academies as well as maintained schools, and we will allow local authorities to hold this money centrally rather than include it in