



NOTICE OF MEETING

SCHOOLS FORUM

WEDNESDAY, 23 OCTOBER 2013 AT 4.30 PM

CONFERENCE ROOM A - CIVIC OFFICES

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Membership

Schools Members

One head teacher representative - nursery phase
Three head teacher representatives - primary phase
Three head teacher representatives - secondary phase
One head teacher representative - special phase
One academy representative
Eight governors

Non School Members

Three Councillors from each political party
One representative from the following organisations:
The Anglican Diocese
The Roman Catholic Diocese
The 14-19 Partnership
The Early Years providers (from the private, voluntary and independent sector)

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

- 1 **Apologies**
- 2 **Declarations of Interest**
- 3 **Minutes and Matters Arising From the Previous Meeting (Pages 1 - 4)**

4 School Funding Reform (Pages 5 - 28)

Richard Webb, Finance Manager for Children's Services will present the attached report.

RECOMMENDED that the Schools Forum:

- a) **Agree that following confirmation of the 2014/15 Dedicated Schools Grant (DSG), officers will amend the unit values to minimise the impact of fluctuations in funding at the school level. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:**
 - **Prior attainment**
 - **Basic Per Pupil Entitlement**
 - **Lump Sum**
 - **The percentage of the financial cap**
- b) **Agree the proposed changes to the mainstream formula factors, together with the choices that the Council has made in implementing these factors locally, as detailed at paragraph 4.7.**
- c) **Approve the submission of the draft proforma to the DfE as the first stage of the 2014-15 school's funding formula process.**

5 Proposed Changes to Management of School Kitchens (Pages 29 - 32)

John Bean, Head of Building Maintenance will present that attached report.

RECOMMENDED that the Schools Forum note that liaison will be taken with school Governing Bodies to amend the terms of the existing 2013/14 Service Level Agreement (SLA), such that:

- a) **The responsibility for the management of kitchen/servery fabric (walls, floor and ceilings) and services (lighting, power, heating and ventilation) is transferred from schools to Housing and Property Services (HPS) and managed within the existing catering SLA budget from January 2014.**
- b) **The responsibility for the repair and replacement of dining tables (hot meals) is transferred from the existing catering SLA budget managed by HPS to schools from January 2014.**

6 Traded Services (Pages 33 - 40)

Mike Stoneman, Strategic Commissioning Manager will present the attached report.

RECOMMENDED that the Schools Forum note the report.

7 Any Other Business

Agenda Item 3

SCHOOLS FORUM

MINUTES OF A MEETING of the Schools Forum held on Wednesday 25 September at 4:30pm in the Guildhall, Portsmouth.

(NB These minutes should be read in conjunction with the agenda for the meeting which can be found at www.portsmouth.gov.uk).

Present

Tom Blair, Governor - Secondary
Clive Good, Governor - Primary
Suzy Horton, Governor - Primary.
Steve Sheehan, Governor - Secondary
Justeen White, Governor - Primary

Councillor Ken Ferrett, the Labour Party's shadow spokesperson for Children & Education.

Carole Damper, Early Years Provider

Alison Beane, Headteacher - Special
Fiona Calderbank, Headteacher - Secondary
Jackie Collins, Headteacher - Primary
David Jeapes, Headteacher - Secondary
Mike Smith, Headteacher - Secondary
Karen Stocks, Headteacher - Nursery

Councillor Rob Wood, Cabinet Member for Children & Education - Observer

Officers

Richard Webb, Finance Manager
Richard Harvey, Education Officer
Julian Wooster, Strategic Director
Jane Di Dino, Local Democracy Officer

15 Apologies for absence (AI 1).

Bruce Marr, Mark Mitchell, Jayne Pratt, Neill Young, Di Mitchell and Sarah Sadler sent their apologies.

16 Declarations of interests (AI 2).

Clive Good declared an interest in item 4.
Alison Beane declared an interest in item 8.
Steve Sheehan declared an interest in item 8.

17 Minutes of the previous meeting held on 17 July 2013 (AI 3).

RESOLVED that the minutes of the Schools Forum meeting held on 17 July 2013 be confirmed as a correct record subject to the following amendments:

Steve Sheehan - primary governor not secondary and declared an interest in item 7 not 8.

Matters arising.

The report on schools with significantly high uncommitted balances will be presented to the December meeting.

Two-year old funding update:

- Catherine Kickham will provide an update on the actions listed.
- The early years underspend related to the budget for Nursery Quality Assurance and was due a small underspend in both the salary budget and non-pay budget. The budget for 2014-15 remains at the same level as in 2013-14.

18 School Loan Scheme (AI 4).

Richard Webb, Finance Manager presented the report that was circulated with the agenda and in response to questions clarified the following points:

- Schools are not required to inform the Local Authority when they are considering conversion to Academy status.
- Alternative sources of funding are potentially available to maintained schools, in the absence of the loan scheme, these include, the Council's capital programme, accumulated school balances and the Salix Loan scheme.
- It is not mandatory requirement for Local Authorities to operate a School Loan Scheme.
- The highest individual loan outstanding is for £150,000. There is a total of £427,800 outstanding.

The Schools Forum agreed to discontinue the operation of the loan scheme for new loans with immediate effect (option A). *(10 members voted for option A; 1 member voted for option B).*

19 Funding of Outreach Services (AI 5).

Richard Webb, Finance Manager presented the report that was circulated with the agenda and in response to questions from the forum the following points were clarified:

- Most of the allocated outreach funding is used to support the employment of staff to deliver the services; therefore the Special Schools will need time to adjust if the Schools Forum were to decide to implement a traded outreach service.
- Last year it was identified that Outreach Funding would be reviewed in more detail, following implementation of the new funding formula arrangements. Therefore this report is being presented to Schools Forum today.
- Outreach funding is currently allocated from the high needs budget.

Schools Forum Members agreed option A - to continue to allocate funding of outreach services to the individual special schools from the high needs budget. *(11 members voted for option A; 1 member voted against).*

20 Funding of Behaviour Support Services (AI 6).

Richard Webb, Finance Manager presented the report that was circulated with

the agenda. Eric Bell (Interim Head Teacher - Harbour School) was invited to speak to members and asked them to consider the following points:

- Discussions had been held with the teachers' union and school governors.
- Governors will decide on how to move forward to the consultation phase, which would require at least 90 days.
- If a fully traded behaviour support service was to be introduced, Mr Bell asked members to consider introducing this from September 2014 (option c).

A discussion took place regarding the potential implications of the three options.

Primary Phase Schools Forum members agreed option A - to de-delegate funding from maintained schools for behaviour support services to central control. (Approved unanimously).

Secondary Phase School Forum members agreed option C - to de-delegate funding from maintained schools for the period April 2014-August 2014 and implement a fully traded behaviour support service from September 2014. (Approved unanimously).

21 School Funding Reform 2014-15 (AI 7).

Richard Webb, Finance Manager presented the report that was circulated with the agenda.

a. Primary Schools Forum members agreed unanimously for the de-delegation proposals set out in section 4.4. Secondary Phase Schools Forum members agreed unanimously for the de-delegation proposals set out in section 4.4 but did not vote on museum and library services.

Additionally, the Schools Forum:

- b. Noted the proposal to establish a contingency fund in 2014-15 as set out in paragraphs 4.5 and 4.6.**
- c. Agreed the proposed treatment of the centrally retained expenditure budgets as set out in paragraphs 4.7 to 4.9.**
- d. Noted the consultation document issued to schools in Appendix 2 and that responses to the consultation document will be reported to the Schools Forum at the meeting on 23 October 2013.**

22 Craneswater Annex (AI 8).

Richard Harvey, Education Officer introduced the report and in response to questions and explained that some pupils are placed out of the city for schooling.

Councillor Rob Wood noted that there are approximately 20 Portsmouth pupils placed outside the city.

Alison Beane noted that:

- As high needs pupils reach adolescence, sometimes their needs change.
- The pupils whose needs are best met in a specialist provision such as that proposed for Craneswater require a lot of space; normally 2:1 adult support to manage their behaviour. If they had a residential placement, they would

- probably have an even higher level of adult support.
- Special schools have had many discussions regarding how to manage the increasing demand for places. There is currently a waiting list for places at Mary Rose School and managing provision is very difficult.
 - The aim is to keep pupils in education locally for as long as possible.

Mike Smith expressed concern that this issue had not been discussed prior to this meeting and that a wider debate is required.

Julian Wooster noted that:

- Difficult decisions had to be made about education, welfare and health needs by a range of panels and that these schools cater for high end needs.
- A number of pupil placements are funded by health and social care.
- Out of city provision is a significant resource issue.
- There is an increased demand for specialist provision within the city.
- A future directions paper could be provided to the forum if required.

Steve Sheehan observed that it is important to see the wider picture.

The Schools Forum

- **Approved the establishment of a resourced unit with 6 places, which will be managed by Mary Rose School in the Craneswater Annex.**
- **Approved the element 3 'top up rate of £25,448' for pupil places in the resourced unit.**
- **Noted that the funding for 2013/14 will be identified from within the high needs block and acknowledged that a sustainable funding source will need to be identified for 2014/25 onwards, which may require reallocation of funding from other areas with the Dedicated Schools Grant. (Unanimous) Alison Beane did not vote.**

23 Any Other Business (AI 9).

David Jeapes informed the forum that plans are progressing for the development of Mayfield School into an all-through school and indications show that it will be very popular.

Carol Damper explained that 600 families in Portsmouth (400 council tenants and 200 housing association tenants) have not paid the rent top up required following the introduction of the bedroom tax. Once they fall into eight weeks rent arrears, eviction proceedings could start which will have an impact on pupils.

24 Dates of Future Meetings (AI 10).

23 October 2013

18 December 2013

15 January 2014

The meeting concluded at 6pm.

Title of meeting: Schools Forum

Date of meeting: 23rd October 2013

Subject: School Funding Reform 2014/15

Report from: Di Mitchell, Head of Education and Strategic Commissioning

Report by: Richard Webb, Finance Manager for Children's Services

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to inform Schools Forum of the progress being made towards the implementation of changes to School Funding for 2014-15 and to seek approval for the first stage of the submission to the Department for Education (DfE) of the 2014-15 budget proforma.

2. Recommendations

It is recommended that Schools Members:

- a. Agree that following confirmation of the 2014/15 Dedicated Schools Grant (DSG), officers will amend the unit values to minimise the impact of fluctuations in funding at the school level. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:
 - Prior attainment
 - Basic Per Pupil Entitlement
 - Lump Sum
 - The percentage of the financial cap
- b. Agree the proposed changes to the mainstream formula factors, together with the choices that the Council has made in implementing these factors locally, as detailed at paragraph 4.7.
- c. Approve the submission of the draft proforma to the DfE as the first stage of the 2014-15 school's funding formula process.

3. Background

- 3.1. In July 2013 a report was presented to schools forum which provided members with a summary of the main changes proposed by the DfE to the 2014-15 revenue funding arrangements. Proposals for early agreement on de-delegated central expenditure and centrally retained budgets were subsequently agreed at the September 2013 meeting.
- 3.2. This report updates Schools Forum members on the outcome of the consultation on the proposed formula changes with schools and updates them on the submission of the return to the DfE on the factors for inclusion in the 2014-15 funding formula.

4. Consultation

- 4.1. The consultation with schools on the Local Authority implementation of proposals was issued on the 9th September 2013 and closed on the 4th October 2013. A copy of the consultation document is attached at Appendix 1.
- 4.2. In addition to the consultation document, schools were also provided with a spreadsheet which demonstrated the financial effects of the proposals for their individual schools. The spreadsheet utilised the pupil data as per the October 2012 census and reflected the impact of the changes in:
 - pupil numbers for the Looked after Children and prior attainment (secondary) factors;
 - unit rates to ensure that the funding envelope remained the same;
 - school organisation, including primary amalgamations, academies and proposals for all though schools.
- 4.3. A copy of the provisional proforma return that we are required to submit to the DfE by the 31st October 2013 is attached at Appendix 2 for information purposes only.
- 4.4. Schools Forum are advised that at this point in the implementation process the Council is not consulting on the final unit values for 2014-15, but rather the principles and factors that it intends to apply in implementing the funding formula arrangements for 2014-15. Depending on the final DSG that the Council is allocated for 2014-15, it may be necessary to amend the unit values to maintain overall affordability. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:
 - Prior attainment
 - Basic Per Pupil Entitlement
 - Lump Sum

- The percentage of the financial cap.
- 4.5. A summary of the feedback received from the consultation with schools is attached in Appendix 3. Of the 60 Portsmouth Schools (Primary and Secondary), 4 schools (6.6%) replied to the consultation.
- 4.6. The consultation returns raised a number of questions, which are addressed below:
- **Retention of a single lump sum rate per school**
In answer to the suggestion that an all-through school should receive two lump sums (one for each school phase). The legislation states that an all-through school will receive only one lump sum at the secondary school rate.
 - **Contingency Fund**
Two responses felt that a contingency fund wasn't required, however the new funding formula has restricted past flexibilities to support schools in certain unforeseen circumstances. The establishment of this fund will provide opportunities in the future to support maintained schools which under the current formula the local authority would find difficult to provide. Additionally, this fund would also provide a mechanism under the current funding arrangements to transfer closing balances of maintained amalgamating schools to the new school.
 - **Looked after children**
One response challenged the use of the looked after children factor. The use of the factor recognises the discussions held with the Working Group and the additional support that children who are looked after may require.
- 4.7. The proposals for changes to the mainstream funding factors for 2014-15 are summarised below:
- **Secondary Prior Attainment**
Funding will now be targeted at all pupils who fail to achieve a level 4 for either English or Maths. This change has resulted in an increase in the number of pupils who would be eligible to attract funding through this factor. To maintain affordability it is proposed to reduce the unit values for both the prior attainment and basic entitlement factors. Through reducing both these factors it is possible to maintain the KS3 and KS4 factors nearer the current the position nationally, whilst also limiting the impact on the minimum funding guarantee.

- **Looked after children**

The factor has been amended by the DfE to identify all pupils who have been looked after for one day or more on the 31 March 2013. It is proposed that this factor continues to be used and that the unit rate of £2,811 remains unchanged. In order to fund the additional number of pupils it is proposed that the school lump sum be reduced by £850 to £139,150.
- **Pupil Mobility**

The criteria have been revised so that funding may now only be targeted at those schools experiencing pupil mobility above a 10% threshold. Based on the results of the financial modelling and the feedback from the working group it is proposed that the pupil mobility funding factor is not used in 2014-15.
- **Lump Sum**

For 2014-15 local authorities will be able to set a different lump sum allocation for primary and secondary schools. To ensure that the percentage of funding delegated through pupil led factors is not decreased and to minimise the MFG requirement, it is proposed that Portsmouth does not make use of the additional flexibility to have separate lump sums for primary and secondary schools.
- **Contingency fund**

It is proposed to establish a contingency fund to provide additional support and flexibility to be available to Portsmouth Schools in the following circumstances:

 - Schools in financial difficulty
 - New, amalgamating and closing schools
 - Other expenditure where the circumstances are unforeseen when initially determining the schools budget share.

5. Next Steps

- 5.1. Officers are continuing to work with special schools to agree the number of places and top up funding requirements for 2014-15. A report will be brought to the December Schools Forum in advance of the high needs return submission to the DfE on 23 December 2013.
- 5.2. As reported to Schools Forum in July 2013, when developing the funding formula for 2014-15 the Council will seek to allocate additional funding from the carry forward balance within the formula on a one-off basis. This will be considered as part of the development of the 2014-15 budget and final school funding proforma.
- 5.3. Criteria for the use of the contingency fund will be developed and presented to the Schools Forum meeting in December for approval.

6. Reasons for recommendations

Following the publication of the DfE Guidance on the "2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities" in June 2013, the Local Authority has been working closely with the Schools Funding Reform Working Group. The Working Group has provided advice and guidance on the proposed changes to the funding formula regarding the implications to schools. The results of the consultation have supported the proposals.

7. Equality impact assessment (EIA)

This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

8. Head of Legal Services' comments

Legal comments have been included within the body of this report

9. Head of Finance's comments

Financial comments have been included within the body of this report.

.....
 Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities, June 2013	DfE Website

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
 Signed by:

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2014-15 School Funding Formula

Consultation



Portsmouth
CITY COUNCIL

Funding Formula

2014-15 consultation

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1 Introduction

1.1 Background and Purpose

In March 2013 the government confirmed that a new national funding formula for schools would be introduced in the next spending review period (2015-16 onwards). In June last year, the government announced interim changes that would be made to the school funding formula from 1st April 2013 which have now been implemented.

For 2014-15 further changes to the funding arrangements will be required as we continue to move towards the national funding formula. At the beginning of June, the DfE published the guidance documents for funding arrangements for 2014-15 which included some proposed changes to the current funding formula.

The purpose of this consultation document is therefore to set out how Portsmouth City Council intends to implement the changes to revenue funding arrangements for 2014-15 and to seek your views on points of local discretion within the new framework.

1.2 Funding for 2014-15

The Department for Education (DfE) have confirmed that the level of funding for 2014-15 that the Council receives for Early Years and Mainstream Schools will remain at the 2013-14 per pupil levels. The funding that the Council receives for High Needs services is not on a per pupil basis and it has been confirmed that this allocation nationally will remain at the 2013-14 level.

Therefore there is no additional funding from the DfE to allocate out to schools and similar settings for 2014-15.

1.3 Working Groups

Schools Forum agreed to the creation of a working group to help inform the proposed changes to the funding arrangements, as happened last year. The working group included a Head Teacher, a Finance Officer and a Governor from each phase.

The first task of the working groups was to agree a set of principles which would guide and inform the financial modelling. At the July meeting of Schools Forum these principles were agreed (see Appendix 1 for details).

2 Early Years

2.1 Early Years Funding Formula

No changes are currently proposed to the Early Years funding formula for 2, 3 or 4 year olds.

3 Mainstream Schools

3.1 Introduction

Although the DfE are not proposing any significant changes to the funding for mainstream primary and secondary schools in 2014-15, they have introduced some minor changes in response to feedback they received to their consultation earlier this year.

This document sets out how Portsmouth City Council intends to implement these changes in 2014-15 and seeks your views on points of local discretion within the new arrangements.

There are no proposals, other than as explained in section 3.15, to revisit or amend the other formula factors, which are not affected by the DfE changes,.

3.2 Prior Attainment

The factor has been amended for both primary and secondary schools.

Primary schools:

The first assessment of the new Early Years Foundation stage profile (EYFSP) took place over the summer of 2013. This means that in terms of the funding formula, some pupils will be assessed on the old EYFSP and year 1 will be assessed on the new EYFSP. Locally we can still choose to fund pupils based on either the achievement of fewer than 78 points or fewer than 73 points.

It is proposed that funding continues to be allocated to schools where pupils achieve fewer than 73 points in years 2-5 and for those pupils who did not achieve a good level of development in year 1.

The funding unit rate may need to be reassessed once the final data set is distributed in December 2013 in order to ensure that the allocation to schools remains affordable.

Secondary:

In terms of the secondary prior attainment factor, funding can now be targeted at all pupils who fail to achieve a level 4 for either English or Maths. The English element of the KS2 measure will identify those who do not achieve a level 4 in either the reading or teacher assessed writing elements. This change has resulted

in an increase in the number of pupils who would attract funding through this factor from 1,157 to 2,749 pupils (an increase of 1,592 pupils). If the funding rate per pupil was maintained at the 2013-14 level of £3,178.89, then the allocation through this factor would be unaffordable in 2014-15. Therefore it is necessary to either reduce the unit rate of funding through this factor or reduce funding through another factor, in order to maintain affordability.

In developing the final proposal, a number of options were reviewed:

- (a) The first option reviewed, was to reduce the prior attainment unit rate. In order to maintain affordability using the 2013-14 data, it would be necessary to reduce the unit rate to £1,377.57. However, the change in the allocation between the secondary schools, caused by the change in pupil characteristics, resulted in an almost doubling of the MFG cost.
- (b) An alternative option was to reduce the Basic Entitlement factor, in order to maintain affordability. It would be necessary to reduce both the KS3 and KS4 rates by £595.36 to £3,267.14 and £3,876.14 respectively. Reducing these rates would mean that Portsmouth would move closer to the £3,000 minimum set by the DfE. It would also result in Portsmouth being among the Authorities with the lowest funding rates through Basic Entitlement nationally (lowest 12 at KS3 and lowest 14 at KS4). Currently Portsmouth is in line with the rates of the majority of Authorities.
- (c) The proposed option for maintaining affordability is to reduce both the prior attainment and basic entitlement factors. Through reducing both these factors, it is possible to maintain the KS3 and KS4 factors nearer to the current position, whilst also limiting the impact on MFG, (4 schools would no longer have MFG or cap). Under this proposal, the prior attainment factor is reduced by £1178.89 to £2,000, whilst the basic entitlement factors are reduced by only £214.19 to £3,648.31 and £4,257.31 respectively for KS3 and KS4.

Q1 – Do you agree with the proposal to reduce both the prior attainment funding factor and the KS3 and KS4 funding rates in order to maintain overall affordability, following the change in the prior attainment funding allocation criteria?

3.3 Looked After Children

The factor has been amended so that it will identify all pupils who have been looked after for one day or more on 31st March 2013. As a result of this change in criteria for the dataset, the number of children that will attract funding through this factor will increase.

The initial modelling indicates that based on the current pupils, an additional 18.89 pupils would be eligible (total 90.99 pupils). This would increase the funding allocated through this factor by £53,100 (@ £2,811 per pupil). In order to maintain the existing level of funding through this factor, the unit value would need to be reduced by £583.58 to £2,227.42.

Based on the financial modelling and the feedback from the funding working group, it is proposed that this factor continues to be used and that the unit rate of £2,811 remain unchanged. In order to fund the additional number of pupils at the current level, it is proposed that the lump sum rate be reduced by £850 to £139,150.

Q2 – Do you agree with the proposal to retain the Looked After Children per pupil funding factor rate at £2,811?

Q3 – Do you agree with the proposal to reduce the Lump Sum rate by £850 in order to fund the increased number of children that will attract funding through the Looked After Children factor, as a result of the change in the dataset used by DfE?

3.4 Pupil Mobility

In developing the funding formula for 2013-14, it was decided that the pupil mobility funding factor would not be used, due to the low rates of mobility and the decision to allocate funding based on the needs of pupils rather than their mobility. Therefore funding was directed through the Looked After Children and other factors rather than mobility. The DfE have now revised the criteria for the use of this factor and funding may now only be targeted at those schools experiencing pupil mobility above a 10% threshold.

Based on the data provided by DfE for modelling purposes, Portsmouth Schools currently have the following pupil mobility characteristics:

- 13 schools have pupil mobility over 10% (12 primary, 1 secondary).
- The highest rate of mobility is 18.86% (funding would only be applied to 8.86%).
- The bandings of mobility are as follows:
 - 5 schools - 10% to 12%
 - 5 schools - 12% to 15%
 - 3 schools - 16% to 19%
- The mobility factor would only apply to 149 pupils across the city.

To allocate funding through this factor, it would be necessary to reduce the funding through other factors, which would affect all schools. Financial modelling was undertaken to look at the impact of redirecting funding from the Basic Per Pupil Entitlement factor to allocate on the basis of mobility. The results of the modelling provided the following conclusions:

- (a) We would need to reduce funding to all schools in order to increase funding to the 13 schools
- (b) In all scenarios modelled, 3 of the 13 schools saw a loss in funding, even with the pupil mobility factor unit rate at £3,000.
- (c) The funding would only apply to 149 pupils (0.065% of all pupils) across the city.
- (d) The decisions reached in developing the 2013-14 funding formula still remain valid, i.e. the pupil mobility rates remain low and funding is better

directed to schools based on the needs of the pupil rather on the basis on mobility.

Therefore based on the financial modelling, the conclusions above and the feedback from the funding working group, it is proposed that the pupil mobility funding factor is not used in 2014-15.

Q4 - Do you agree with the proposal not to use the pupil mobility factor to allocate funding to schools?

3.5 Lump Sum

Currently Portsmouth allocates £140,000 as a lump sum to all primary and secondary schools. From 2014-15 Local Authorities will be able to set a different lump sum allocation for primary and secondary schools. However, the maximum sum that may be allocated is £175,000. Any all-through schools will receive the secondary lump sum value.

Authorities must also ensure that at least 80% of the delegated funding is allocated through pupil led factors. In 2013/14 Portsmouth allocated 89.77% of the school funding through these factors.

The impact of increasing the lump sum to £175,000 has been reviewed and the financial modelling shows that we would not breach the 80% rule above. However reducing the funding through the pupil led factors (such as Basic Entitlement, Deprivation, Looked After Children, etc) in order fund the increase in the lump sum, would not be consistent with the DfE principle of increasing the amount of funding through the pupil led factors.

Additionally, reducing funding through pupil led factors in order to increase the lump sum would increase the volatility in the funding for schools and would also increase the MFG requirement, which is not consistent with the principles adopted by Schools Forum in Appendix 1.

It is therefore proposed that Portsmouth does not make use of the additional flexibility to have separate lump sum rates for Primary and Secondary schools.

Q5 – Do you agree with the proposal to retain a single lump sum rate for both Primary & Secondary schools?

3.6 Sparsity

This factor is available to small schools (less than 150 pupils) where the average distance to pupils' second nearest school is more than 2 miles (primary) or 3 miles (secondary). Based on these criteria this factor will not be eligible to Portsmouth Schools.

3.7 Minimum Funding Guarantee

The Minimum Funding Guarantee (MFG) for primary and secondary schools will remain at minus 1.5% for 2014-15. The DfE have confirmed that the MFG mechanism will remain in place for 2015-16 onwards but have not yet confirmed whether it will remain at minus 1.5%.

3.8 Capping Mechanism

The capping mechanism will also be retained again in 2014-15. As part of setting the budget for 2014-15 it will be necessary to re-determine the level at which the capping on the gains will be applied. For the purposes of consulting with schools, the indicative budgets have assumed that the cap remains at 1.5%.

The DfE have adjusted the capping mechanism in so that it cannot be applied to schools that have opened in the last 7 years and have not reached their full number of year group.

3.9 Amalgamating Schools

Schools and academies will now benefit from additional protection when they amalgamate. Currently under the existing arrangements, where schools amalgamate they would only be eligible for one lump sum. Under the new proposals from the DfE, schools would be able to retain the equivalent of 85% of the two lump sums for the financial year following the year in which they merge.

3.10 Delegated and De-delegated central funding

In 2013-14 the following budgets were de-delegated to central control from maintained schools, following approval by Schools Forum.

- a. Behaviour Support Services
- b. Administration of Free School Meal Eligibility
- c. Museum and Library Services
- d. Licences & Subscriptions (excluding CLA and MPA)¹
- e. Maternity costs
- f. Special Staff Costs
- g. Ethnic Minority Achievement Service (EMAS)

It is proposed that these budgets, with the exception of Behaviour Support and the Ethnic Minority Achievement Service, will continue to be de-delegated for maintained schools. Schools Forum will be asked to vote on the proposals to de-delegate budgets at the Schools Forum meeting on the 25th September.

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New flexibilities within the proposed Finance Regulations for 2014-15, include a proposal to allow any unspent de-delegated central expenditure to be carried over and used for the same purpose as it was used in 2013-14. This is unlikely to have any impact on the de-delegated pupil rates for 2014-15, due to the timing of the submission to the Department of Education.

It is not possible to de-delegate from Academy schools, therefore in the case of Academies, all of the funding for items (a) to (g) listed above will remain with the school to be managed locally. Academy schools will be able to continue to purchase certain services through contractual agreement with the Local Authority.

3.11 Growth Fund

There are currently no proposals to amend the growth fund criteria for 2014-15.

3.12 Falling Rolls Fund

As part of the 2014-15 changes, the DfE have introduced the ability for funding to be retained centrally (in the same way as the Growth Fund) where a population bulge is expected in the future but where a good and necessary school or academy currently has surplus places and faces an unmanageable funding shortfall in the short term.

A review of the schools, forecast pupil numbers and surplus capacity rates has indicated that the falling rolls fund is unlikely to be of significant use or benefit in 14-15, due to the significant pressure on schools places, particularly in the primary sector. Therefore the consensus of both the working group and the Education service is there is not a requirement for this fund in 2014-15. However we will review the position again for 2015-16.

Q6 – Do you agree with the proposal not to create a falling rolls fund?

3.13 Contingencies

A schools specific contingency can be retained centrally for the following purposes, through a de-delegation mechanism within the school funding formula.

- Schools in financial difficulty
- New, amalgamating or closing schools
- Other expenditure where the circumstances were unforeseen when initially determining the schools budget share.

For 2014-15 it is proposed that a contingency fund is created to enable additional support and flexibility to be available to support Portsmouth schools in the above instances. If the fund is not created at the beginning of the financial year, then it will not be possible to use the contingency fund for the whole of the financial year.

A report will be presented to Schools Forum at a forthcoming meeting, which will set out the operational framework of the contingency fund. This would include

eligibility criteria and the requirement for Schools Forum approval to access the fund.

In order to establish the contingency fund, it is proposed to de-delegate between £10.00 and £20.00 per pupil on the Basic Entitlement factor. This would create a contingency of between £179k and £358k. As it is not possible to de-delegate from Academy Schools, this funding will remain with the Academy and they would not be eligible to call on the contingency fund.

Q7 – Do you agree with the proposal to establish a contingency fund?

3.14

Budget Share Financial Modelling

An indicative 'budget share' spread sheet has been prepared to accompany this document which will provide you with an understanding of the impact of these proposals on your schools funding allocation. The indicative budget share allocation is calculated using the 2013-14 pupil data provided by the DfE.

The following points should be noted:

- (a) The comparison to the current 2013-14 budget share is shown before the de-delegation of any centrally held funding.
- (b) The final budget share for 2014-15 may differ as a result of the change in pupil numbers and characteristics and will be based on the October 2013 pupil census.
- (c) The budget share excludes any funding for resourced units or early years nursery provision.
- (d) The budget share includes changes relating to the National Non Domestic Rates corrections for 2013-14 payments and adjustments relating to schools that have converted to Academy status.
- (e) Changes to pupil numbers to reflect Mayfield School becoming an all-through school
- (f) Changes to reflect those schools who have amalgamated during the year.

The budget share spread sheet will be available on Intranet at the following location:

[Services > Schools > Budget Information > Budget Share 2014-15 Consultation](#)

3.15 Final Budget Shares

As explained within this document, the financial modelling undertaken for the purposes of consultation have been based on the updated 2013-14 pupil data provided by the DfE.

In setting the final budget for 2014-15 for the Primary and Secondary schools, updated pupil data based on the October census will be provided by the DfE. As a result of the change in pupil numbers and pupil characteristics, it may be necessary to amend the final unit values attached to the funding formula factors, in order to maintain overall affordability.

In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:

- Prior attainment
- Basic Per Pupil Entitlement
- Lump Sum
- The percentage of the financial cap

4 High Needs

4.1 Resourced Units

The place funding for resourced units will remain at £10,000 per place. There are currently no proposals to amend the resourced unit top-up rates for 2014-15.

There will be discussion with each of the individual schools to confirm the number of places required for 2014-15.

4.2 Alternative Provision

The place funding for resourced units will remain at £8,000 per place. There are currently no proposals to amend the resourced unit top-up rates for 2014-15.

There will be discussion with the individual schools to confirm the number of places required for 2014-15.

4.3 Special Schools

The place funding for Special Schools will remain at £10,000 per place.

There will be discussion with each of the schools to confirm the number of places required for 2014-15. Top-up (element 3) funding will continue to be provided according to the level of need via the individual school's banding values. The legislation places a protection of minus 1.5%, and there will be discussion with each of the schools to confirm the banding value for 2014-15.

4.4 High Needs pupil in Mainstream settings

There are no proposals to change the funding arrangements in 2014-15 with regard to those pupils with statements of special educational need in mainstream schools. Mainstream schools and academies will continue to be required to contribute the first £6,000 of the additional support costs.

Exceptional circumstances funding will continue to be allocated where the funding formula does not adequately reflect the number of pupils with statements within the school. The rates payable will be agreed with Schools Forum. The allocations will be based on the following criteria, with the funding targeted to those schools with the higher inclusion rates:

The percentage of pupils with low incidence high cost statements, as agreed by the SEN team in the return submitted in April, compared to the number on roll as per the October census.

Responding to the Consultation

5 Submission of Responses

A consultation response form accompanies this document and is available for schools to complete.

Please send your completed response forms to cflfinance@portsmouthcc.gov.uk

The consultation will close on the Friday 4th October 2013.

6 Appendices

6.1 Appendix 1

School Funding Reform 2014-15 Principles for agreement by Schools Forum

1. There will be no additional funding. Department for Education (DfE) has confirmed that the starting point for Local Authority allocations for 2014/15 Dedicated Schools Grant will be the Guaranteed Units of Funding for 2013/14.
2. All primary & secondary schools will receive protected funding levels at minus 1.5% per pupil. Special Schools will receive protection on the top-up funding (Element 3) at minus 1.5%.
3. For modelling purposes funding for each phase should remain in same proportion / percentage of overall funding as in 2013/14.
4. Ceilings on gains will continue to be imposed to allow for overall affordability (the percentage level will need to be determined).
5. We will seek to minimise the MFG and fluctuations in funding for schools.
6. Results of financial modelling will be shared with working groups and Schools Forum at a high level only (e.g. X schools lose more than £a or b%, Y schools gain more than £c or d%) to ensure that further proposals are informed by principles.
7. The formula factors for primary and secondary schools for 2014-15 will continue to be applied as they were in 2013-14, unless there are proposed changes by the DfE which would require reconsideration.
8. For modelling purposes the funding for Outreach, Behaviour Support or similar SEN services will remain at the 2013-14 levels, subject to changes affected by the academy programme.
9. Members of the working group will be expected to seek views and input from their phases and to ensure their colleagues are aware of any consultations issued by the Local Authority in respect of school funding.

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Local Authority Funding Reform Proforma

LA Number: Portsmouth
 LA Name: 851

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units							
	Description	Amount per pupil	Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)		
	Primary (Years R-6)	£2,751.50	14,273.00		£38,986,700	£72,162,312	37.88%	6.00%		
	Key Stage 3 (Years 7-9)	£3,648.31	4,966.00		£18,117,507		17.61%	6.00%		
	Key Stage 4 (Years 10-11)	£4,257.31	3,537.00		£15,058,105		14.63%	6.00%		
2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM6 % Primary	£42.97		4,687.66		£201,429	£12,172,232	11.83%		
	FSM6 % Secondary		£70.72		2,755.11	£194,842				
	IDACI Band 1	£315.34		1,741.37	992.04	£759,048			20.00%	20.00%
	IDACI Band 2	£630.69	£423.22	1,609.07	960.20	£1,421,199			20.00%	20.00%
	IDACI Band 3	£946.03	£634.84	2,116.33	1,129.36	£2,719,077			20.00%	20.00%
	IDACI Band 4	£1,261.38	£846.45	1,332.01	811.00	£2,366,640			20.00%	20.00%
	IDACI Band 5	£1,576.72	£1,058.06	1,409.95	720.45	£2,985,381			20.00%	20.00%
	IDACI Band 6	£1,892.07	£1,269.67	605.37	298.68	£1,524,616	20.00%	20.00%		
3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	LAC X March 12	£2,811.00				105.04	£295,274	0.29%		50.00%
4) Prior attainment	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	Low Attainment % Primary 73	£1,148.08		1,861.87		£2,137,579	£8,699,059	7.42%	100.00%	
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£2,000.00		2,749.28	£5,498,570				
5) English as an Additional Language (EAL)	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	EAL 3 Primary	£359.45		1,278.85		£459,682	£8,699,059	0.75%		
	EAL 3 Secondary		£1,821.55		169.06	£307,954				
6) Mobility	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	Pupils starting school outside of normal entry dates	£0.00	£0.00	122.03	27.00	£0	£8,699,059	0.00%		

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Tapered sparsity lump sum?	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
7) Lump Sum	£199,150.00	£189,150.00		£8,349,000	8.11%	
8) Sparsity factor	£0.00	£0.00	No	£0	0.00%	
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds						
Primary distance threshold		Secondary distance threshold				
Primary pupil number threshold		Secondary pupil number threshold				
9) Fringe Payments				£0	0.00%	
10) Split Sites				£0	0.00%	
11) Rates				£1,186,301	1.15%	
12) PFI funding				£147,159	0.14%	
13) Sixth Form				£0	0.00%	
14) Exceptional circumstances (can only be used with prior agreement of EFA)						
Circumstance				Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
Additional lump sum for schools amalgamated during FY13-14				£194,810	0.19%	
Exceptional Circumstance 2				£0	0.00%	
Exceptional Circumstance 3				£0	0.00%	
Exceptional Circumstance 4				£0	0.00%	
Exceptional Circumstance 5				£0	0.00%	
Exceptional Circumstance 6				£0	0.00%	
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)				£102,910,873	100.00%	£14,468,717

15) Minimum Funding Guarantee (MFG is set at -1.5%)				£1,359,184	
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)				Yes	
Capping Factor (%)	1.50%	Scaling Factor (%)	100.00%		
Total deduction if capping and scaling factors are applied				-£901,034	
				Total (£)	Proportion of Total funding (%)
MFG Net Total Funding (MFG + deduction from capping and scaling)				£458,150	0.44%
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)					
Total Funding For Schools Block Formula				£109,369,023	
% Distributed through Basic Entitlement				70.12%	
% Pupil Led Funding				90.40%	
Primary:Secondary Ratio				1:	1.29

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Responses

	1	2	3	4
Q1	Yes	Yes - schools now receive an additional £500 in catch up premium in addition to their budget share for any student who comes in below level 4 in English or Maths. Therefore this partly offsets the drop in the prior attainment funding.	Yes	Yes
Q2	Yes	Yes - These students do have a very high incidence of need and schools require additional resources to support them.	No - The children affected are already in the system and therefore subject to an education and if they are struggling they would be picked up by the school as needing assistance and they get support under the normal school's operation.	Yes
Q3	Yes	Yes	No - As Q2: Plus the volumes are so low that it makes no sense to make the change	Yes
Q4	Yes	Yes	Yes - This will have a positive impact	Yes
Q5	Yes	No - in an all-through school, our governors have always argued that there should be greater flexibility in the way that the lump sums are allocated and that Mayfield should be entitled to two lump sums	Yes	No - It is this academies view that the model should be moving towards a reliant of pupil led factors rather than the lump sums. Whilst we accept that this will take time to minimise impact on MFG we would like to see a year on year reduction.
Q6	Yes	Yes - Future predictions in the city suggest this is not likely to be a problem for good or better schools	Yes	Yes - Falling rolls should be anticipated at school level and planned for financially
Q7	No	Yes - In the past we have benefitted from the contingency fund so we feel that it is only right that we now contribute some of this money and support schools who face sudden and unexpected difficulties	No - Schools should manage themselves appropriately, and those that are merging have plenty of time to prepare their finances accordingly. If there is an emergency, the LA could use the funds from the "Loan Scheme" that was recently stopped.	This has no impact on the academy so we will not make a comment
Q8	More student funding, less institution given that there are too many schools in Portsmouth	No - We are generally happy with the new funding formula and how it operates. It is transparent and there appears to be a good balance between the pupil led factors and safeguards for schools	No response	No

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Title of meeting: Schools Forum

Date of meeting: 23 October 2013

Subject: Proposed Changes to Management of School Kitchens

Report by: Owen Buckwell, Head of Housing and Property Services

Report written by: John Bean, Head of Building Maintenance

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to inform Schools Forum of the proposed changes of kitchen/servery management.

2. Recommendations

2.1 It is recommended that Schools Forum note that liaison will be taken with school Governing Bodies to amend the terms of the existing 2013/14 Service Level Agreement (SLA), such that :-

(a) The responsibility for the management of kitchen/servery fabric (walls, floor and ceilings) and services (lighting, power, heating and ventilation) is transferred from schools to Housing and Property Services (HPS) and managed within the existing catering SLA budget from January 2014.

(b) The responsibility for the repair and replacement of dining tables (hot meals) is transferred from the existing catering SLA budget managed by HPS to schools from January 2014.

3. Background

3.1 Management of the schools catering SLA budget transferred from Education and Children Services in 2012/13 to HPS.

3.2 The existing service has been reviewed and the following ambiguities identified:

(a) Within kitchens/serveries HPS are responsible for the repair and maintenance of catering equipment (ovens, dishwashers etc.) but

schools retain responsibility for the kitchen/serveries internal fabric (walls, ceilings and floors) and services (lighting, power, heating and ventilation).

- (b) School meals are prepared by the Council's catering contractor ISS who are also responsible for hygiene standards within the kitchen. Recent inspections by Environmental Health have highlighted concerns due to the condition of surfaces, such as flaking paint and loose floor coverings.
- (c) To ensure clarity of responsibility and management of the ISS contract it is considered that it would be beneficial if the whole of the kitchen fabric and services were managed under the catering SLA budget to improve hygienic standards.
- (d) The catering SLA includes budget to assist schools repair and replace dining tables for hot meals only, not packed lunches or general usage. This is difficult to allocate to schools due to the wide variety of dining arrangements and standards of tables.
- (e) It is considered that as schools usually purchase all school furniture from their budgets it would be appropriate for schools to also have responsibility for dining tables.

3.3 The existing catering SLA would be due for review in December 2013 and changes implemented from April 2014. However following the change of SLAs to a Trading Services format schools have requested that the period of operation be changed from the financial year (April) to the school year (September).

The proposed changes have been discussed with numerous Head Teachers at Asset Management Meetings during the summer term and welcomed as a sensible resolution.

This report seeks to resolve the identified ambiguities in catering management from January 2014 rather than allowing them to continue until September 2014.

4. Options

4.1 The recommended option is to exchange responsibilities between HPS and schools with kitchens with no financial budget adjustments.

- schools transferring fabric and service responsibility to HPS.

- HPS transferring dining table responsibility to schools.

4.2 An alternative option would be for schools to transfer the responsibility for kitchen fabric and services to HPS with a financial adjustment (increase in SLA).

5. Reasons for recommendations

Exchanging responsibilities for kitchen fabric/services and dining furniture will resolve existing ambiguities, enable the contract with ISS to be clearly managed and improve hygiene standards within the kitchens.

6. Equality impact assessment (EIA)

This report does not require an EIA as the proposals do not have any impact upon a particular equalities group.

6. Legal Implications

There are no significant legal implications arising from the recommendations in this report in so far as they relate to the SLA with maintained schools.

7. Finance Comments

The proposals contained within this paper seek to amend the services provided within the SLA with Housing and Property Services. It is anticipated that the proposed changes will not have an adverse effect on the schools budgets, however any decision to amend SLAs rest with the Governing Bodies of the affected schools. The proposed amendments will be reflected in 2014/15 SLAs where already agreed.

.....
Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:



Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....
Signed by:

Title of meeting: Schools Forum

Date of meeting: 23 October 2013

Subject: Traded Services

Report from: Di Mitchell, Head of Education and Strategic Commissioning

Report by: Mike Stoneman, Strategic Commissioning Manager

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

1.1 The purpose of the report is to provide:

- an update on the Council's traded services offer to schools and academies and the planned offer for 2014 onwards; and
- a summary of the key issues that emerged from the consultation held with Head teachers in May 2013.

2. Recommendations

2.1 It is recommended that Schools Forum note the report.

3. Background

Current offer and take up

3.1 The Council has a long history of providing a range of traded services to schools usually under a Service Level Agreement(SLA). The income generated from these services is substantial and in 2011/12 and 2012/13 equated to £5,213,286 and £5,333,967 (includes the school meals catering SLA) For 2013/14 there are 29 Service Level Agreements in place across the Council. The level of take up has been good with all schools and academies in the City signed up to a range of services.

3.2 For 2013/14 the Council has developed separate Service Level Agreements for Academies with separate terms and conditions (referred to as Traded Services Specifications). This is due to the fact that Academies are independent charitable companies and therefore require different and more robust legal agreements.

National context

- 3.3 National policy relating to education and the role of local authorities is rapidly changing. The Academies Act (July 2010) and the Education Act (November 2011) describe this change. In addition the Government's aim is that within the lifetime of the current Parliament every school will become an Academy. As a main provider of universal services, schools are responsible for their own continuous improvement and have increasing autonomy and control of budgets, resources and partnership arrangements. Schools will commission their own services and there is a national policy expectation that schools will be able to exercise choice from a wide range of providers.
- 3.4 The Local Authority role is moving rapidly from a position of 'service provider' to one that focuses on strategy, quality assurance and commissioning. The Local Authority retains a clear strategic role as champion of parents and children and for ensuring continuous improvement in outcomes for all particularly those who are most vulnerable. In discharging this duty the Local Authority is responsible for ensuring that there are sufficient school places, for ensuring fair access to school for every child, standing up for the interests of parents and children, supporting vulnerable children including those with special educational needs (SEN). Children in care and those outside mainstream provision are also retained. In addition the Local Authority will be responsible for commissioning support for schools falling below the new 'floor standards' enabling them to improve quickly or convert to academy status with a strong sponsor. The Local Authority will also retain the power to withdraw the delegated budget from a maintained school in certain specified circumstances.
- 3.5 A national funding formula is being proposed which would remove decision making from Local Authorities about the distribution of the Direct School Grant (DSG) to individual schools. The new revenue funding formula arrangements require as many services and as much funding as possible to be delegated so that school leaders have greater choice over how to spend their budgets. This provides both challenge and opportunity for the Council, particularly with respect to traded services.

4. Scope and purpose of the review of the traded services offer

- 4.1 Portsmouth City Council is currently reviewing its traded services offer to schools with the ambition of developing a more comprehensive, competitive and high quality traded services offer from September 2014 for both schools and academies. The ambition is to:
- Publish a single prospectus of services for both schools and academies (available on-line and in hard copy) – ensuring easy access for users, clarity of offer, a consistent approach / format;
 - Provide schools with a central contact / unit for all traded services, providing a one stop shop for all schools related traded activity; and

- Bring together all the Continuing Professional Development (CPD) services, supported by a centralised brochure and administrative system.
- 4.2 The Council has commissioned Richard Swan (formerly of South Gloucestershire Council) to assist in the review and development of the offer for 2014 onwards. Richard was responsible for setting up a successful traded services unit for schools in South Gloucestershire.
- 4.3 A Traded Services Managers Forum has been established supported by a Task and Finish Group which is overseeing the work of the review and development of the offer for 2014.
- 4.4 A Traded Services Manager has recently been appointed. Steve McIntyre took up the post on 7th October 2013 and is responsible for the management, co-ordination, quality assurance and development of the Council's traded services offer to schools and academies.
- 4.5 A timeline for the work that needs to be undertaken between now and September 2014 is set out in section 6.1.

5. Consultation with Schools and Academies

- 5.1 As part of the review of the Council's traded services to schools and academies, consultation was held with Head teachers between 17th and 22nd May 2013. Individual meetings were held with secondary school heads/bursars (all secondary schools covered), cluster meetings were held with primary school heads/finance managers (approximately 50% of primary schools attended) A meeting of special school heads was also held.
- 5.2 The key issues / considerations that resulted from the consultation are set out below:
- It is clear that many schools have chosen Council services in the past because they have not been aware of what is available elsewhere. Knowledge is increasing and is being passed from school to school. Some schools have taken up one year SLAs this year in order to gauge quality of provision and value for money before deciding whether to stay with the LA in future years. **It is vital that services perform well and make a good impression over the next six months.**
 - Whilst appreciating that Council services are subject to cuts and that staff are being stretched, achieving quality of service and value for money are central to a schools' procurement process. **Schools have a wide choice will no longer be coming to the LA for services as a default option.**
 - Schools are looking for the following 3 main elements in procuring a service
 - **Excellent customer service**
 - **High quality support**

- **Good value for money**
- It is clear that some schools are moving away from Council services as they become an academy and use some of their sponsor's services. However there are still some Council services they wish to purchase. **The Council needs to embrace all schools in the marketing irrespective of how little they purchase at the moment.**
- Some schools are worried that the Council services will not survive very long as more schools become academies and that they should start looking elsewhere for support now. **The Council needs to do all it can to reassure schools that PCC traded services are here for the long term.** The new brochure and appointment of a Traded Services Manager have already helped to reassure schools.
- It is clear that **bursars** are having a greater influence in purchasing decisions, including primary schools. Many attended the discussions with head teachers.
- The majority of schools and academies expressed a **preference for traded services to operate on an academic year** basis rather than the current arrangement which is based on a financial year (refer to section 7).
- The differences between good and poorly rated Council services was often due to
 - Poor customer service
 - A lack of flexibility in meeting the needs of the school (rather than the needs of the Council) in the implementation of the support programme
 - Schools not being recognized as customers and being told what to do
 - A lack of high challenge and expectation coupled with high levels of support
 - Services being reactive instead of proactive
- There is a need for Council services to **benchmark** themselves against the competition so they know what schools are being offered.
- There is a need for the Council to **think outside the box** in providing services. To look at new partnerships with other larger providers, schools, academy chains etc.
- All services should revolve around **School Improvement**. How can each service contribute to the raising of standards within the City? How are these services joined up in their approach?
- There needs to be a mechanism that **tracks the support** that is given to each school. This then needs to be communicated to the school,

especially governors, so they can see what they got for their money. Services who deliver in-school services need to contact schools to arrange dates for the support that has been purchased.

- A **systematic, centralized programme needs to be established to obtain feedback from all schools** about services being offered. Schools should not be bombarded with questionnaires from individual services.
- Each service needs to establish how it holds its **staff accountable for delivering high quality services in school**. Systems need to be established for identifying the effectiveness of the support given to schools by individual staff, especially in school improvement related areas.
- A rigorous **performance management system** needs to be established in all services to ensure that high quality support is delivered by all members of the team.

6. Timeline

6.1 A summary of the timeline is set out below:

Actions	Date
2013/14 offer	
Distribution of Service Level Agreements (SLAs) for 2013/14 and Traded Services Specifications (TSS) for Academies	February 2013
Response back from schools	15 th March 2013
Service commences	1 st April 2013
2014 + offer	
Consultation with schools for 2014 offer	May 2013
Feedback to PCC services - to inform development of specification of services for 2014 offer	June 2013
Final deadline for brochure text and prices to be submitted by PCC managers	1 st Nov 2013
2014 brochures to be dispatched to schools	Early March 2014
Marketing of 2014-2016 Traded Services offer to schools and academies - to include 'meet the managers' session for heads / bursars to discuss brochure entries	March - April 2014
Final deadline for schools / academies to return their order forms for SLAs / TSSs they wish to purchase from September 2014	19 May 2014
New services commence	1 st Sept 2014

7. Extension of existing Service Level Agreements

- 7.1 The majority of the existing Service Level Agreements (SLAs) are for one year only and will end on 31st March 2014. In light of the consultation that was held with schools and academies in May 2013 which supported the move to operate traded services on an academic year basis rather than the current arrangement of a financial year, the Council will be extending the existing one year SLAs for a further five months until 31st August 2014.
- 7.2 Schools and Academies have been asked to confirm by 24 October 2013 if they are in agreement with this extension or if they wish to change / cancel them. The additional five months of charges will be taken out of next years' budget 2014/15 via a journal transfer for LA maintained school. Academies will have the choice to pay by instalments via direct debit or a single payment.
- 7.3 The Council's future traded services offer will be based on a two year offer from 1st September 2014 to 31st August 2016, but with the option for schools and academies to end an agreement by giving at least six months' notice.

8. Equality Impact Assessment

- 8.1 This report does not require an Equality Impact Assessment as the proposal does not have any impact upon a particular equalities group.

9. Head of Legal Services' comments

- 9.1 There are no legal implications arising directly from the recommendation in this report.
- 9.2 However, it is noted that although Academies are independent bodies, the Council has the power to provide goods and services to Academies under Section 1 of the Local Authorities (Goods and Services) Act 1970 and Section 2 (2A) of the Academies Act 2010.

10. Head of Finance's comments

- 10.1 As noted within the report, the level of income that the Council receives from schools and academies in respect of the range of traded services is substantial. The eventual provision of services will be dependent upon the take up of services by schools and academies, as this will determine the funding available to support their continued delivery.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

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