

Report to: Schools Forum

Date of meeting: 25th September 2013

Subject: School Funding Reform 2014-15

Report from: Julian Wooster – Director for Children’s & Adult's Services

Written 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 provide schools forum with an update on the implementation of the school funding reform arrangements for 2014/15, and to seek the required approvals at this stage in the process

2. Recommendations

It is recommended that the Schools Forum:

- a) Approves by phase, the proposed treatment of the central expenditure items detailed in the table at paragraph 4.4.*
- b) Notes the proposal to establish a contingency fund in 2014-15 as set out in paragraphs 4.5 and 4.6.
- c) Agrees to the proposed treatment of the centrally retained expenditure budgets as set out in paragraphs 4.7 to 4.9.
- d) Notes the consultation document issued to schools in Appendix 2 and that responses to the consultation document will be reported to Schools Forum at the meeting on 23rd October 2013.

** Note: only School Members by phase can vote on this item*

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 DfE to the 2014-15 school revenue funding arrangements, in their publication issued in June 2013.

3.2 This report provides Members with an update on the implementation of these changes and seeks early agreement to a number of proposals for 2014-15.

4. Proposals for 2014-15

De-Delegated Central Expenditure Budgets

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

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

4.2 The table in Appendix 1 provides further details on the above items and the proposals for de-delegation in 2014-15. Behaviour Support has been excluded from Appendix 1 as this is covered in a separate report on this meeting's agenda.

4.3 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.

4.4 In summary, the list below summarises the proposed treatment of the central expenditure items for maintained primary and secondary schools. Further detailed information can be found in Appendix 1.

¹ Copyright Licensing Agency (CLA) and Music Publishing Association (MPA) licences have been purchased by the Department for Education and will cover all maintained and Academy schools in England. Details can be found at <http://www.copyrightandschools.org/>

Expenditure Item	De-delegation proposals for 14-15
Administration of free school meals eligibility	De-delegate from maintained primary & secondary schools.
Licences or subscriptions	De-delegate from maintained primary & secondary schools.
Special Staff Costs: Maternity	De-delegate from maintained primary & secondary schools.
Special Staff Costs: Union Duties, Suspension, Jury Service, etc.	De-delegate from maintained primary & secondary schools
Support for minority ethnic pupils or underachieving pupils	De-delegate from maintained primary & secondary schools for the period Apr - Aug 2014. The EMAS service will implement and traded service arrangement from September 2014
Museum & Library Services	De-delegate from maintained primary schools only

4.5 In addition to the above 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.

4.6 It is proposed that a contingency fund is created in 2014-15 in order to provide increased flexibility in relation to the above items. An amount of between £10 and £20 per pupil would be de-delegated from maintained school budget shares in order establish the fund. This would create an estimated fund of between £179k and £358k.

Centrally Retained Expenditure Budgets

4.7 There are no significant changes to the arrangements for centrally retained expenditure budgets. It is not permissible to increase the budgets for Admissions and Schools Forum above the budgeted levels in 2013-14.

4.8 It is therefore proposed that the following items continue to be centrally retained

Admissions - (budget in 2013-14 £252,000)

Servicing of Schools Forum - (budget in 2013-14 £15,500)

CLA & MPA licences - £37,000

4.9 The final budget requirements for the CLA & MPA licences will be reported to School Forum as part of the final budget report for 2014-15.

Consultation on proposed funding formula changes

4.10 As reported in July, there are no significant changes to the funding formula for mainstream primary and secondary schools in 2014/15, although the DfE did introduce some minor changes in response to the feedback from the consultation undertaken earlier this year.

4.11 Appendix 2 contains the consultation document issued to Schools earlier this month. This sets out the changes proposed to the Portsmouth funding formula in 2014-15. Alongside this document, schools also received an indicative budget share spread sheet, which showed the impact of the proposed changes against their current budget share allocation.

4.12 The consultation will close on the 4th October 2013 and any responses will be reported to schools forum at the meeting on 23rd October 2013.

High Needs Settings

4.13 As reported in July, the DfE are not proposing significant changes to the high needs funding arrangements for 2014-15.

4.14 As explained within the consultation document, there will be discussion with the schools and high needs settings to confirm the number of places, etc required for 2014-15; and a further report will be presented to Schools Forum later in the year.

5. Reasons for recommendations

The purpose of this report is to provide schools forum with an update on the implementation of the school funding reform arrangements for 2014/15, and to seek the required approvals at this stage in the implementation process.

6. 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.

7. Head of Legal Services' comments

Legal comments have been included within the body of this report

8. Head of Finance's comments

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

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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
School Funding Records	Education Finance
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

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Signed by:

Appendix 1 - De-delegation proposals for 2014-15

No.	Central Expenditure Item	De-Delegation Phase Agreement Required	2013-14 Basis of de-delegation *	Working Group Proposals for 14-15
1.	Administration of free school meals eligibility	Primary & Secondary	Basic Entitlement (per pupil) Primary - £1.22 Secondary - £1.67	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained schools (SLA for maintained special schools). ▪ Traded Services Agreement with Academies
2.	Licences or subscriptions	Primary & Secondary	Basic Entitlement (per pupil) Primary - £0.87 Secondary - £1.38	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained schools (SLA for maintained special schools). ▪ Academies to purchase their own licence and subscriptions. ▪ This does not cover Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) which are now held centrally.
3.	Special Staff Costs: Long Term Sickness	N/A	Not de-delegated	<ul style="list-style-type: none"> ▪ Continue to operate Service Level Agreement with Maintained Schools
4.	Special Staff Costs: Maternity	Primary & Secondary	Basic Entitlement (per pupil) Primary - £19.90 Secondary - £18.74	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained schools (SLA for maintained special schools).

No.	Central Expenditure Item	De-Delegation Phase Agreement Required	2013-14 Basis of de-delegation *	Working Group Proposals for 14-15
5.	Special Staff Costs: Union Duties, Suspension, Jury Service, etc.	Primary & Secondary	Basic Entitlement (per pupil) Primary - £6.96 Secondary - £14.83	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained schools (SLA for maintained special schools).
6.	Support for minority ethnic pupils or underachieving pupils	Primary & Secondary	English as an Additional Language Primary - £211.66 Secondary - £1025.11	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained schools (SLA for maintained special schools). ▪ Additional services continue to be provided through SLA. ▪ Traded Services Agreement with Academies for all EMAS services.
7.	Library and Museum Services	Primary	Basic Entitlement (per pupil) Primary - £1.12	<ul style="list-style-type: none"> ▪ Continue to de-delegate from maintained primary schools ▪ Traded Services Agreement with Academies.

** Note: the final de-delegation rates will be agreed in setting the final budget for 2014-15*