

SUPPLEMENT TO THE AGENDA FOR

Herefordshire Schools Forum

Monday 19 January 2015

2.00 pm

The Shire Hall, St Peter's Square, Hereford HR1 2HX

5. REPORT OF THE BUDGET WORKING GROUP

To consider the report of the Budget Working Group (BWG) on the following matters: Dedicated Schools Grant and final Schools Budget 2015/16; de-delegation, Pupil Referral Unit (PRU funding), school balances and an update on the Whitecross PFI contract.

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MEETING:	SCHOOLS FORUM
MEETING DATE:	19 JANUARY 2015
TITLE OF REPORT:	REPORT OF THE BUDGET WORKING GROUP
REPORT BY:	SCHOOL FINANCE MANAGER

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide.

Purpose

To consider the report of the Budget Working Group (BWG) on the following matters: Dedicated Schools Grant and final Schools Budget 2015/16; de-delegation, Pupil Referral Unit (PRU funding), school balances and an update on the Whitecross PFI contract.

Recommendation(s)

THAT:

- (a) **The schools members (including academies) and early years members recommend the Cabinet Member Young People and Children's Wellbeing to approve the variation of the provisional funding values, as submitted to the Education Funding Agency, for the National School Funding Formula 2015/16, and as shown in Appendix 1 to the report, as follows;**
- (i) **the per pupil funding in the interim schools budget be reduced by 0.01%: £2 per primary pupil, £3 per Key stage 3 pupil and £4 per key stage 4 pupil to fund the increased cost of national licences;**
 - (ii) **Primary school funding be reduced by £6 per pupil to fund SEN threshold protection at £90 cap per pupil (option B1);**
 - (iii) **Secondary school funding be reduced by £8.50 per pupil to fund PRU delegation of £150k on the basis this would be delegated by 1/3 pupil numbers, 1/3 Ever-6 Free School meals and 1/3 on low prior attainment**

Further information on the subject of this report is available from Malcolm Green, School Finance Manager, on Tel (01432) 260818

data (option B2);

(iv) that high needs tariffs to cover increased pension costs should be increased for 2015/16 as follows (option C3): Tariff A: £1,280+1% B: £3,125 +2% C: £5,225+3% D £8,075 +4% E £11,400+5% F: £15,200 +6%; and

(v) £150k of the high needs carry forward be used to support the costs of (ii) and (iii) above; and

- (b) local authority maintained school members of Schools Forum be asked to consider the de-delegation of the funding, separately for secondary and primary schools, for Trade Union facilities, ethnic minority support and free school meals administration for 2015/16;
- (c) it be noted that further consideration will need to be given to PRU funding changes in March 2015; and
- (d) a consultation exercise should be undertaken on the introduction of a school balance claw-back scheme along the lines of that previously applied by the Council.

Alternative Options

- 1 There are a number of possible alternative options. The alternatives were considered in detail by the Budget Working Group (BWG) and are listed in this report..

Reasons for Recommendations

- 2 Local authorities are required to submit the final 2015-16 school budget formula and funding values to the EFA by 20 January 2015.

Key Considerations

- 3 The BWG has met once since the Forum's last meeting: 9 January 2015. The BWG considered the following matters: Dedicated Schools Grant and final Schools Budget 2015/16; de-delegation, Pupil Referral Unit (PRU funding) school balances, and an update on the Whitecross PFI contract.

DEDICATED SCHOOLS GRANT AND FINAL SCHOOLS BUDGET 2015/16

- 4 The BWG was advised that a number of variations needed to be made to the interim budget that had been submitted in October 2014. These are set out below and reflected in Appendix 1.

Final Schools Budget - National Licence Costs

- 5 The Schools Finance Manager informed the BWG that if at all possible he would prefer the final Schools budget submitted to the Education Funding Agency (EFA) to be the same as the interim budget already consulted on with schools and submitted in October. However, there would need to be one final minor adjustment regarding national licence costs as the DfE had increased the number of licences included in the national agreement and would deduct approx. £114k from DSG to meet the

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additional licence cost. For Herefordshire this was an extra £53k which required a 0.01% reduction per pupil in the interim school budget. This is equivalent to £2 per primary pupil, £3 per key stage 3 pupil and £4 per key stage 4 pupil. However, schools would benefit by an equivalent reduction in expenditure on licences so the reduction would be cost neutral to individual schools.

- 6 The BWG supported this proposal.

Recommendation

(a i) The per pupil funding in the interim schools budget be reduced by 0.01%: £2 per primary pupil, £3 per Key stage 3 pupil and £4 per key stage 4 pupil to fund the increased cost of national licences.

High Needs Block

- 7 The BWG was informed that there were significant pressures on the High Needs budget. There was also a high degree of uncertainty about where and when these pressures would manifest themselves. It was estimated that unfunded expected high needs cost pressures amounted to £277,000 for 2015/16. Increased pension contributions, which would disproportionately impact on special schools, amounting to £138k formed part of the £277k.
- 8 There was a projected underspend of £927k on the DSG for 2014/15. This was almost entirely due to an underspend on expenditure on funding places for 2 year olds (2YO). However, the expectation was that the DfE would nationally reduce the 2YO grant for 2015/16 by the underspend. The High Needs block was forecast to overspend by £108,000 further adding to future cost pressures. The projected 2YO underspend should not therefore be considered as a source for meeting any shortfall for 2015/16.
- 9 An options appraisal was presented to the BWG as attached at Appendix 2, to meet the unfunded expected high needs cost pressures amounting to £277,000 for 2015/16.

Pensions

- 10 Local government pension costs are rising by 4.4% in 2015/16 and 6.2% in 2016/17 in addition to teachers pension cost increases of 2.3% from September 2015. There is a disproportionate impact on special schools because of the number of support staff employed. An equivalent 6% increase on high needs tops up would cost £202k in 2015/16 and a further £202k in 2016/17. Given the other pressures on the high need block it was considered that this was unaffordable for both years for all schools.
- 11 A number of options were proposed for consideration:
- C1: No increase - this was not recommended as it was essentially a cut to special schools;
- C2: No increase to tariff A-C and a 6% increase for tariffs D-F.; this would direct an increase predominately at special schools who are funded with tariff D-F - the overall cost would average out at 4% or £136k;

C3: a graduated increase for all tariff as follows: A: £1,280+1%, B: £3,125 +2%, C: £5,225+3%, D £8,075 +4%, E £11,400+5%, F: £15,200 +6%

- 12 C3 was the recommended option in that all high needs pupils would receive something but that the most vulnerable pupils would receive the maximum possible. The overall cost also averaged out at 4% at a cost of £138K.
- 13 The BWG supported option C3. However, given the level of uncertainty involved, the BWG, on balance, preferred to keep funding options for 2016/17 open at this stage.

Other Pressures

- 14 The SFM presented the following options to meet the balance of the £277k shortfall: Option A – in principle primary and secondary schools pay for their own ongoing schemes (i.e. primary schools fund the £150k cost of the SEN protection scheme and high schools fund the £150k cost of the PRU delegation); or
- 15 Option B: use reserves to partially support the high needs budget (i.e. primary schools fund £75k of the cost of the SEN protection scheme and high schools fund £75k of the cost of PRU delegation and the high needs reserve contributes £150k shortfall); or
- 16 Option C – Reduce costs for SEN protection and PRU delegation to what we can afford (i.e. the primary SEN protection scheme is limited to the £75k available budget and likewise the high schools PRU delegation is limited to the £75k available budget and there is no top-up from the high needs reserve);
- 17 In conjunction with option A or B there was also an option to reduce support for special schools. The proposal to fund special schools to avoid service reductions from increased pension costs could be reduced to save £35k by reducing by -1% for all tariffs. A+0%, B+1%, C+2%, D+3%, E+4%, F+5%.. This would save £35k which could be used to reduce the per pupil contribution in option A or B by £1.60 per pupil.
- 18 Responses from primary schools during the autumn budget consultation had strongly preferred the continuation of the existing protection scheme that limits the number of £6,000 SEN thresholds that the school must meet. In the first year 2013/14 the number of thresholds was capped at £60 per pupil at a cost of £300k. In 2014/15 the cap was relaxed to £120 per pupil (at a cost of £75k-100k) with the intention of phasing out the scheme in 2016/17.
- 19 The BWG was advised that option A seemed unduly harsh and that option B was consistent with the BWG's customary strategy of seeking to find the middle ground and would have the least adverse effect for all schools. It was acknowledged that a reduction in per pupil funding had an impact on smaller schools. However, option B, in the manner of an insurance policy, provided greater security for smaller and other schools compared with the other options. It was noted that option B also used reserves to a reasonable degree to avoid "high balances" and retained £400k out of the High Needs Block reserve of £554k to cover future uncertainties.

- 20 The SFM commented that as part of the DfE's study into high needs the authority had made the DfE aware of the difficulties faced by small schools in funding the £6,000 high needs threshold.
- 21 The BWG supported option B.

Recommendation

That

- (a ii) **Primary school funding be reduced by £6 per pupil to fund SEN threshold protection at £90 cap per pupil (option B1);**
- (a iii) **Secondary school funding be reduced by £8.50 per pupil to fund PRU delegation of £150k on the basis this would be delegated by 1/3 pupil numbers, 1/3 Ever-6 Free School meals and 1/3 on low prior attainment data (option B2);**
- (a iv) **that high needs tariffs to cover increased pension costs should be increased for 2015/16 as follows (option C3): Tariff A: £1,280+1% B: £3,125 +2% C: £5,225+3% D £8,075 +4% E £11,400+5% F: £15,200 +6%**
- (a v) **£150k of the high needs carry forward be used to support the costs of (ii) and (iii) above; and**

De-delegation

- 22 The Forum agreed in October that consideration of de-delegation be deferred pending further consideration by the BWG and a recommendation to the Forum in January.
- 23 The report to the Forum stated that there was a view that de-delegation was an arcane term possibly obscuring the fact that money was being deducted from schools budgets without consideration of whether they needed the services in question, which could instead be obtained by individual service level agreements if required, or whether those services represented value for money. It was acknowledged that the sums involved were comparatively small and that if the Forum were to decide not to de-delegate this would increase the administrative burden on the local authority. However, it was thought there were issues of principle involved and that it would be timely to review and clarify the position, perhaps involving a further, clearer consultation exercise solely on this aspect.
- 24 The BWG considered a consultation paper on 9 January and this was issued to schools on 12 January. A copy is attached at Appendix 4. The outcome will be reported to the Forum at the meeting.

Recommendation

- (b) local authority maintained school members of Schools Forum be asked to consider the de-delegation of the funding, separately for secondary and primary schools, for Trade Union facilities, ethnic minority support and free school meals administration for 2015/16**

PRU funding changes:

- 25 The SFM reported that for September 2015, the DfE was changing the current funding formula for PRUs from £8,000 per place to £10,000. The PRU funding model therefore needed to change.
- 26 Many different models had been considered and the preferred model included the high needs tariff and also provides for efficiency savings following the PRU merger.
- 27 The proposed model is £10,000 per commissioned place for year 2 and 3 only. Top up values would be via the high needs tariff, which on average is £5,000 per pupil.
- 28 First year places would not be commissioned but purchased as needed by the school at a cost of either a one-off £6,000 irrespective of start date or two payments of £3,500 - the first payment on entry and the second payment in the next financial year if the pupil still requires a place. As now, the local authority would make the funding up to the £10k per pupil.
- 29 Payments for KS3 Aconbury places would be fixed termly at £2,000 per term irrespective of the number of days attended in that term.
- 30 The proposals had been supported by the PRU management committee at a meeting in December and BWG views were sought prior to a wider consultation.
- 31 The BWG considered that it was an option for high schools to commission places direct and unwanted places could be resold between schools. The SFM commented that this model has been considered but rejected due to complexity but it could be discussed further if it was the preferred option.
- 32 It was suggested a small group of BWG members would meet to consider the principles, following further discussion by the Herefordshire Association of Secondary Headteachers, before making recommendations to the Forum in March 2015.

Recommendation

(c) That it be noted that further consideration will need to be given to PRU funding changes in March 2015.

School Balances

- 33 The Forum was informed by the BWG in October 2014 that school balances had increased from £5.5 million at the end of 2012/13 to £6.3m at the end of 2013/14. This development was contrary to what might have been expected given funding pressures and at a time when balances held by schools converting to academies had been subtracted from the total balances.
- 34 The BWG acknowledged that all schools had their own individual circumstances and rationales for the level of balances they are holding. However, the BWG considered balances of up to 10% of a schools revenue budget seemed a reasonable level to hold. It therefore appeared that excessive balances are being held by a number of schools.

- 35 The BWG was advised that it was open to the Forum to reintroduce a balance clawback scheme if it were considered appropriate to do so, noting that it would be important to provide schools with adequate notice of such a policy.
- 36 The BWG informed the Forum in October that the issue is a matter of strategy and principle. At a time when educational performance in the County is under scrutiny from Her Majesty's Inspectorate with schools performing in the lower quartile nationally for some attainment targets there needs to be a clear justification for not spending available resources to improve pupil attainment.
- 37 The Schools Finance Manager referred to a response he had received from the DfE about school balances. This is summarised in appendix 3. In the light of that advice he had not yet written to schools as requested by the BWG in October, deciding to seek a further view from the BWG.
- 38 The DfE response and the contrasting treatment of academy and maintained school balances it outlined was discussed. However, it was suggested that the key issue the BWG and Schools Forum needed to consider was the principle that schools needed to have a clear justification for not spending available resources on pupils.
- 39 The BWG recommends that the Forum should consult on the reintroduction of a balance claw-back scheme along the lines of that previously applied i.e.
- a. Secondary schools – claw back of greater of 5% of the current year's budget share or £50,000;
 - b. Special schools –claw back of greater of 5% of current year budget (i.e. now place plus top-up funding) or £30,000);
 - c. Primary schools – claw back of greater of 8% the current year's budget share or £30,000.
- 40 If a consultation exercise is approved a further report could be made to the Forum in March with a view to implementing a balance claw-back scheme for the 2015/16 financial year. If approved, any balance clawback scheme would apply to school balances held at March 2016 in order to give schools a minimum 12 month notice.

Recommendation

(d) That a consultation exercise should be undertaken on the introduction of a school balance claw-back scheme along the lines of that previously applied by the Council.

WHITECROSS PFI FUNDING UPDATE

- 41 The BWG has been informed that good progress is being made in securing the reductions in the cost of the PFI contract as reported to Schools Forum in October 2014. A meeting between the contractors, the School and the Council is to be held later in January to formally agree the variations to the contract. A report will be made to Schools Forum in March 2015.

Community Impact

- 42 There is no significant community impact. The school funding formula must meet the national requirements of the Department for Education. Within these national funding guidelines the funding is targeted to support the achievement of improved outcomes for all Herefordshire pupils in accordance with a carefully considered strategy that is subject to annual consultation with schools and governors. The governing bodies of schools are responsible for decisions to commit expenditure according to meet pupils' individual needs.

Equality and Human Rights

- 43 There are no implications for the public sector equality duty.

Financial Implications

- 44 The recommendations, if agreed, are required to ensure that expenditure on school budgets does not exceed the funding available within the Dedicated Schools Grant. The proposed funding changes will pass directly between school budgets and the high need block so that expenditure is contained within the DSG funding available.

Legal Implications

- 45 To ensure legal compliance with Schools Forum Regulations 2012. School Forums generally have a consultative role. However, there are situations in which they have decision-making powers. Regulations state that the Local Authority must consult the Schools Forum annually in connection with amendments to the school funding formula, for which voting is restricted by the exclusion of non-schools members except for PVI representatives.
- 46 The decision-making powers of Schools Forum are limited as follows
- to decide on the central spend and criteria for growth fund and falling rolls fund for outstanding schools
 - De-delegation
 - Central spend on equal pay back-pay, early years expenditure, significant pre-16 growth
 - Central spend on admission and schools forum up to the 2013-14 level
 - Central spend on some other items up to the 2013/14 level – which is zero
- 47 In all other cases the final decision will be referred on for decision by the Cabinet Member.

Risk Management

- 48 The BWG reviews proposals in detail prior to making recommendations to the Schools Forum. This two stage process helps to ensure greater scrutiny of budget proposals and mitigate against any risks that may be identified.

Consultees

- 49 All maintained schools, FE providers, academies and free schools in Herefordshire

Further information on the subject of this report is available from
Malcolm Green, School Finance Manager, on Tel (01432) 260818

were consulted on the budget proposals for 2015/16.

Appendices

Appendix 1 – Final Budget 2015/16 for submission to the EFA

Appendix 2 – DSG 2015/16 Options Appraisal – to meet unfunded expected high needs cost pressures of £277,000

Appendix 3 – Response from DfE on School balances

Appendix 4 – Supplementary consultation on De-delegation for Herefordshire Schools

Background Papers

- None identified.

Provisional School Funding values submitted to Education Funding Agency October 2014

That (a) the proposals for the local application of the National Funding Formula for 2015/16 as set out at Appendix 1 to the report, be approved for recommendation to the Director for Children's Wellbeing as follows:

- 1. Primary pupil funding – to add 2.9% in addition to the £13 per pupil increase arising from the changes to the primary lump sum so that the £2,759 2014/15 basic entitlement per pupil increases to £2,854 in 2015/16.**

Recommendation a(i) reduces the provisional value by £2 from £2,854 to £2,852

Recommendation a(ii) further reduces the per pupil value by £6 from £2,852 to £2,846

- 2. Secondary KS3 pupil funding – to add 2.9% so that the £3,583 2014/15 basic entitlement per KS3 pupil increases to £3,689 in 2015/16**

Recommendation a(i) reduces the provisional value by £3 from £3,689 to £3,686

Recommendation a(ii) further reduces the per pupil value by £8.50 from £3,686 to £3,677.50

- 3. Secondary KS4 pupil funding – to add 2.9% so that the £4,512 2014/15 basic entitlement per KS4 pupil increases to £4,645 in 2015/16.**

Recommendation a(i) reduces the provisional value by £4 from £4,645 to £4,641

Recommendation a(ii) further reduces the per pupil value by £8.50 from £4,641 to £4,632.50

- 4. Low prior attainment (low cost, high incidence special education needs)–**

(i) to increase primary funding from £228 per pupil in 2014/15 to £428 per pupil in 2015/16;

(ii) to increase secondary funding from £148 per pupil in 2014/15 to £648 per pupil in 2015/16;

- 5. Deprivation –**

(i) to reduce the primary ever-6 free school meal funding to £2,572 in 2015/16;

(ii) to reduce the secondary ever 6 free school meal funding to £ 2,162 per pupil.

- 6. EAL– to increase the £405 per EAL pupil (first year only) in 2015/16 to £505 for primary schools and £1,216 for high schools in accordance with the Minimum Funding Values set out by the DfE.**

- 7. Lump sums – primary £93,000 and secondary £130,500**

- 8. Business Rates – no change funded at cost**

9. **Looked After Children – to maintain the funding in line with the pupil premium at £1,300 for 2015/16**
10. **Mobility – no change for 2015/16**
11. **PFI factor – to increase to £207,500 (from £190,000) to provide for increased inflation within the PFI contract.**

DSG 2015/16 - OPTIONS APPRAISAL BUDGET WORKING GROUP

High Needs Budget Options	£'000
Savings from transfer of school funding	-186
Proposed savings from PRU delegation	-50
Additional Primary SEN protection at £90 cap	75
Estimated cost re £6,000 threshold re VI/HI	15
High Needs tariff increases re pensions	138
Exception needs - unfunded top ups	93
Predicted unfunded places	157
unfunded Nursery growth re special schls	73
growth re 2YOs re SEN grants	10
Brookfield request re tariff increases	80
less 20% uncertainty	-128
Unfunded expected high needs cost pressures	277

Note : Savings on post-19 care contributions will help fund future increases in post-19 places which will not be known until March at the earliest. There 17 post-19 leavers from Barrs Court destinations unconfirmed.

Option A: In principle primaries and secondaries pay for own on-going schemes

	£'000
A1. Reduce primary school funding by £12 per pupil to pay for SEN threshold protection at £90 cap per pupil	150
A2. Reduce secondary funding by £17 per pupil to pay for PRU delegation (1/3 pupil, 1/3 FSMEver6,1/3 LPA)	150

Option A maintains reserves at £554k to cover for significant high needs uncertainty

Option B: Use reserves to support the high needs budget

B1. Reduce primary school funding by £6 per pupil to pay for SEN threshold protection at £90 cap per pupil	75
B2. Reduce secondary funding by £9 per pupil to pay for PRU delegation (1/3 pupil, 1/3 FSMEver6,1/3 LPA)	75
B3. Reduce High Needs Block Reserves from £554k to £400k this matches the unfunded places in 2015/16 at £157k on assumption that actual places funded in 2016/17	150

Option B uses reserves to a reasonable degree to avoid "high balances" and retains £400k to cover uncertainties.

Option C: Reduce costs for SEN protection and PRU delegation to what we can afford

C1. Set Primary protection cap at £120 per pupil as in 2014/15	75
C2. Further reduce PRU delegation to high schools to £75k	75

C3 Reduce High Needs Block Reserves from £554k to £400k 150
this matches the unfunded places in 2015/16 at £157k on
assumption that actual places funded in 2016/17

Option D: Reduce support for special schools for both years

D1. The proposal to fund special schools to avoid service reductions from increased pension costs could be reduced to save £35k by reducing by -1% for all tariffs i.e. A+0%, B+1%, C+2%, D+3%, E+4%, F+5%

This proposal would save £35k which could be used to reduce the per pupil contribution in option A or B by £1.60 per pupil 35

D2. Ideally the same funding solution is required in both 2015/16 and 2016/17 to fund the two years of increased pension costs. Adopting the above proposal at £105k will be easier to fund next year - from £65k savings from Leominster Primary one-off lump sum and a potential £2 per pupil reduction for all pupils in 2016/17.

Note 1

The latest DSG forecast for 2014/15 indicates an underspend of £927,000 which is almost entirely from an underspend on 2YO spending of £910,000. The High needs block is forecast to overspend by £108,000. It is expected that the 2YO grant will be reduced in 2015/16 by an assumed underspend because DfE has specifically delayed announcing the DSG for 2YO until June 2015.

Malcolm Green
9th January 2015

Members of Schools Forum (including academies) are concerned about the growing level of school balances in local authority schools in Herefordshire and will be seeking for Schools Forum to re-introduce the balance claw back scheme into the scheme of delegation for local authority schools. We removed the claw back in 2010 when relaxed by DfE.

Q1. Can academy members of Schools Forum vote on re-introducing the claw back to LA schools? (this is similar to the de-delegation vote which only concerns LA schools and academies cannot vote).

DfE: No, only maintained schools vote on the Scheme for Financing Schools

Q2. Can Schools Forum bind Herefordshire academies to the same balance claw back scheme either by the regulations or by voluntary agreement? Would the DfE/EFA honour any voluntary agreement?

DfE: You can't bind academies to a claw back scheme, but there is nothing to stop them from agreeing to participate in the arrangement

Q3. If Schools Forum agrees the balance claw back scheme and we actually recover any monies – if this is shared out to schools then can the distribution be restricted to only LA schools if the claw back has been recovered from only LA schools.

DfE: The claw back would become part of the DSG and therefore should be distributed to all schools and academies

Q4. Depending on your advice how does it fit with the principles of natural justice – whereby LA schools vote on LA school matters and claw backs collected from LA schools should be distributed to LA schools only.

DfE: The claw back scheme is not mandatory, so there is no requirement for you to implement such a scheme

Q5. What is the EFA policy re academy balances?

DfE: EFA does not have a claw back scheme for academies

Q6. The balances of local authority schools are public information via CFR and S251 outturn but academy balances are not. The EFA have agreed to provide comparable information for Schools Forum to consider in their role of allocating Herefordshire's DSG for the benefit of ALL schools in the county.

DfE: All academies are required to publish their annual accounts, so information is available, although not in the same format as for maintained schools.

NATIONAL SCHOOL FUNDING FORMULA 2015/16

SUPPLEMENTARY CONSULTATION re DE-DELEGATION FOR HEREFORDSHIRE SCHOOLS

The budget response form must be returned by 12 noon 19th January 2015 to

School.funding@herefordshire.gov.uk

1.0 INTRODUCTION

Optional De-delegation

- 1.1 De-delegation is a technical term used by the Department for Education (DfE) to describe the process where services for locally maintained schools can be provided centrally by the local authority. Rather than a Service Level Agreement (SLA) whereby each school makes a decision and is invoiced individually for the cost of the service, Schools Forum agrees on behalf of all locally maintained schools and the charges are deducted at source from each School's budget. De-delegation does not apply to academies who must opt into the service through an SLA.
- 1.2 No Changes were proposed for 2015/16 to the de-delegation arrangements for the costs of trade union facilities, ethnic minority support and free school meals assessment. However Schools Forum deferred a final decision on de-delegation until their meeting on 19th January 2015, pending the outcome of a more detailed consultation with schools.
- 1.3 School Forum's Budget Working Group considers that all schools, both academy and locally maintained, should wherever possible have the same choices for de-delegation in terms of considering best value for money and making spending decisions in the best interests of their individual school.
- 1.4 The services to be de-delegated are as follows;

1. Trade union facilities – Delegation budget £45,000

a) What are trade union facilities?

By law, trade union representatives are entitled to reasonable paid time off from their regular job to enable them to perform their trade union duties and to undertake relevant training. Trade union members, including representatives, may also ask for unpaid time off to undertake activities. Together these arrangements constitute facility time.

There is substantial flexibility for maintained schools and, in particular, academies to determine their own approaches to facility time to ensure positive work place relations.

All trade union representatives who receive facility time to represent members employed in schools should spend the majority of their working hours carrying out their main duties as school employees.

Employers should ensure that spending on facility time is as efficient as possible and there should be full accountability and transparency.

Trade union duties include:

- Negotiations with the employer, or other functions connected with the subject of collective bargaining, such as terms and conditions, redundancy and dismissal arrangements.
- Policy development, e.g. performance related pay and appraisal policies.
- Preparations for negotiations, including attending relevant meetings.
- Informing members of progress and outcomes of negotiations.
- Matters of discipline (e.g. accompanying employees to internal hearings)
- Attending training of aspects of industrial relations relevant to carrying out their trade union duties. This training must be approved by the Trades Union Congress or by the trade union of which he/she is an official.

Employees who are union learning representatives and trade union health and safety representatives are also entitled to paid time off to carry out their duties and training.

b) Benefits of the trade union facilities agreement

- Local representatives have the training and skills not available to school based representatives.
- The cost of releasing local representatives is shared across schools, although not all schools will have casework issues which require consultation with trade unions
- Fewer teachers are taken away from the classroom to represent members; local representatives frequently help resolve issues at an early stage without the need for delays caused by waiting for regional representation.
- Maintains a good base for effective industrial relations where individual and collective issues can be dealt with effectively.

c) Benefits of De-delegation

- Trade union duties are undertaken by local representatives for all schools
- Experienced local representatives are trained to undertake case work.
- De-delegation provides for shared trade union representatives to cover health and safety duties.
- The cost of releasing representatives is covered by all schools.
- Issues in schools are resolved quicker because local representatives have the local knowledge of Herefordshire schools.
- Issues are potentially solved at an early stage reducing costs to the school both in human and financial terms.
- The Local Authority forum for consulting with representatives is more effective through de-delegation; employment policy work and procedures would avoid duplication of effort and inconsistencies across schools.

- The Local Authority would be responsible for consulting with union representatives on at least a termly basis on behalf of all non academy schools

A de-delegated budget streamlines administration and avoids over expensive administration costs.

Further information if required is available from HR – please contact Julie Davies.

e-mail: julie.davies@hoopleltd.co.uk

Funding is currently de-delegated for teaching trade unions at £3.50 per pupil.

2. Ethnic minority support – De-delegation budget £45,000

The English as an Additional Language team has developed a succinct and effective system for risk rating the progress and attainment of EAL learners. The team supports schools through a programme of liaison meetings with school leaders and packages of monitoring and support. De-delegation funds EAL assessments and monitoring/support visits from EAL teachers. The provision of teaching and training is an additional and chargeable service for all schools irrespective of de-delegation.

De-delegation funds the following services

- On-going advisory support (after a first initial meeting and analysis)
- EAL assessment carried out by specialist teacher

De-delegation is administratively convenient for both locally maintained schools and the local authority because it avoids the additional administrative costs associated with invoicing for services. The amount de-delegated is the former Ethnic Minority support grant and funding is targeted to schools as needed in accordance with the requirements of the previous grant.

Further information if required is available from Ben Straker,

e-mail: bstraker@herefordshire.gov.uk

Funding is de-delegated at £1.12 per pupil +£6.60 per ever-6 FSM+£107 for the first year of registration as an English as an Additional Language pupil.

3 Free school meals administration – De-delegation budget £10,000

Hoople provides the complete administration of the Free School Meals service. This includes prompt assessment of applications, regular entitlement checks, online entitlement reports and specialist advice to enable schools to maximise their pupil premiums

Hoople starts with a prompt assessment of all free meal applications and provide immediate verbal confirmation of entitlements. Experienced staff use specialist software that captures the relevant entitlement information and links into the Department for Work and Pensions (DWP) and HM Revenue and Customs systems. Staff are available throughout the school year to provide advice and support via telephone and email and provide ad hoc reports to assist budget setting as well as contacting potential applicants to maximise take-up.

Although it is possible that schools may be able to find an alternative provider, it is likely that the outcome of a decision not to de-delegate would be that Hoople would have to invoice all schools individually and the additional work involved could be reflected in the addition of an administration charge on each school's individual invoice.

Hoople Ltd provides a service for free school meals administration for schools at a de-delegation cost of £4.51 per Ever-6 free school meal.

Further information is available from Sonia Lowther, e-mail: Sonia.lowther@hoopleltd.co.uk

RESPONSE FORM

Q1: Phase of school	Primary Y/N	Secondary Y/N
Please indicate phase of school		
Please indicate if academy		

Q2: DE-DELEGATION Please answer individually for each service	Please answer Yes or No
<p>Please indicate whether you prefer De-delegation or a Service Level Agreement (SLA) for the services as follows</p> <p>1. trade union facilities</p> <p style="padding-left: 40px;">(i) De-delegation</p> <p style="padding-left: 40px;">(ii) SLA (i.e. no de-delegation)</p> <p>2. ethnic minority support</p> <p style="padding-left: 40px;">(i) De-delegation</p> <p style="padding-left: 40px;">(ii) SLA (i.e. no –de-delegation)</p> <p>3. free school meals administration</p> <p style="padding-left: 40px;">(i) De-delegation</p> <p style="padding-left: 40px;">(ii) SLA (i.e. no De-delegation)</p> <p>.</p>	
Name	
School	

Please return the questionnaire by 12 noon 19th January 2015 to:

school.funding@herefordshire.gov.uk

