

# AGENDA

## Herefordshire Schools Forum

Date: **Friday 16 May 2014**

---

Time: **9.30 am**

---

Place: **Council Chamber, Brockington, 35 Hafod Road,  
Hereford HR1 1SH**

---

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

**Tim Brown, Governance Services**

Tel: 01432 260239

Email: [tbrown@herefordshire.gov.uk](mailto:tbrown@herefordshire.gov.uk)

---

If you would like help to understand this document, or would like it in another format or language, please call Tim Brown, Governance Services on 01432 260239 or e-mail [tbrown@herefordshire.gov.uk](mailto:tbrown@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Herefordshire Schools Forum

## Membership

**Chairman**  
**Vice-Chairman**

**Mrs D Strutt**  
**Mr NPJ Griffiths**

**Mrs S Bailey**  
**Mr P Barns**  
**Mr P Box**  
**Mrs L Brazewell**

**Mr P Burbidge**  
**Mrs S Catlow-Hawkins**  
**Mrs J Cecil**  
**Mr J A Chapman**  
**Mr J Docherty**  
**Mr T Edwards**

**Mr NPJ Griffiths**  
**Mr G House**  
**Ms A Jackson**  
**Ms T Kneale**

**Mr R Leece**  
**Mr C Lewandowski**  
**Mrs R Lloyd**  
**Mr S Pugh**

**Mrs J Rees**  
**Mr A Shaw**  
**Mrs L Townsend**  
**Mrs S Woodrow**  
**Mrs C Woods**  
**Mr K Wright**

**Academies**  
**Academies**

**Special Schools**  
**Pupil Referral Unit**  
**Academies**  
**Local Authority Maintained Primary School Governor**  
**Roman Catholic Church**  
**14-19 Partnership**  
**Academies**  
**Church of England**  
**Academies**  
**Local Authority Maintained Secondary School Governor**  
**Academies**  
**Academies**  
**Early Years Representative**  
**Locally Maintained Primary School (Nursery)**  
**Trade Union Representative**  
**Trade Union Representative**  
**Early Years Representative**  
**Local Authority Maintained Primary Schools**  
**Local Authority Maintained Primary School**  
**Academies**  
**Local Authority Maintained Primary School**  
**Locally Maintained Secondary Schools**  
**Local Authority Maintained Primary School**  
**Local Authority Maintained Primary School**

## AGENDA

		Pages
1.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>To receive apologies for absence.</p>	
2.	<p><b>NAMED SUBSTITUTES (IF ANY)</b></p> <p>To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.</p>	
3.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>To receive any declarations of interest by Members in respect of items on the Agenda.</p>	
4.	<p><b>MINUTES</b></p> <p>To approve and sign the minutes of the meeting held on 4 April 2014.</p>	5 - 10
5.	<p><b>USE OF THE PUPIL PREMIUM GRANT FOR LOOKED AFTER CHILDREN</b></p> <p>To update Schools' Forum on arrangements and funding to support the achievement of Herefordshire's Looked After Children (LAC).</p> <p>To set out proposals for the use of a pupil premium top slice to give the Virtual Headteacher immediate access to resources which can be used to improve the situation of and outcomes for those young people who are in care and the direct responsibility of Herefordshire Council.</p>	11 - 38
6.	<p><b>SAVINGS TO THE EDUCATION SERVICES GRANT FOR 2015 TO 2016</b></p> <p>To seek the views of Schools Forum on the Department for Education (DfE) consultation on Savings to the Education Services Grant (ESG) for 2015-16.</p>	39 - 104
7.	<p><b>WORK PROGRAMME</b></p> <p>To consider the Forum's work programme.</p>	105 - 106
8.	<p><b>MEETING DATES</b></p> <p>The following meeting dates have been scheduled:</p> <p>Friday 11 July 2014 – 9.30 am            Friday 24 October 2014 - 9.30 am            Friday 5 December 2014 - 9.30 am            Monday 19 January 2015 – 2.00 pm            Friday 13 March 2015 - 9.30 am</p>	



HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Herefordshire Schools Forum held at Whitecross High School and Specialist Sports College, Three Elms Road, Hereford HR4 ORN on Friday 4 April 2014 at 10.00 am**

<b>Present:</b>	<b>Mrs D Strutt (Academies) (Chairman)</b>	
	<b>Mr NPJ Griffiths (Academies) (Vice Chairman)</b>	
	<b>Mrs S Bailey</b>	<b>Special Schools</b>
	<b>Mr P Burbidge</b>	<b>Roman Catholic Church</b>
	<b>Mrs J Cecil</b>	<b>Academies</b>
	<b>Mr JA Chapman</b>	<b>Church of England</b>
	<b>Mr J Docherty</b>	<b>Academies</b>
	<b>Mr NPJ Griffiths</b>	<b>Academies</b>
	<b>Mr G House</b>	<b>Academies</b>
	<b>Ms A Jackson</b>	<b>Early Years Representative</b>
	<b>Mr M Jefferis</b>	<b>Maintained School Governors</b>
	<b>Ms T Kneale</b>	<b>Locally Maintained Primary School (Nursery)</b>
	<b>Mr R Leece</b>	<b>Trade Union Representative</b>
	<b>Mr C Lewandowski</b>	<b>Trade Union Representative</b>
	<b>Mrs R Lloyd</b>	<b>Early Years Representative</b>
	<b>Mr S Robertson</b>	<b>14-19 Partnership</b>
	<b>Mr A Shaw</b>	<b>Academies</b>
	<b>Mrs L Townsend</b>	<b>Local Authority Maintained Primary School</b>
	<b>Mrs S Woodrow</b>	<b>Locally Maintained Secondary Schools</b>
	<b>Mr K Wright</b>	<b>Local Authority Maintained Primary School</b>

**Officers:** Mr C Baird, Assistant Director Education and Commissioning, Mr M Green, Senior Finance Manager, Mr A Hough – Head of Education Development, and Mr T Brown, Governance Services.

**155. APOLOGIES FOR ABSENCE**

Apologies were received from Mr P Barns, Mr P Box, Mrs L Brazewell, Mr T Edwards, Mrs J Rees, Mrs C Woods and Councillor JW Millar.

**156. NAMED SUBSTITUTES**

Mr M Jefferis attended on behalf of maintained School Governors Mrs L Brazewell and Mr T Edwards. Mr SJ Robertson substituted for Mrs S Catlow-Hawkins.

**157. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**158. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 17 January 2014 be confirmed as a correct record and signed by the Chairman.

## 159. FAIRER SCHOOLS FUNDING IN 2015-16

The Forum considered the response to the Department for Education (DfE) consultation on the 2015-16 school funding arrangements.

The Schools Finance Manager (SFM) gave a presentation, a copy of which has been placed on the Minute book with the agenda papers. The presentation summarised the Department for Education's fairer funding proposals. It also suggested a timetable for meetings of the Budget Working Group and the Forum to work on a consultation paper for schools and agree a provisional funding formula by the end of October 2015.

The SFM welcomed the fact that the indicative national formula showed a £2.6m funding increase for Herefordshire Schools in 2015/16 to £93.5m. However, he suggested that the figure should be treated with caution until the final details were confirmed by the DfE in June/July. Applying the minimum funding values to the October pupil census gave an indicative funding value of £95.8m. He considered it prudent to plan on the basis of £93.5m for the consultation document with an option included should additional funding be forthcoming.

The report set out the Herefordshire 2014/15 funding values alongside the DfE indicative minimum funding levels for 2015-16. The SFM noted that the DfE figures had not separated out the funding for PFI and business rates which amounted to some £1.1m and therefore distorted any comparison. In addition it was for the local authority and the Forum to determine the funding values.

He reminded the Forum of the current five year funding strategy which was based on moving towards a 1:1.23 primary to secondary funding ratio by April 2018. This had been a logical approach. However it was open to the Forum to review and change the approach.

In discussion the following principal points were made:

- The requirement to provide free school meals for Key Stage 1 pupils and the funding implications of this were discussed.
- It was noted that the DfE indicative minimum funding level for primary schools was £117,082 whereas the Herefordshire value for 2014/15 was £99,000 and under the current strategy would reduce in 2015/16 to £93,000. The SFM reiterated that business rates needed to be deducted from the DfE indicative figures which in any case were not directly comparable. The BWG would consider this issue and review how any additional funding might be allocated. The Assistant Director Education and Commissioning suggested that in reviewing the funding options the BWG should take into account the current strategy and pupil outcomes noting the desire to improve from prior attainment across the different phases of education.

The SFM noted that the front page of the consultation document indicated a response date of 5 June 2014. However, in other parts of the documentation it was suggested that the closing date for responses was 30 April 2014. A draft response to each of the questions in the consultation paper was circulated and discussed by the Forum. It was proposed that the responses as agreed in principle should be circulated to schools and the SFM authorised to submit the final response.

### **RESOLVED:**

**That (a) it be noted that the Budget Working Group would consider options for the formula funding values for 2015/16 and report to the Forum; and**

- (b) **the responses as set out on the paper circulated at the meeting be endorsed in principle and circulated to schools allowing for further comment by 11 April 2014 and the Schools Finance Manager authorised to submit the final response to the Department for Education by the required date.**

## **160. HIGH NEEDS TARIFF PROPOSALS**

The Forum was invited to defer implementation of the new High Needs Tariff until September 2014 to allow minor adjustments to the proposals, as identified by the independent review, to be finalised and agreed with the Development Top-Up Group to ensure successful implementation in schools and FE providers.

The Schools Finance Manager presented the report.

The Forum thanked those who had undertaken the work on the new tariffs.

### **RESOLVED That:**

- (i) **The implementation of the new High Needs Tariff proposals be deferred to 1<sup>st</sup> September 2014 to allow the Top-Up Tariff Development group to finalise the outstanding details; and**
- (ii) **The recommendations from the independent expert review of the proposals be accepted as follows;**
- **Further independent moderation at Barrs Court school so that the school assessment for all pupils are reviewed;**
  - **School assessment at the other special schools be accepted as the moderation confirmed their accuracy; and**
  - **Peer moderation to be adopted from the Special Schools from September 2014;**
  - **The Behaviour, Emotional and Social Difficulties (BESD) weighting be increased from 3 to 4 – due to the additional provision that needs to be made because of the presenting difficulties and the impact on other children;**
  - **Specific Learning Difficulties (SpLD) factor – the Cognition and Learning category be capped to a maximum number of points (16 points but subject to confirmation) to avoid double counting the weightings/funding in Severe Learning Difficulties/Profound and Multiple Learning Learning Difficulties special school provision; and**
  - **To undertake further work for all special schools and particularly for Westfield so that the implications of the Minimum Funding Guarantee are clearly understood and appropriate for schools with a budget shortfall.**
- (iii) **confirmation of the final proposals be agreed by Schools Forum in July 2014.**

## 161. UPDATE ON SCHOOLS CAPITAL AND MAINTENANCE PROGRAMMES

The Forum received an update on capital allocations to schools.

The Head of Education Development presented the report.

In discussion the following principal points were made:

- It was noted that capital provision had been made for a new school at Westfield. This had been adjusted following quotations for the work and in discussion with the school. Some concern was expressed that all the money that had been allocated for Westfield should be directed to the school given the needs of the pupils. The Assistant Director Education and Commissioning commented that the council had to balance a number of competing demands, including the need to expand in certain areas, across a very small budget allocation from the DfE. It had been considered important to give priority to meeting pupil's needs at Westfield and the proposals for Westfield met this aim. He was happy to share details of the proposals for Westfield if members wished.
- Provision to meet the DfE requirement that free school meals should be provided to all key stage one pupils and the implications of this were discussed, including the method for allocating funding to schools which had been developed through the capital consultative group. The Assistant Director Education and Commissioning commented that schools had made differing individual arrangements with providers for school meals. The onus was on primary schools to discuss with providers how to meet the new requirement which had been introduced at very short notice. The Children's Wellbeing Directorate would be issuing more information to schools to prompt them to take the necessary action.

### RESOLVED:

- That
- (a) **the allocations to Herefordshire for new pupil (basic need), maintenance of LA maintained schools, Locally Co-ordinated Voluntary Aided Programme allocations and schools' devolved capital for 2014-15 be noted;**
  - (b) **progress with spending the basic need, maintenance and LCVAP for 2013/14 be noted; and**
  - (c) **the School Capital Strategy Consultative group be asked to consider the efficient and effective approach to these grants and report back to Schools Forum in July 2014.**

## 162. MEMBERSHIP OF SCHOOLS FORUM

The Forum was asked to review the membership of the Schools Forum and the Budget Working Group.

The report stated that primary schools, secondary schools, and academies continued to be broadly proportionately represented on the Forum as required by Regulations. The representation on the Budget Working Group also remained broadly proportionate as the Forum had requested.

- That
- (a) **it be noted that no amendment to the membership of the Forum was required; and**



- (b) it be noted that no amendment to the membership of the Budget Working Group was required.

**163. (URGENT ITEM) EDUCATION SERVICES GRANT - 2015/16**

The Assistant Director Education and Commissioning reported that the Department for Education had issued a consultation paper proposing 20% savings to the Education Services Grant for 2015-16. This would have significant implications and it was proposed to submit a report to the Forum in May.

**164. WORK PROGRAMME**

The Forum noted its work programme.

**165. MEETING DATES**

Noted.

The meeting ended at 11.08 am

**CHAIRMAN**





<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>MEETING DATE:</b>	<b>16 MAY 2014</b>
<b>TITLE OF REPORT:</b>	<b>USE OF THE PUPIL PREMIUM GRANT FOR LOOKED AFTER CHILDREN</b>
<b>REPORT BY:</b>	<b>VIRTUAL HEADTEACHER FOR LOOKED AFTER CHILDREN</b>

## Classification

Open

## Key Decision

This is not an executive decision.

## Wards Affected

County-wide

## Purpose

To update Schools' Forum on arrangements and funding to support the achievement of Herefordshire's Looked After Children (LAC).

To set out proposals for the use of a pupil premium top slice to give the Virtual Headteacher immediate access to resources which can be used to improve the situation of and outcomes for those young people who are in care and the direct responsibility of Herefordshire Council.

## Recommendation(s)

**THAT: Schools Forum is asked to note and support the Local Authority's proposed application of Pupil Premium Grant in respect of Looked After Children.**

## Alternative Options

- 1 An alternative would be to release the complete £1,900 to schools with no expectations. This would run counter the conditions of the grant and leave the local authority open to censure.

---

Further information on the subject of this report is available from  
Steve Laycock, Virtual Headteacher for LAC on Tel (01432) 260816

- 2 The local authority could release the complete £1,900, either in one lump or three equal packages on receipt of costed information from schools.

## Reasons for Recommendations

- 3 It has long been recognised that children looked after by local authorities make poor academic progress. The initiation of the Pupil Premium has been one way in which greater resource has been given to support their progress. There is also evidence to show the impact of a Virtual School, whose role is to champion and oversee the progress of this vulnerable group.
- 4 At present, the Virtual School has limited financial resource and is unable to offer additional support at critical times. The top slice of the Pupil Premium Grant for LAC will allow the Virtual School to target resources in a timely fashion and ensure support reaches the pupils appropriately.

## Key Considerations

- 5 Following a change in regulations, each Looked After Child (LAC) will now attract Pupil Premium, provided they have been looked after for at least one day as recorded in March 2014, and included in the Looked After Children Return (SSDA903) as being between the ages of 4 and 15 as at 31<sup>st</sup> August 2013.
- 6 In accordance with the Department for Education (DfE) conditions of grant the Pupil Premium for LAC will now fall under the direct control of the Local Authority's Virtual Headteacher for Looked After Children, who, in conjunction with schools and through the Personal Education Plan (PEP), will determine how the funds are to be used for the educational benefit of each pupil. Schools are asked to note that this is a move from the previous position of an automatic award of the Pupil Premium for Looked After Children to schools.
- 7 Further guidance from the Department for Education in the form of Frequently Asked Questions confirms that although this is awarded on a per pupil basis at £1,900, it is not necessarily the case that spending should be agreed at this level for each child. Spending must be based around need, which should be clearly identified in the PEP.
- 8 At present the Virtual School has access to limited resources (£5,000 in the financial year 2013 – 14). This budget is solely to support the participation of LAC in school trips, where a parental contribution is expected.
- 9 The Virtual Headteacher for Looked After Children in Herefordshire believes that it would be prudent to apportion £300 per LAC to the virtual school to ensure flexibility of funds towards meeting both collective and individual demands in around LAC educational improvement. This will still leave an allocation of up to £1600 per LAC, an increase of £700 on the £900 allocated in the academic year 2013 – 14. Based on the number of children in care at April 2014, this would give the virtual school a budget of £47,700. The Virtual Headteacher will use this funding to support pupils as detailed below:

Activity		Expected Impact	Cost (£)
Letterbox Club	Award winning postal programme run by the Book Trust, for children in care, aged 6 - 13, designed to increase reading ability, love of reading and number skills.	Evaluation of the introduction in Wales concluded in 2011, showed: increased involvement in their own learning; gains in reading and number for many children; increased involvement of carers.	10,400 (£130 per pupil)
Educational Psychology Support to LAC – equivalent to one day per week.	Provide psychological support in the form of assessment, direct intervention and clinical supervision of cases.	Individual Assessment would provide a clearer understanding of individual difficulties and allow tuition and support to be appropriately targeted.	16,267
Direct Tuition	Use the LAC Teacher (0.4 fte) to provide tuition to individuals and small group work. Cover for PEP and case work could be provided through additional LAC Education Officer hours.	One to one tuition, along with small group tuition and summer schools, have been evaluated as effective in improving outcomes by a number of studies reported by the Education Endowment Foundation and The Sutton Trust. When required this would be additional to the Closing the Gap interventions in schools.	16,896
Additional Activities in line with Raising Aspirations paper.	Attending Summer school, visits to universities, theatres, sporting events.	Increasing the number of LAC who apply to attend higher education courses.	4,137
		Total	47,300

---

Further information on the subject of this report is available from Steve Laycock, Virtual Headteacher for LAC on Tel (01432) 260816

- 10 The Education Liaison for LAC team (ELL) (2.9 full time equivalent) currently provides limited support to looked after children in school. The majority of service time is used on Personal Education Plan meetings. The secondment of the current ELL LAC teacher, with backfill being provided in the form of LAC Education Officer time, would allow the service to provide direct tuition, where this is deemed absolutely necessary, and to supplement the interventions in schools.
- 11 Since April 2013 the Herefordshire Educational Psychology Service has provided input only to those cases where a statutory assessment of a young person's special educational needs has been initiated or, in some instances, where a Statement of Special Educational Needs is in place. The availability of specialist psychological support to assess and support those cases with significant needs will ensure that appropriate interventions are identified and support best targeted. It will also allow the Virtual Head to ensure such assessment take place as soon as the need is identified.
- 12 This will leave a balance of £1,600 per LAC for possible allocation. It is proposed that an initial amount (£500) is paid to schools in the Summer term to allow existing support plans to continue to the end of the academic year.
- 13 Any further payments will be dependent on receipt of appropriate documentation, recording how the money will spent and the expected impact (Appendix 1). A further release of money will be made in two instalments (£550 per term), based on the costed plans being approved by the Virtual Headteacher. It will be the duty of each school to submit, on time, robust and satisfactory plans detailing how the funds will target academic progress in looked after children.
- 14 Schools should also be mindful that in planning their spending for looked after pupils, they have also received £1,300 per Looked After Child through the formula allocation used by Herefordshire Council.
- 15 The Department for Education insist on having complete transparency in the use of the Pupil Premium funding to ensure these funds are targeted most effectively, and there is a financial duty imposed on Local Authorities to ensure compliance with the way this grant is managed and spent. In this respect, schools which are given this funding will be accountable for the targeted spending of the grant and must, if required, be able to provide a clear audit trail as to the use of the funds given. Accountability is a key part of the conditions of grant and may be tested by Government auditors to ensure economy, efficiency and effectiveness. Any unused Pupil Premium Grant will be returned to the DfE.
- 16 Advice from the DfE suggest that there is no necessity to offer Pupil Premium for Looked After Children where a looked after child's funding package is already considered to be more than adequate to meet their educational needs. In such cases, the Virtual Headteacher can refuse further support through the Pupil Premium, unless it is deemed to add significant extra value.

## **Community Impact**

- 17 It is widely recognised that the educational outcomes for looked after children are poor. The Pupil Premium aims to improve this picture and this proposal will target the most vulnerable more closely. Improved educational outcomes are key to success in later life and, therefore, to reducing the financial burden on society as these children get older.

## **Equality and Human Rights**

- 18 The proposal only relates to those children and young people who are subject to a care order and, therefore, the responsibility of Herefordshire Council.

## **Financial Implications**

- 19 The cost of these proposals will be met by a top slice from the Pupil Premium Grant (LAC) budget

## **Legal Implications**

- 20 None identified.

## **Risk Management**

- 21 None identified.

## **Consultees**

- 22 The use of the Pupil Premium for LAC was discussed at the April meetings of both the Designated Teacher for LAC Network and Corporate Parenting Panel. Further discussion is also planned with the Primary Heads Forum and Herefordshire Association of Secondary Headteachers.

## **Appendices**

- Education Provision Map for LAC.
- Pupil Premium 2014 – 2015: conditions of grant: Department for Education
- Pupil Premium and the role of the Virtual School Head 2014 – 2015: Frequently Asked Questions: Department for Education

## **Background Papers**

- None identified





## LAC: EDUCATION PROVISION MAP

Pupil Name :	UPN:	NC Year:	Attendance :	School/ School Number :	Date of EPM:	
<b>1.EVALUATION OF TARGETS AND STRATEGIES FROM PREVIOUS PEP</b>  <b>2a PROGRESS</b> KS 1 to KS2 = 2LP KS2 to KS3 = 2LP KS2 to KS4 = 3LP  →	<b>English:</b>  English : Below Progress Target On Target Above Progress Target	<b>Maths:</b>  Maths Below Progress Target On Target Above Progress Target	<b>Other subjects :</b>  Other subjects : <i>or add comments in notes or attach school assessments or</i>	<b>Self esteem /Emotional Resilience:</b>  Self esteem /Emotional Resilience Low 12345 High 1 2 3 4 5	<b>Social skills:</b>  Social Skills Low 12345 High 1 2 3 4 5	<b>Behavioural skills:</b>  Behavioural Skills Low 12345 High 1 2 3 4 5
	NCL: Target:	NCL: Target	NCL: Target	NCL: Target	NCL: Target	NCL: Target
<b>2b. Attainment Now :</b> Nat Curr Level						
<b>3a. TARGETS TO BE ACHIEVED in 6 months time</b>	NCL: Target:	NCL: Target	NCL: Target	NCL: Target	NCL: Target	
<b>3b. INTERVENTION/FUNDING</b> School	What will be done by school, carers , social worker or others to support this child or young person in improving and achieving the above targets					
Virtual School						
Carers						
Social Worker /Other						
<b>5. APPROVAL OF LAC PUPIL PREMIUM TO SCHOOL</b>	AMOUNT APPROVED :	DATE :				
<b>6 APPROVAL OF LAC FUNDING TO OTHER</b>	SIGNATURE :	Head of Virtual School Herefordshire				
Notes/Attachments :	AMOUNT APPROVED :	DATE :				
Notes/Attachments :	SIGNATURE :	Head of Virtual School Herefordshire				





Department  
for Education

# **Pupil Premium 2014 to 2015: conditions of grant**

**February 2014**

# Contents

Introduction	3
Ever 6 FSM	3
Children adopted from care	4
Ever 4 Service Child	4
A. Pupil Premium for Ever 6 FSM Pupils, post-LAC, and Ever 4 Service Children in Mainstream Schools	5
Terms on which PPG is allocated to schools	6
Pupil numbers to be used in calculation of PPG for mainstream schools	6
B. Pupil Premium for Ever 6 FSM Pupils in non-mainstream schools	8
C. Looked After Children (LAC)	9
Basis of the allocations to the local authority	9
Use of the Looked After Children Premium	9
D. Allocation and Payment arrangements	10
Certification	10
Variation	10
Overpayments	10
Further information	10

## Introduction

1. Pupil Premium Grant (PPG) 2014-2015 will be paid pursuant to Section 14 of the Education Act 2002 and, in accordance with Section 16 of that Act, the Secretary of State lays down the following terms and conditions on which assistance is given in relation to the PPG payable to the local authority for the financial year beginning 1 April 2014.

2. PPG provides funding for two policies:

- Raising the attainment of disadvantaged pupils and closing the gap with their peers; and
- Supporting children and young people with parents in the regular armed forces

The PPG per pupil for 2014-2015 is as follows:

<b>Disadvantaged pupils</b>	<b>Pupil Premium per pupil</b>
Pupils in Year Groups R to 6 recorded as Ever 6 FSM	£1,300
Pupils in Year Groups 7 to 11 recorded as Ever 6 FSM	£935
Looked After Children (LAC)	£1,900
Children adopted from care under the Adoption and Children Act 2002 <sup>1</sup> and children who have left care under a Special Guardianship or Residence Order	£1,900
<b>Service children</b>	
Pupils in Year Groups R to 11 recorded as Ever 4 Service Child or in receipt of a child pension from the Ministry of Defence.	£300

## Ever 6 FSM

The Pupil Premium for 2014-2015 will include pupils on the January 2014 School Census known to have been eligible for Free School Meals (FSM) in any of the previous six years, as well as those first known to be eligible at January 2014.

For the purposes of these grants conditions, “**Ever 6 FSM**” means those pupils recorded on the January 2014 School Census<sup>2</sup> who were recorded as known to be eligible for Free School Meals (FSM) on any of the termly censuses since Summer 2008, including the January 2014 School Census. Each pupil will only be counted once: for example, if a pupil on the January 2014 Census is recorded as known to be eligible for FSM and was recorded as known to be eligible for FSM on the Summer 2013 and Autumn 2013 Censuses, they will be counted as **one** Ever 6 FSM pupil for calculating allocations for

---

<sup>1</sup> Eligible children are those adopted from care on or after 30 December 2005 which is the date the Adoption and Children Act 2002 was implemented.

<sup>2</sup> References to the School Census and other termly censuses, are those collected by the Department for Education in England.

the PPG in 2014-2015.

## Children adopted from care

The Pupil Premium for 2014-2015 will include those pupils recorded on the January 2014 School Census who were looked after immediately before being adopted on or after 30 December 2005<sup>3</sup>, or were placed on a Special Guardianship or Residence Order immediately after being looked after (known as **post-LAC** for the remainder of this document). A child should be recorded as such where the parent or guardian of the child has informed the school that the child has been adopted from care or has left care under a Special Guardianship or Residence Order.

## Ever 4 Service Child

For the purposes of these grant conditions, “**Ever 4 Service Child**” means a pupil recorded on the January 2014 census who was eligible for the Service Child premium in 2011-2012, 2012-2013 or 2013-2014, as well as those recorded as a Service Child for the first time on the January 2014 Census. Each pupil will only be counted once: for example, if a pupil on the January 2014 Census is recorded as a Service Child in January 2014 and on the January 2013 Census, they will only be counted as **one** Ever 4 Service Child for calculating allocations for the PPG in 2014-15.

The grant will be allocated as set out in sections A, B and C below. Where National Curriculum Year Groups do not apply to a pupil, the pupil will attract PPG if aged 4 to 15 as recorded on the January 2014 Census.

---

<sup>3</sup> The Adoption and Children Act 2002 was implemented on 30 December 2005.

## **A. Pupil Premium for Ever 6 FSM Pupils, post-LAC, and Ever 4 Service Children in Mainstream Schools<sup>4</sup>**

3. This element of the PPG will be allocated to local authorities on the basis of:

- £1,300 per pupil for each Ever 6 FSM full time equivalent (FTE) pupil aged 4 and over in Year Groups R to 6 in mainstream schools, except where the pupil is allocated the LAC or post-LAC Premium;
- £935 per pupil for each Ever 6 FSM FTE in Year Groups 7 to 11 in mainstream schools, except where the pupil is allocated the LAC or post-LAC Premium ;
- £1,900 per pupil for each post-LAC in Year Groups R to 11 in mainstream schools;
- £300 per pupil for each Ever 4 Service Child FTE pupil aged 4 and over in Year Groups R to 11 in mainstream schools; and
- £300 for each pupil aged 4 and over in Year Groups R to 11 who is in receipt of pensions under the Armed Forces Compensation Scheme (AFCS) and the War Pensions Scheme (WPS).

For pupils recorded as aged 5 and over on the School Census, PPG will be allocated on the basis of Sole and Dual Main registrations only.

4. The local authority must allocate to each school it maintains for each FTE pupil on the January 2014 School Census, the following amounts:

- for each Ever 6 FSM FTE pupil aged 4 and over in Year Groups R to 6, £1,300 per pupil, except where the pupil is allocated the LAC or post LAC Premium;
- for each Ever 6 FSM FTE pupil in Year Groups 7 to 11, £935 per pupil , except where the pupil is allocated the LAC or post-LAC Premium.
- for each post-LAC pupil in Year Groups R to 11, £1,900;
- for each FTE pupil who is an Ever 4 Service child aged 4 and over in Year Groups R to 11, £300 per pupil; and
- for each pupil aged 4 and over in Year Groups R to 11, who is in receipt of pensions under the Armed Forces Compensation Scheme (AFCS) and the War Pensions Scheme (WPS), £300.

5. For pupils recorded as aged 5 and over on the School Census, PPG must be

---

<sup>4</sup> For the purposes of these conditions of grant, mainstream school means infant, junior, primary, middle, secondary, high schools, special school and Pupil Referral Units. It does not include General Hospital Schools or other Alternative Provision.

allocated on the basis of Sole and Dual Main registrations only.

Local authorities should not pay PPG to Academies (including special and AP academies) that have converted by the start of Summer Term 2014, as they will receive their PPG directly from the Education Funding Agency (EFA). Local authorities should pay PPG to a mainstream school due to convert to Academy status: by the start of the Autumn Term 2014, 5/12ths of their annual allocation; or, by the start of the Spring Term 2015, 9/12ths of their annual allocation. Schools converting after the start of the Spring Term 2015 should be paid their full allocation by the local authority. The Department will adjust the local authority's PPG allocation to reflect this and the remaining allocation will be paid directly to the Academy by the EFA.

6. Schools federated, or to be federated, under the provisions of section 24 of the Education Act 2002, during the financial year beginning 1 April 2014 shall have grant allocated to them as if they were not federated.

7. The grant must be made available irrespective of the existence of any deficit relating to the expenditure of the school's budget share. PPG is not part of schools' budget shares and is not part of the Individual Schools Budget. It is not to be counted for the purpose of calculating the Minimum Funding Guarantee.

## **Terms on which PPG is allocated to schools**

8. The grant may be spent by maintained schools for the purposes of the school; that is to say for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other maintained schools; and on community facilities, for example services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated.

9. The grant does not have to be completely spent by schools in the financial year beginning 1 April 2014; some or all of it may be carried forward to future financial years.

## **Pupil numbers to be used in calculation of PPG for mainstream schools**

10. The following pupil numbers will be used to allocated the Pupil Premium to mainstream schools:

(a) the number of pupils recorded on the January 2014 School Census who are Ever 6 FSM (not eligible for the LAC and post-LAC premium), post-LAC and Ever 4 Service child FTE pupils aged 4 and over in Year Groups R to 11; or

(b) in the case of a school which is to open during the 2014-2015 financial year; the number of Ever 6 FSM (not eligible for the LAC and post-LAC premium), post-LAC and Ever 4 Service child pupils (FTE) aged 4 and over in Years Groups R to 11, on the Autumn 2014 School Census; or

(c) in the case of a school where proposals for the establishment of the school have not been fully implemented, and at the start of the Autumn term 2014, the number of years elapsed since the day on which the school opened is less than



the number of year groups in the school, 7/12ths of the number of Ever 6 FSM pupils (not eligible for the LAC or post LAC premium) and post-LAC pupils aged 4 and over in Years Groups R to 11 on the Autumn 2014 School Census plus 5/12ths of the number of pupils (FTE) aged 4 and over in Year Groups R to 11 eligible for Ever 6 FSM and post-LAC pupils on the January 2014 School Census.

For pupils recorded as aged 5 and over on the School Census, only Sole and Dual Main registrations should be used.

11. A school opening during the financial year beginning 1 April 2014 should receive PPG for the proportion of the financial year for which it is open.

12. In the case of a school which closes during the financial year, the local authority should allocate an amount proportionate to the period of the financial year for which the school is open.

13. Notwithstanding paragraph 10(b) above, in the case of a school which opens during the financial year and receives all the pupils from two, or more, schools which close during the financial year, the school shall receive grant equal to the total which would be payable to those schools had they remained open, proportionate to the period of the financial year for which the school is open.

14. In the case of schools which are to have pupils transferred from a closing school in 2014- 2015; the local authority should allocate the grant that would have been paid to the closing school, had it remained open, to the schools receiving those pupils. The amount to be allocated to each school should be agreed with the schools receiving the pupils but must not exceed in total the amount which would have been allocated to the closing school had it remained open. The amount allocated to the closing school is set out in paragraph 12 above.

## **B. Pupil Premium for Ever 6 FSM Pupils in non-mainstream schools**

15. PPG has also been allocated to each local authority for Ever 6 FSM pupils in General Hospital Schools and Alternative Provision (ie attending schools not maintained by the local authority<sup>5</sup> for which the local authority is paying full tuition fees, plus all pupils educated otherwise than in schools under arrangements made by the local authority). Where the pupil is educated in a non-maintained special school Pupil Premium Grant must be paid to the school. This can be allocated to the non-maintained special school on a termly basis. For other alternative provision pupils, the grant can be allocated to the setting where the child is being educated or held by the local authority to spend specifically on additional educational support to raise the standard of attainment for the aforementioned pupil in 2014-2015. The local authority must consult the non-mainstream settings about how to use the amount held by the local authority to support children educated in non-mainstream settings.

16. For non-mainstream schools that complete the School Level Annual Census (SLASC), rather than the main School Census, Pupil Premium will be based on the number of FTE pupils recorded as FSM on the January 2014 SLASC.

---

<sup>5</sup> Including Non-maintained Special Schools

## C. Looked After Children (LAC)<sup>6</sup>

### Basis of the allocations to the local authority

16. The Department will allocate a **provisional** allocation of £1,900 per child for the number of children looked after for at least one day as recorded in the **March 2013** Children Looked After Data Return (SSDA903) and aged 4 to 15 at 31 August 2012. This allocation will be **updated and finalised in October 2014** based on the number of children looked after for at least one day as recorded in the **March 2014** Children Looked After Data Return (SSDA903) and aged 4 to 15 at 31 August 2013.

### Use of the Looked After Children Premium

17. The grant allocation for Looked After Children must be managed by the designated Virtual School Head<sup>7</sup> in the authority that looks after those children to be used for the benefit of the looked after child's educational needs as described in their Personal Education Plan (PEP). The Virtual School Head should ensure there are arrangements in place to discuss with the child's education setting – usually with the designated teacher – how the child will benefit from any pupil premium funding. The local authority is not permitted to carry forward funding held centrally into the financial year 2015-2016. Grant held centrally that has not been spent by 31 March 2015 will be recovered as set out in paragraphs 21 and 24 below.

---

<sup>6</sup> As defined in Section 22 of the Children Act 1989

<sup>7</sup> This role currently exists in local authorities on a non-statutory basis. Subject to the Children and Families Bill receiving royal assent the role will be statutory.

## **D. Allocation and Payment arrangements**

18. Allocations for the grant will be confirmed in summer 2014 once pupil number data from the January 2014 Census has been validated and agreed. The Grant will be paid by the Secretary of State to the local authority in quarterly instalments by: 30 June 2014; 30 September 2014; 31 December 2014; and 31 March 2015.

### **Certification**

19. Local authorities will be required to certify that they have passed on the correct amount of funding to schools or, where funding has been spent centrally, that it has been spent in line with the conditions of grant. We will issue details of this process in March 2015.

### **Variation**

20. The basis for allocation of grant may be varied by the Secretary of State from those set out above, if so requested by the local authority

### **Overpayments**

21. Any overpayment of grant shall be repaid by the local authority to the Secretary of State.

### **Further information**

22. That the books and other documents and records relating to the recipient's accounts shall be open to inspection by the Secretary of State and by the Comptroller and Auditor General. The Comptroller and Auditor General may, pursuant to Section 6 of the National Audit Act 1983, carry out examinations into the economy, efficiency and effectiveness with which the recipient has used its resources in discharging its grant-aided activities.

23. The local authority shall provide such further information as may be required by the Secretary of State for the purpose of determining whether it has complied with the conditions set out in this document.



Department  
for Education

© Crown copyright 2014

You may re-use this document/publication (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence v2.0. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/2](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/2) or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus).

This document is available for download at [www.gov.uk/government/publications](http://www.gov.uk/government/publications).

Reference: DFE-00050-2014





Department  
for Education

# **Pupil Premium and the role of the Virtual School Head 2014-15**

**Frequently asked questions**

**March 2014**

## **What changes have been made to the conditions of grant for the Pupil Premium for looked after children in 2014-15?**

The conditions of grant state the following:

### **Basis of the allocations to the local authority**

16. The Department will allocate a provisional allocation of £1,900 per child for the number of children looked after for at least one day as recorded in the March 2013 Children Looked After Data Return (SSDA903) and aged 4 to 15 at 31 August 2012. This allocation will be updated and finalised in October 2014 based on the number of children looked after for at least one day as recorded in the March 2014 Children Looked After Data Return (SSDA903) and aged 4 to 15 at 31 August 2013.

### **Use of the Looked After Children Premium**

17. The grant allocation for Looked After Children must be managed by the designated Virtual School Head in the authority that looks after those children to be used for the benefit of the looked after child's educational needs as described in their Personal Education Plan (PEP). The Virtual School Head should ensure there are arrangements in place to discuss with the child's education setting – usually with the designated teacher – how the child will benefit from any pupil premium funding. The local authority is not permitted to carry forward funding held centrally into the financial year 2015-2016.

The conditions of grant for the pupil premium arrangements in 2014-15 are published on the Department's website and can be found

here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/283193/Pupil\\_Premium\\_CoG\\_2014-15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283193/Pupil_Premium_CoG_2014-15.pdf)

## **What are the changes to the pupil premium arrangements for looked after children in 2014-15?**

There are three main changes:

Firstly, looked after children attract a pupil premium of £1900, more than double the amount they attracted in 2013-14.

Secondly, the cohort of looked after children who attract the pupil premium is bigger and includes children looked after from the first day of care rather than, as previously, only those who had been looked after for six months or more.

Thirdly, for 2014-15 the pupil premium for looked after children must be managed by the virtual school head<sup>1</sup> in the authority that looks after them. Unlike in previous

---

<sup>1</sup> The Children and Families Act 2014 requires all local authorities to have someone (called the virtual school head) who will carry out the duty of the authority to promote the educational achievement of the children it looks after.



years, there is no requirement for an authority to pass the funding onto the school where the child is on roll to contribute towards meeting the needs identified in their Personal Education Plan. The presumption, however, is funding is passed to the school and this is strongly encouraged.

### **Why have the arrangements for managing the pupil premium for looked after children changed for 2014-15?**

The Department has changed the conditions of grant regarding how the pupil premium is managed for looked after children to reflect more effectively the particular challenges of supporting their education. Now that virtual school heads will be statutory they will be responsible as part of the corporate parent role to promote the educational achievement of the children looked after by their authority. Ministers therefore want them to have a greater role in working with schools to ensure that duty is fulfilled. And now local authorities attract pupil premium for children from the first day of care giving the virtual school head management of the looked after pupil premium is administratively less bureaucratic.

### **Does the virtual school head have to manage the budget or can this be delegated to a local authority finance team?**

The conditions of grant for 2014-15 states clearly that the pupil premium grant allocation must be managed by the designated virtual school head for the children looked after by the authority. This has statutory force. It is a virtual school head rather than a local authority finance team who is best placed to know how to use pupil premium to maximise the benefits to looked after pupils. Virtual school heads should consult finance teams about the best way to distribute funding to schools.

### **Can the Director of Finance dictate that the pupil premium funding is passed directly to schools?**

The conditions of grant state that virtual school heads should manage pupil premium funding. It is therefore for the virtual school head to decide how the pupil premium for looked after children is managed. That is an important part of how the virtual school head complies with the duty under the Children Act 1989 to promote the educational achievement of the children looked after by the authority.

### **Does the virtual school head have to give the money to schools?**

There is no requirement to do so. There is, however, a strong expectation that virtual school heads will pass on pupil premium funding onto a child's education setting to be used to meet additional needs set out in his or her Personal Education Plan. That can be passed to the school on a termly or annual basis. Any funding not passed down to schools by the end of the financial year will have to be returned to the Department.

### **Does the virtual school head have to give £1900 to schools or can they give a higher or lower amount?**

The conditions of grant state that grant allocation for looked after children must be managed by the virtual school head. It is for the virtual school head to decide whether to provide £1900 to a school for a looked after child or a higher or lower amount. They can also decide on whether to pay termly or annually. They can also link allocation to the content of the Personal Education Plan as agreed with the school.

### **Can the virtual school head pool funding for some of the authority's looked after children?**

The Department expects virtual school heads to manage the pupil premium to ensure that it promotes the educational achievement of all the children looked after by the authority. It may be appropriate to pool some pupil premium for activities to benefit the authority's looked after children more holistically. For example, it might be appropriate to use this funding to provide training for a group of designated teachers across the authority or a group of Teaching Alliance schools.

Equally, a virtual school head might negotiate with a school regarding pooling pupil premium funding for looked after children with the school's pupil premium to provide an enhanced and more intensive package of support for disadvantaged children generally.

### **Does the pupil premium for looked after children need to be passed to non-mainstream schools?**

There is no requirement to do so. There should be a discussion about what provision is being delivered and what would be provided in addition to that in accordance with the child's Personal Education Plan, if the pupil premium funding was passed on to the non-mainstream education setting.

### **Can the pupil premium for looked after children fund a post in the virtual school?**

Pupil premium is additional funding provided to raise the achievement of looked after pupils and close the achievement gap. It is not intended to fund posts that should be the responsibility of local authorities as a corporate parent.

There may be instances where some pupil premium funding can be used to support the work of a person where it can be very clearly demonstrated that their role has a significant contribution to promoting the educational achievement of the children looked after by the authority. That role could, for example, involve working with schools to raise the quality of learning targets in a child's Personal Education Plan.

## **Can some of the pupil premium for looked after children be spent on providing other central services that support their education?**

Pupil premium funding is additional funding provided to support schools to raise the achievement of disadvantaged pupils, including looked after children. It should not be used to fund central services that would reasonably be expected to be funded by local authorities, to comply with their duty to promote the educational achievement of the children they look after. As stated above, however, virtual school heads are responsible for managing the efficient use of pupil premium funding for the purpose it has been provided. They will therefore need to demonstrate a direct link between spending and raising standards of achievement for the children looked after by their authority, wherever they are placed.

## **Are virtual school heads accountable for the use and impact of the pupil premium on the achievement of looked after children, in the same way as head teachers?**

Virtual school heads are responsible for making sure there are effective arrangements in place for allocating pupil premium funding to benefit children looked after by their authority. That means:

- making sure that pupil premium funding for looked after children is spent effectively and fully, given any underspend needs to be returned to the Department at the end of the financial year;
- being able to demonstrate how pupil premium funding managed by the virtual school head is linked to raising achievement for looked after children and closing the gap between their achievement and that of their peers; and
- having arrangements in place to engage with the looked after child's school (usually with the designated teacher) about how pupil premium funding allocated to the school is contributing to meet the needs identified in his/her Personal Education Plan.

Schools are accountable for the educational attainment and progress of all disadvantaged pupils who attract pupil premium on their roll, through Ofsted inspections and KS2/KS4 school performance tables. Virtual school heads and others involved in Personal Education Plans will want a constructive dialogue with schools about how best to support looked after children using the pupil premium.

The Ofsted framework for the inspection of children looked after services states that, as part of the performance information required, the inspector will ask for the annual report of the virtual school head. We would expect that to include information about how the pupil premium has been managed and the impact it has made.

### **But to whom is the virtual school head accountable within their local authority?**

That depends on the line management arrangements in individual local authorities. Ultimately, however, the virtual school head is accountable to the Director of Children's Services and/or the Chief Executive and the Lead Member for Children.

### **How should the funding be allocated for looked after children in 2014-15 when the funding is based on one-year old data in the SSDA903?**

It is important to distinguish the basis on which funding is allocated to local authorities from SSDA903 data and how that funding is managed by the virtual school head to support those children who are looked after during the 2014-15 period.

The provisional allocation is based on the number of children looked after for at least one day and aged 4 to 15 at 31 August 2012, as submitted in the SSDA903 in March 2013. This allocation is updated and finalised in October 2014, based on the number of children looked after for at least one day and aged 4 to 15 at 31 August 2013, as submitted in the SSDA903 in March 2014.

This funding should be managed by the virtual head teacher so it is used to support those children looked after by the local authority for one day or more during the 2014-15 period. This needs to take account of the fact that children move in and out of care.

### **How should virtual school heads give schools funding for children who have been looked after for a very short period?**

It is up to virtual schools heads to manage pupil premium funding for looked after children during the 2014-15 period. Although £1900 is allocated for each looked after child, irrespective of how long they have been in care, this does not necessarily mean that virtual head teachers are expected to manage the funding on the same basis to schools. Virtual head teachers can therefore manage the funding to take account of the length of time in care, as well as other factors, if they wish. The funding, however, should always be to support the educational achievement of the looked after child, as described in their Personal Education Plan.

### **Can the virtual school head carry over pupil premium funding to 2015-16?**

No. Any pupil premium funding that has not been passed to schools or spent by 31 March 2015 must be returned to the Department.

### **Can we give foster carers the pupil premium to spend rather than give it to schools?**

The virtual school head manages pupil premium funding to support the education of looked after children, as set out in the Personal Education Plan. The expectation is that this funding is passed to schools unless there are clear reasons not to do this. It should not be used for activity that the local authority should normally be expected to fund as the corporate parent, such as support for foster carers. Foster carers, however, have an essential role in supporting the education of the children for whom they care. Foster carers can therefore make a valuable contribution, such as with the Personal Education Plan.

### **Does the pupil premium for 2014-15 work in the same way as personal education allowances did?**

No. The pupil premium is not a replacement for the personal education allowance. The pupil premium is much more focussed on support to improve the educational achievement of looked after children and close the gap between looked after children and their peers.

### **Can virtual school heads impose conditions on how schools use the pupil premium for looked after children?**

We want local authorities to have a constructive and meaningful dialogue with the schools on the most effective use of the funding and not impose conditions. The funding should support children's Personal Educational Plan, overseen by the designated teacher in the school.

### **Can a school insist that they get £1900 for a looked after child on roll?**

It is up to the virtual school head to decide how the funding is managed, including how funding is distributed to schools. Although £1900 is allocated for each looked after child, irrespective of how long they have been in care, this does not necessarily mean that virtual head teachers are expected to manage the funding on the same basis to schools. Virtual school heads should also work closely with schools about how best to meet the needs identified in a child's Personal Education Plan with support provided through the pupil premium.

### **Can an amount be held by the virtual school head to administer the grant?**

Pupil premium funding is additional funding provided to support schools to raise the achievement of disadvantaged pupils, including looked after children. It should not be used to fund central services such as the virtual school head to administer the funding. The pupil premium should be used to provide additional support for looked after children in order to raise the achievement of looked after children.

**What tips have virtual school heads got to share about how they have worked with schools up to now in how the pupil premium is used?**

Talk to other virtual school heads in your area through the virtual school head regional structures.

Department for Education



<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>MEETING DATE:</b>	<b>16 MAY 2014</b>
<b>TITLE OF REPORT:</b>	<b>SAVINGS TO THE EDUCATION SERVICES GRANT FOR 2015 TO 2016</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTOR - EDUCATION &amp; COMMISSIONING</b>

## Classification

Open

## Key Decision

This is not an executive decision.

## Wards Affected

County-wide

## Purpose

To seek the views of Schools Forum on the Department for Education (DfE) consultation Savings to the Education Services Grant (ESG) for 2015-16.

## Recommendation(s)

**THAT:**

- (a) **Schools Forum consider the Savings to the Education Services Grant for 2015/16 consultation; and**
- (b) **Schools Forum consider the draft response to the consultation and provide additional comment that can be incorporated into the local authority response.**

## Alternative Options

- 1 There are no Alternative Options as this is an item to enable Schools Forum to express its view on a DfE consultation.

---

Further information on the subject of this report is available from  
Chris Baird and Assistant Director: Education & Commissioning on Tel (01432) 260264

## Reasons for Recommendations

- 2 To enable Schools Forum to be aware of potentially significant changes to local authority and academy funding which could be detrimental to the effective education of pupils in Herefordshire.

## Key Considerations

- 3 The DfE has launched a consultation on possible savings of up to 20% for 2015/16 financial year to the Education Services Grant (ESG), which for 2014/15 is estimated at £1.94m for the local authority and £1.1m for academies. The per pupil amount for 2014/15 is less than the amount received for 2013/14.
- 4 The consultation document is attached in Appendix A, along with supporting documentation produced by the DfE. Appendix B contains a draft response which will be sent by the local authority. The local authority would like to incorporate School Forum comments into the consultation response, reflecting the close working relationship that the local authority has with Herefordshire Schools Forum.
- 5 The ESG was introduced in 2013-14 as a per pupil grant paid to both local authorities and academies. It is meant to provide a more transparent way of providing funding for local authorities and academies to carry out a range of functions. These include improvement and school improvement, statutory and regulatory functions including HR and finance functions and compliance with health and safety, education welfare services, central support services including music services, visual and performing arts, clothing grants, asset management which covers the management of school buildings, premature retirement costs/redundancy costs, therapies and other health related services, and monitoring national curriculum assessment.
- 6 The ESG in part replaced the Local Authority Central Spend Equivalent Grant (LACSEG). In addition to the per pupil sum local authorities receive, academies also receive transitional protection for the reduction in the per pupil rate and special protection in relation to special educational needs (SEN) LACSEG changes. The consultation mentions that academies may also receive further protection depending upon the outcome of this consultation.
- 7 There is considerable variation in how local authorities account for and apportion costs across the ESG, the Dedicated Schools Grant and also the local authority base budget. The DfE acknowledges this and the limits this places on the effectiveness of comparing costs, but then goes on to do so throughout the consultation document on the basis that they have nothing else to go on.
- 8 The consultation document has the following themes running through it:
  - Greater autonomy for schools. Schools including academies responsible for a range of functions including leading their own improvement and development of staff as well as working with other schools and providers.
  - Recognition of a range of functions that the local authority has the responsibility to carry out, but queries as to whether some of the spend that is contained in the local authority budget is in effect double funded by also funding it through the ESG. Aligned to this is the proposition that for education welfare and school

---

Further information on the subject of this report is available from  
Chris Baird and Assistant Director: Education & Commissioning on Tel (01432) 260264



improvement in particular the DfE argues that there is no direct link between spend and performance.

- Charging provides an opportunity to mitigate against reduction in grant
  - There should be efficiencies to be had through collaboration either at a school level or at a local authority level
- 9 Herefordshire has already significantly reduced spending on the principle areas mentioned and for 2013/14 did not spend anything for education welfare from this grant. The music service has been established as a social enterprise. School improvement staffing costs have been reduced by 60% and the Herefordshire's School Improvement Partnership and approach is already working to the model suggested in the consultation. Spending does not take place on a range of central support functions. Herefordshire is mentioned as a case study in relation to the approach to retirement and redundancy costs, so is already putting into practice an approach suggested as a way of reducing costs.
- 10 Herefordshire has the same statutory duties as other local authorities, but a relatively small pupil numbers base to apportion costs across. This will lead to a slightly higher per pupil cost for some functions compared to some other local authorities.
- 11 The consultation does not recognise the full extent of the statutory roles and responsibilities of the director of children's services and the lead member for children's services, in particular the general responsibility for children and young people receiving education and the particular focus for vulnerable children and young people. It also does not recognise the current developing relationship between the local authority and the DfE with regard to academies and performance.
- 12 The financial information within the consultation paper is collated nationally from the annual Section 251 local authority education budget statements. The DfE is aware there is variation in how local authorities record expenditure which could cause artificial variation in the results. For example, Herefordshire has recorded Private Finance Initiative (PFI) payments for Whitecross School as asset management costs, which make this area artificially high when compared to the DfE average cost model.
- 13 The consultation document makes a number of suggestions that spend could be covered by other budget areas, including schools budgets and the high needs budget (in relation to therapies). This is in effect a cost shunt, but may have to be considered if the proposed cut takes place.
- 14 The outcome of the consultation and Herefordshire's resulting approach will be shared with Schools Forum to inform budget decisions for 2015/16.

## **Community Impact**

- 15 This is a consultation on potential funding reductions. Herefordshire has already undertaken a number of the cost saving measures that the consultation document suggests. Herefordshire has also taken the decision to stop running services where there has been insufficient school buy back (such as governor services) or there is a developed market of support that schools can buy into (such as subject support). There is therefore limited scope to charge for remaining services. The precise community impact is not clear at this point in the consultation process, but there will have to be further cuts in services if this proposal comes to fruition which will affect Herefordshire's corporate priorities and particularly the key priority of keeping children

---

Further information on the subject of this report is available from  
Chris Baird and Assistant Director: Education & Commissioning on Tel (01432) 260264

safe and giving them a good start in life. Herefordshire schools and therefore the communities that they serve will be affected.

## **Equality and Human Rights**

- 16 The consultation requests that any response pays particular attention to any potential impacts on protected characteristics such as sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment. The local authority would carry out an equality impact assessment on any changes to service provision. However, given that there are sums of money used to provide therapy services to pupils with special educational needs or who are vulnerable the local authority will highlight this aspect in the consultation response.

## **Financial Implications**

- 17 The local authority allocation of the ESG for 2013/14 was £2.06m (including the statutory £15 per pupil allocation for statutory duties of £340,602) compared with an estimated £1.94m in 2014/15. Academies received a total of £1.06m in 2013/14 compared with £1.1m in 2014/15. Work is taking place to refine the funding position for Herefordshire and develop proposals on how an up to 20% cut could be delivered. Due consideration will be given to any potential impacts on other budgets, but this cannot be discounted at this stage particularly given that Herefordshire has already undertaken and delivered a number of suggested actions contained within the consultation paper. Information on proposals will be brought to Schools Forum in early autumn for comment.

## **Legal Implications**

- 18 There are no immediate legal implications

## **Risk Management**

- 19 The risks are that the local authority will not be able to adjust the method of delivery to effectively discharge functions and statutory responsibilities within the funding provided. This could lead ultimately to poorer outcomes for children and young people in Herefordshire.
- 20 Risks will be mitigated through a review of what the local authority can stop doing, being clear with schools where the responsibility for certain activities lies, what can be carried out in different ways, and how other budgets can be utilised to support appropriate activity. Detailed proposals will be developed in light of the outcome of the consultation.

## **Consultees**

- 21 Schools Forum

## **Appendices**

Appendix A DfE Savings to the Education Services Grant for 2015-16 and associated appendix Annex B Charts and tables Appendix B Draft Consultation response form

## **Background Papers**

- None identified.

---

Further information on the subject of this report is available from  
Chris Baird and Assistant Director: Education & Commissioning on Tel (01432) 260264



Department  
for Education

**Launch date 27 March 2014**  
**Respond by 19 June 2014**  
**Ref: Department for Education**

# **Savings to the Education Services Grant for 2015-16**

# Savings to the Education Services Grant for 2015-16

This consultation will collect views about how local authorities and academies can achieve savings to the Education Services Grant for 2015-16.

**To** Maintained schools, academies, local authorities, governors, bursars, parents, school forums, trade union organisations

**Issued** 27 March 2014

**Enquiries To** If your enquiry is related to the policy content of the consultation you can contact the Department on 0370 000 2288

e-mail: [esg.CONULTATION.education.gsi.gov.uk](mailto:esg.CONULTATION.education.gsi.gov.uk)

## Contact Details

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

# 1 Introduction

- 1.1 We are transforming the education system so that, across the country, there is greater choice for pupils than ever before. We want to keep giving good schools the freedom and flexibility to teach children in a way that enables them to reach their full potential. In many areas, different types of schools are working collaboratively with local charities, voluntary organisations and local authorities to provide a diverse range of education services.

We have made significant improvements to how those education services are funded. Last year, we introduced the Education Services Grant (ESG) which is a simple per-pupil grant paid to both local authorities and academies. As we continue to make difficult decisions about public spending, the challenge is to consider how education services can be provided more innovatively and efficiently. The June 2013 Spending Round announced that we will need to make £200 million (around 20%) of savings from the ESG in 2015-16. However, the Department for Education's spending plans are constantly reviewed in response to demographic forecasts and are continually assessed for the scope to make savings, particularly from unprotected parts of the budget. We recognise that these savings will be challenging but we have prioritised protecting the core schools' budget in real terms over the course of this Parliament and in 2015-16 (including the pupil premium). This reflects our determination to protect frontline budgets that pay for the effective running of schools up and down the country.

The reported variation in spending on ESG funded services across the country, at present, suggests that some local authorities may be delivering education services more efficiently than others. We are aware that there is variation in how local authorities record expenditure and interpret budget lines that could cause artificial variation in the results; this consultation aims to give us a more accurate understanding. There are also different views about which services local authorities are required to provide, how they are required to provide them, and for which services they can charge maintained schools and academies. We recognise that, by charging schools, the cost is simply transferred from local authorities to schools. Our view, however, is that this gives schools both greater choice (over which services they choose to buy) and greater purchasing power (because they can buy services from a competitive market).

Over recent months we have received questions from some local authorities about their role in relation to school improvement. In response to this, we are updating the Schools Causing Concern statutory guidance. Section 4.2 of this consultation document sets out our expectation that schools should take greater responsibility for their own improvement, leaving local authorities to focus on their statutory functions (in relation to maintained schools). We give some examples of local authorities that are operating efficient school improvement services and delivering good results with limited spend. Our view is that many local authorities may be able to make significant savings on their spending on ESG services without damaging key capabilities.

To help inform this consultation, we visited 18 local authorities and 13 academies across the country to ask them how they prioritise and spend their ESG. This document reflects some of the findings from that fieldwork and gives some specific case studies drawn from our visits.

Achieving these savings will require local authorities and academies to think innovatively about services. Before we make any final decisions on the level of savings to the ESG, we want to gather views from the sector about how the grant is currently being used, how much money could be saved and the impact of making those savings. We are also interested in whether there is any further clarification or guidance we could provide in order to help local authorities and academies deliver these savings, as well as whether there are any functions that local authorities or academies should stop doing completely. **In responding to the questions in this consultation, we ask you to pay particular attention to any potential impacts on the protected characteristics set out in the Equality Act 2010 (sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment).**

## 2 Background to the Education Services Grant

2.1 Before the introduction of the Education Services Grant (ESG), the Local Authority Central Spend Equivalent Grant (LACSEG) was paid to academies to cover the cost of the services that local authorities provide centrally to maintained schools but that academies must secure independently. The problem with LACSEG was that the rate for each academy was based on how much its local authority spent each year – leading to significant fluctuation and variation across the country. This created uncertainty for local authorities about how much money would be recouped, and for academies about how much funding they would receive from one year to the next.

In June 2012, the Department published a consultation document<sup>1</sup> that set out proposals for simplifying the LACSEG arrangements and creating a new grant paid on a simple per pupil basis – the ESG. In 2013-14, the ESG was paid to local authorities at a rate of £116 per pupil. The Department has confirmed that the ESG rate for local authorities in 2014-15 will be £113 per pupil in mainstream community schools and £424 and £481 per place in alternative provision and special schools respectively<sup>2</sup>.

Academies receive the same basic rate per pupil but will also receive transitional protection of £27 per pupil in the academic year 2014/15, bringing their rate up to £140 per pupil. We have also introduced a new special protection that ensures that the loss incurred by any academy as a result of the changes in ESG and SEN LACSEG in academic year 2014/15 cannot exceed 1% of its total budget (including its post-16 funding) in academic year 2013/14. As we have always made clear, this transitional protection is funded from a part of the Department's budget outside the ESG, not from the ESG itself. We were also clear in the Government response to the LACSEG consultation<sup>2</sup> that this transitional protection will be removed over a limited period of time so that the rates for local authorities and academies align.

In addition to the basic ESG rate, local authorities received an additional £15 per pupil for all pupils attending a state-funded school in 2013-14 (regardless of whether it is a maintained school or an academy). As set out in the Government's response to the LACSEG consultation, this is to enable local authorities to fulfil the statutory duties that do not transfer to academies. The £15

---

<sup>1</sup> Replacing LACSEG: Funding academies and local authorities for the functions that devolve to academies.

<sup>2</sup> Replacing LACSEG with the Education Services Grant: Government Response.

per pupil rate will continue in 2014-15. Section 6 of the current consultation seeks views on whether there is scope to reduce the £15 rate in 2015-16.

### **3 Key findings from the Department's analysis and fieldwork**

#### **3.1 Variation in how local authorities prioritise and spend the Education Services Grant**

All data about local authority expenditure on ESG services presented in this document are taken from annual local authority Section 251 budget returns. We are aware that there is variation in how local authorities record expenditure and interpret budget lines that could cause artificial variation in the results. In some cases, local authorities have reported £0 spending against services. This may be a reporting error or, as in the case of Cumbria set out later in this document, it may be because they are charging for services. Despite the variation in how Section 251 is completed, this is still the most reliable and comprehensive data available to us.

Local authorities tell us that they tend not to consider ESG funding in isolation, but rather as part of their overall revenue budget. During our fieldwork, many local authorities stated that they prioritise fulfilling their statutory duties and that discretionary services are considered afterwards. There was a wide variation in how much local authorities told us they could afford. Some felt that they could only just afford statutory functions, whereas other local authorities believed that they were fulfilling statutory functions and still had money to spend on discretionary activities. This is illustrated by the wide variation in total expenditure on ESG services as well as the variation in the amount of funding budgeted for each service.

Figure 1 in Annex B illustrates the variation in planned expenditure on ESG services in 2013-14.

Figure 2 in Annex B illustrates the variation in the total (per pupil) expenditure on ESG services for all local authorities in both 2012-13 and 2013-14. The median per pupil spending in 2012-13 was £126 and in 2013-14 the median planned per pupil spending is £125 (the rate of funding in local authorities was £116 in 2013-14). The graph shows that there was a very small overall change in the median expenditure on ESG services between the two years and that, although some



local authorities have increased their spending in this period, some have successfully decreased it. The graph also demonstrates an increase in the range of expenditure on ESG services between 2012-13 and 2013-14. We are interested in why there is such a wide range of expenditure and why spending is rising in some local authorities and falling in others.

### **3.2 Different ways services are delivered**

#### Collaboration

Our fieldwork showed that collaboration is often a good way of generating savings. Local authorities can collaborate with one another or facilitate collaboration between schools. Collaboration between local authorities can be particularly helpful for small local authorities – helping them to secure economies of scale and increase their buying power. Schools can also benefit from collaborating with each other: they can benefit from experience and expertise from other schools; they can increase their buying power by grouping together to buy services; and they can buy services from one another. The case studies below provide specific examples of collaboration as a method of achieving savings to ESG services.

## **Case Study: Kent County Council**

Kent secured a 36% reduction on school improvement spending between 2012/13 and 2013/14 through selling services to recover costs and developing greater collaborations between groups of schools. Performance at both Key Stage 2 and Key Stage 4 has increased since 2010, by 21% and 11% respectively.

Collaborations were introduced into Kent more formally in June 2012, though many of these have been built on very strong existing partnerships between groups of schools. Collaboration provides many advantages for schools particularly around school improvement but also in the potential for schools as a collective to maximise their purchasing power. The school collaborations are developing their ability to become more autonomous as school improvement units, with formal partnership agreements, specific improvement targets and some pooling of funding and other resources. The local authority is supporting, brokering and challenging this development to ensure that the collaboration or partnership is rigorous and robust in its pursuit of all schools being good or better, and with all Key Stage attainment and achievement results being in the top quartiles nationally. The partnerships are made up of academies and maintained schools working together.

The local authority is proactive in using good and outstanding headteachers to support schools that face particular challenges. This includes developing executive leadership models as well as extensive use of National and Local Leaders of Education (NLE and LLE). The local authority is also a commissioner of support from the local Teaching School Alliances and internal and external academy sponsors. The local authority has developed a quality assured procurement framework which has enabled effective commissioning to support school improvement. The combination of commissioning, partnership work with all schools and a strong central school improvement team has resulted in rapid improvement in Kent schools since 2011, from 58% good and outstanding schools to the present Figure of 74%. The impact to date, while still variable, is a more organised and sustainable school to school support system led by headteachers for the benefit of all schools, supported and overseen by the Kent Association of Headteachers.

The local authority also sees school collaboration as a cost effective means by which schools can negotiate and purchase all services that meet their needs through block purchasing from the local authority.

The local authority sees this as a win-win situation. The schools can afford to access services that they were too small to buy into individually and for the local authority, costs are reduced as they are managing one large contract rather than many small ones. The local authority also believes that this arrangement will continue to benefit schools as they will have more 'buying power' in the market and will therefore have a greater choice of providers.

## **Case Study: Wigan**

Wigan has reduced its spending on school improvement by 78% since 2010 (in 2013-14 the planned expenditure was £16 per pupil). Performance at both Key Stage 2 and Key Stage 4 has increased by 16% and 14% respectively. 84% of schools in Wigan are good or outstanding according to published Ofsted data covering September 2005 to June 2013.

Over several years, Wigan has built a model of school to school collaboration and the vast majority of school improvement funding is delegated to school consortia. The core school improvement team in the local authority consists of only two members of staff. Schools work together in eight autonomous consortia to support school improvement and share expertise. It is the responsibility of the lead headteacher of the relevant consortium to work with a school deemed to be 'at risk' in order to identify areas for development and the support needed. There are two School Improvement Boards in Wigan, one for the primary phase and one for secondary. These boards monitor the effectiveness of improvement plans proposed by the consortia. If a school does not show sufficient improvement, it is for the consortium lead and the relevant School Improvement Board to recommend a way forward, including the possible use of the local authority's formal intervention powers.

### Charging for services

During our visits to local authorities, a number of them described how they are charging schools for some education services. This system saves local authorities money and enables them to recover costs, which they can then reinvest in providing education services. The case study from Croydon Borough Council below demonstrates how this approach can be used to deliver almost all ESG related services and can generate savings.

Essex County Council is considering changing its delivery of services to fit with its increasingly commissioning-focussed role. In doing so, it is looking to develop a separate entity that charges schools for services and is also considering developing a private company to deliver services to schools. Bournemouth Borough Council is also increasing and developing the services that it charges schools for and is considering collaboration with other authorities.

By securing services themselves, schools should be able to achieve greater value for money. They will have access to a more competitive market and the freedom to collaborate with other schools to improve their purchasing power. This is illustrated in the Kent case study above and in the Tregonwell Academy Trust case study in Section 5.

Some local authorities have reported negative or zero expenditure against some ESG lines because they are charging for services and therefore recovering costs.

### Efficiency savings through restructuring

Smarter and flatter management structures should also be considered when deciding how to make savings. Some local authorities are already generating savings by consolidating back-office functions and we are interested in whether there is scope to do more of this.

## **Case study: Croydon**

School performance at Key Stage 2 has increased by 10% since 2010 and Key Stage 4 performance has increased by 18%. 73% of schools in Croydon are good or outstanding (according to published Ofsted data covering September 2005 to June 2013).

### Action to date

In 2011, Croydon established a new programme to charge schools for discretionary education services. In 2012-13, all schools, academies and colleges bought at least one element of the school improvement service through this model. Other services included in this model include the education welfare services, HR and finance support. The local authority currently subsidises the cost of discretionary services with funding of £920,000 per year.

Croydon has significantly reduced funding for its Music and Arts Service. By 2015 the Service will become completely independent of the local authority as part of a charitable trust. Costs associated with premature retirement are passed to maintained schools. Therapies and other health-related services are funded directly by maintained schools from the high needs budget delegated to them by the local authority. Behaviour outreach is provided by a Pupil Referral Unit from which all schools in the area can buy this service.

### Proposals for continuing savings

The local authority is examining the education services it provides with the aim of encouraging schools to take on increased responsibility for their own education services. Croydon plans to build on its existing model by creating a new mutual company, which will allow schools, employees and the local authority to be shareholders, and allow the local authority to recover a larger proportion of its costs than the current model. The accountability in the company will be split equally between shareholders, including the local authority and schools.

Croydon plans to include the same services in the mutual company as are currently sold, with the potential to include additional services if there is demand from headteachers to do so.

Croydon's proposals indicate that the mutual company would achieve savings to the local authority of £989,000 over the first two financial years of operation.

## **Case Study: Darlington**

Since 2010, Key Stage 2 attainment has increased by 13% and Key Stage 4 by 18%. Local authority data show that the percentage of pupils achieving Level 4+ in Reading, Writing and Maths has increased by 4% since 2011 and Level 5+ performance also increased 4% over the same period. The three year trend data show at least a 2% increase in expected progress performance for Reading (2%), Writing (4%) and Maths (3%). Eighty-nine percent of schools in Darlington are good or outstanding according to published Ofsted data covering September 2005 to June 2013.

Darlington is focussed on working in partnership with schools and believes that with the growing proportion of schools that are academies, schools should be taking increasing responsibility for delivering services. The local authority and all publicly funded schools in Darlington established an unincorporated trust model in July 2008 as a part of the local school improvement strategy. This included a commitment from schools to share best practice and to support each other. The local authority initially provided some funding for schools to commission joint school improvement support.

The model was developed in 2010 when schools collectively reviewed all the Schools Forum's decisions about spending and identified services that they wished to decommission (e.g. E-Learning) and responsibilities that they wished to take on for themselves, either as individual schools or as schools collectively running services (e.g. support for pupils with English as an additional language as a school responsibility and low incidence SEN support as a service for all schools).

In order to ensure that the arrangement was equally effective for all schools, including small and large schools, rural and urban schools, and oversubscribed schools and those with spare capacity, schools agreed and signed a charter setting out the expectations that they had of each other.

The local authority has achieved savings of around £1 million to their school improvement service through this approach. The savings were made by shifting responsibility for services from the local authority to schools, in keeping with the local authority's view that schools are responsible for their own standards and should be held to account for their performance. The local authority has passed down as much funding as possible to schools to allow this shift in responsibility. The local authority believes that schools in Darlington have all of the resources

necessary to deliver high quality teaching and to buy in specialist support. If performance levels do not rise, the local authority holds the schools to account, and expects them to explain how they have used the money and how they have organised their leadership.

Previously, Darlington had operated a service with 18 school improvement staff plus specialist teams to provide support for, for example, e-learning, low incidence SEN, behaviour and attendance. There are now only two school improvement staff and the other services have been decommissioned or are paid for and run by schools themselves.



## **4 Clarification on the services funded by the Education Services Grant**

- 4.1** This Section sets out how much local authorities report that they are spending on each ESG funded service and the level of variation across the country. We explain what each service line should cover and seek views on whether we should provide further clarity about our expectations. Section 5 gives information about and seeks views on how the planned savings will affect academies. Section 6 then sets out the services included in the local authority retained duties, covered by the £15 per pupil that local authorities receive for all pupils in state-funded schools.

We expect that many local authorities can adopt some of the strategies we have set out in Section 3.2 (such as collaboration and charging for services) to achieve savings to ESG services.

## **4.2 School improvement**

### **Current spending patterns**

The median planned spend on school improvement for 2013-14 is £31 per pupil and the 25th percentile is £19. There is a particularly wide range of expenditure for this service (as shown in Figure 3 in Annex B), with the minimum reported as £0 and the maximum as £239 per pupil. Between 2012-13 and 2013-14, the median spend on school improvement has remained fairly constant (£33 in 2012-13 and £31 in 2013-14) and the total range has increased slightly (£0-£225 in 2012-13 to £0-£239 in 2013-14).

### **The current position**

The school improvement function covers a wide range of services and interventions designed to raise standards. Typically, this includes monitoring school performance, visiting schools to challenge their leadership teams, identifying the support required by schools, and intervening where necessary through, for example, issuing warning notices or appointing an interim executive board to replace the governing body.

The move towards a more autonomous and self-improving school system and the increasing number of schools choosing to become academies has left some local authorities uncertain about their role in school improvement.

### **A more focussed role for local authorities**

Local authorities continue to have statutory responsibilities for educational excellence (as set out in Section 13a of the Education Act 1996). That duty states that a local authority must exercise its education functions with a view to promoting high standards. The education landscape is however changing, and over 60% of secondaries and 14% of primaries are now open academies or in the pipeline to become academies. As that number increases and there are more autonomous schools, there is a greater expectation that schools should lead their own improvement. All schools are now responsible for their own initial teacher training, continuous professional development and leadership development. We know that there are already a growing number of accredited school leaders who are embedding school-led improvement and support, building on the success of the London and City Challenges.

While local authorities have a duty to promote educational standards, they need to do so in the context of the increasing emphasis on school-to-school support and the direct accountability of academies and free schools to the Secretary of State. It is the Secretary of State, not local authorities, who hold academies to account for their performance. We are updating the Schools Causing Concern statutory guidance to make this clear and to support local authorities to fulfil their role in relation to the schools they maintain. As in the past, the guidance will set out the importance of early intervention and of swift and robust action to tackle failure, including the use of Warning Notices and Interim Executive Boards (IEB) in maintained schools.

The guidance will also be clear about the Government's expectation that academy status, with the support of a strong sponsor, is the best way of securing lasting improvement to weak schools. Local authorities should still, however, raise any concerns they have about academies directly with the Department. Beyond the statutory guidance, local authorities continue to have considerable freedom in delivering their statutory responsibilities.

The local authority's statutory functions do not require a highly resource intensive school improvement service. The Department's view is that local authorities who effectively champion excellence:

- understand the performance of maintained schools in their area, using data to identify those schools that require improvement and intervention;
- take swift and effective action when failure occurs in a maintained school, using Warning Notices and IEBs whenever necessary to get leadership and standards back up to at least "good";
- intervene early where the performance of a maintained school is declining, ensuring that schools secure the support needed to improve to at least "good";
- encourage good and outstanding maintained schools to take responsibility for their own improvement and to support other schools;
- build strong working relationships with education leaders in their area and encourage high calibre school leaders to support and challenge others;
- delegate funding to the frontline, so that as much as possible reaches pupils;
- enable maintained schools to purchase from a diverse market of excellent providers;
- signpost where schools can access appropriate support;
- secure strong leadership and governance for maintained schools that are

- not providing a good enough education, by identifying and supporting successful sponsors; and
- seek to work constructively with academies and alert the Department for Education when they have concerns about standards or leadership in an academy.

### **The relationship between local authority expenditure on school improvement and school performance**

We looked at the comprehensive quantitative data, collected under Section 251, to see if sustained planned expenditure in school improvement leads to improvements in school performance. As Figures 4 and 5 in Annex B illustrate, currently the quantitative data does not provide any evidence that this is the case. There are many possible reasons for this lack of evidence, including strong external factors, such as changes to Key Stage 2 assessments and to the Ofsted inspection framework. Highlighted in each of these graphs are examples of local authorities that record a low per pupil expenditure on school improvement and achieve good performance outcomes in their schools (grouped in the blue boxes in Figures 4 and 5).

Given the role of the local authority in school improvement set out above, we believe there is significant scope for many local authorities to make savings on school improvement services. Indeed, we know that many local authorities are already adapting the way they deliver services, including school improvement. As well as the approaches we set out earlier in our case studies, we have also gathered examples of other authorities using third parties to provide school improvement (Surrey and North East Lincolnshire) and of scaling back services so that resources are focused on commissioning, rather than providing services (Essex). We think that there are opportunities for local authorities to learn from each other through sharing best practice and increased collaboration.

## 4.3 Statutory and regulatory duties

### Current spending patterns

Statutory and regulatory duties, on average, made up the greatest share of ESG planned expenditure. As Figure 6 in Annex B shows, the median per pupil planned spend for 2013-14 was £48 and the 25<sup>th</sup> percentile was £28 per pupil. The level of spending in each local authority has generally remained similar between 2012-13 and 2013-14 with the exception of a few authorities such as Darlington (reduced from £190 to £77 per pupil) which made some savings through restructuring.

### What does this cover?

This covers a number of statutory duties (set out in both primary and secondary legislation) that transfer to a school once it becomes an academy. This means that these duties are outside the scope of the £15 that local authorities receive for all pupils in both maintained schools and academies. A list of the duties is provided at Annex A, but in summary they include:

- HR functions, such as advising school governing bodies on the management of staff, determining the conditions of service for non-teaching staff, and functions relating to the dismissal of school staff;
- finance functions including revenue budget preparation, administration of grants, and internal audit; and
- compliance with health and safety.

Our fieldwork and informal discussions with local authorities have shown that there is wide variation in how statutory duties are being interpreted and fulfilled. Most local authorities suggested that the Department should provide clearer definitions of the statutory requirements.

## **4.4 Education welfare services**

### **Current spending patterns**

The median planned expenditure on education welfare services is £14 per pupil in 2013-14 and the 25<sup>th</sup> percentile was £9. As shown in Figure 7 in Annex B the range of planned per pupil expenditure for this service was high (£0-85) and has increased since 2012-13 (£0-61). The Royal Borough of Kensington and Chelsea had recorded a particularly high planned per pupil expenditure on this service for 2013-14 but they expect this to reduce by around 44% for 2014-15 due to a radical change in service delivery, as the borough moves to collaboration with two other local authorities – to create Triborough (Westminster, Hammersmith and Fulham and Kensington and Chelsea) provision.

### **What does this cover?**

Education welfare services include the employment of Education Welfare Officers (EWOs) to promote the importance of regular school attendance and investigate the causes of poor attendance. EWOs prepare cases and work with the courts on prosecutions and do this working closely with parents, carers and school staff.

EWOs also investigate and monitor employment undertaken by young people aged 16 years and under, to ensure that it is legal and safe and that it does not harm or interrupt their education.

Most elements of this service, such as tracking children missing from education, prosecuting parents whose children do not attend school and safeguarding children in employment are funded by the local authorities retained duties rate (set out in Section 6) because they apply across both maintained schools and academies. Given that this is covered by the £15, we are not clear why there needs to be additional funding in the main ESG budget.

Some local authorities are already adopting different approaches in this area. For example:

- Croydon's behaviour outreach programme is provided by a primary pupil referral unit and other schools can buy into this if they wish;
- in Essex, the police accredit organisations to issue penalty notices. The local authority only gets involved at the point of court proceedings;
- Southwark operates an 'Early Help' programme (including early years and children's centres). The programme includes EWO support and focuses heavily on early intervention. Academies currently purchase this service from the local authority, although some of the larger chains employ their own EWOs;
- North East Lincolnshire is currently reviewing how it funds behaviour and attendance support given the increasing number of academies in the area. It is currently working with a third party organisation to develop a service that can be purchased by both academies and maintained schools.

### **The relationship between local authority expenditure on education welfare services and absence and exclusion rates in schools**

We looked at Section 251 data for all local authorities, to see if planned expenditure on education welfare services leads to any improvement (decrease) in absence rates or any change in exclusion rates. Currently the quantitative data do not provide any evidence that this is the case. We would like to investigate the mechanisms behind the high variability in the relationship between expenditure and outcomes for education welfare services and we aim to gather more evidence on this through the responses to the consultation questions.

Figure 8 in Annex B highlights a group of local authorities that record a low per pupil expenditure on education welfare services and achieve good attendance (grouped in the blue box).

Given the apparent duplication of funding of education welfare services through both the standard ESG rate and the local authority retained duties rate, as well as the lack of evidence of a link between high expenditure on education welfare services at local authority level and good outcomes at school level, we believe there could be significant scope for savings to this service

## 4.5 Central support services

### Current spending patterns

The median planned expenditure on central support services across all local authorities (2013-14) was £6 per pupil and the 25<sup>th</sup> percentile is £1. As shown in Figure 9 in Annex B, there was a very high range of expenditure on this service, with the lowest being -£10 (in Cumbria, see detail of this below) and the highest £155. The spending pattern on this service remained similar between 2012-13 and 2013-14, although some local authorities reduced spending significantly in this period, for example Central Bedfordshire local authority (£40 per pupil in 2012-13 and £12 per pupil in 2013-14) which made a 70% saving between 2012-13 and 2013-14, part of which can be attributed to efficiencies.

### What does this cover?

This category of expenditure typically funds pupil support and extra-curricular activities. This includes: providing clothing grants; board and lodging grants; outdoor education, including field studies; music services; and visual and performing arts services.

As schools have greater autonomy over how they spend their money and in delivering the curriculum, we believe there is a limited role for local authorities in providing these services. This does not necessarily mean that local authorities should step back completely. They could commission services for schools and charge where appropriate (as exemplified in Section 3.2). Our fieldwork found that authorities were increasingly transferring responsibility for funding these services to schools, particularly on visual and performing arts and outdoor education.

Cumbria's reported spend on this service is -£10 per pupil because the authority sells some of its central support services (such as its Music Service, two outdoor activity centres and its Learning Support Service) and forecast that, in 2013-14, it will have gained around £10 per pupil (or around £540,000) overall by doing this. The revenue is then reinvested to pay for council overheads, HR and business support services.

Our expectation is that music services should now be funded through music education hubs (which can cover one or more local authority areas) and from school budgets, not from the ESG. More information on music education hubs can be found on the Arts Council website<sup>3</sup>.

---

<sup>3</sup> <http://www.artscouncil.org.uk/>



## 4.6 Asset management

### Current spending patterns

The median planned expenditure on this service for 2013-14 was £7 per pupil and the 25<sup>th</sup> percentile was £3. As shown in Figure 10 in Annex B, there was a high range of planned expenditure on this service (-£1<sup>4</sup> per pupil to £129 per pupil). Overall, the pattern of spending on this service has remained similar between 2012-13 and 2013-14. Some local authorities have, however, achieved a saving in this period. For example, Doncaster has reduced its expenditure from £32 per pupil in 2012-13 to £0 in 2013-14 and Reading has reduced its spending from £16 per pupil to £5 over the same period, both by delegating these costs to schools.

### What does this cover?

This is intended to support the effective and efficient management of school buildings and resources. However, much of the maintenance of school buildings is now dealt with by schools themselves from their delegated revenue and capital budgets.

Asset management also forms part of the £15 per pupil that local authorities receive for pupils in both academies and maintained schools (see Section 6). The £15 paid to local authorities is intended to cover necessary expenditure on capital programme planning, management of Private Finance Initiative contracts and administration of academy leases. There is no clear evidence on what is paid for by the separately reported funding for asset management *outside* this £15, and we therefore consider that there is scope for local authorities to cease to fund this separately.

---

<sup>4</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

## **4.7 Premature retirement costs/ redundancy costs (new provisions)**

### **Current spending patterns**

More than half of local authorities did not spend any money on premature retirement or redundancy costs. As shown in Figure 11 in Annex B, the range of planned expenditure was £0-86 per pupil and the spending pattern has remained fairly constant since 2012-13. In 2013-14, 52% of local authorities reported no expenditure for this service.

In the case of Herefordshire, over a seven year period, the authority was experiencing falling rolls. This has now ended and has allowed them to reduce their redundancy costs. Herefordshire are taking steps to reduce redundancy costs further by capping redundancy payments at £450 per week, which will reduce the cost of each redundancy and reduce the number of voluntary redundancies taken by staff.

### **What does this cover?**

This category of expenditure is intended to fund the costs associated with changes to school staffing structures – specifically when the school takes the decision to offer early retirement to employees, or where redundancies are necessary.

The statutory framework differs between early retirement and redundancy. In the case of early retirement, schools have a statutory responsibility for the cost, unless the local authority agrees to meet it. For redundancy, the cost falls to the local authority unless it has good reason to charge it to the school. ESG funding is therefore intended primarily for the cost of redundancy rather than early retirement. Any continuing costs in subsequent years fall within a line of Section 251 that is not covered by ESG, but is part of general local authority funding. ESG is not intended to cover historical costs associated with previous early retirements and redundancies (for example, in cases where the cost of redundancies are spread over a number of years).

## **4.8 Therapies and other health-related services**

### **Current spending patterns**

More than half of local authorities did not spend any money on therapies and other health-related services. As shown in Figure 12 in Annex B, the range of spending in 2013-14 was £0-£100 per pupil (the second highest planned expenditure was £30 per pupil). The median expenditure has remained constant between 2012-13 and 2013-14, but some local authorities have reduced spending significantly in this period, for example Stoke on Trent (£31 per pupil in 2012-13 and £17 per pupil in 2013-14) and Windsor and Maidenhead (£21 per pupil in 2012-13 and £4 per pupil in 2013-14), by funding therapies and other health-related services from their high needs budget.

### **What does this cover?**

Local authorities currently work with health authorities to fund therapies and health services for children with additional needs. Historically, the arrangements have been that in cases where pupils require therapies in order to access education, the financial cost is met by the local authority. When the therapy is required but is not essential for the child to access education, then the cost is met by the health authority.

During the fieldwork some local authorities told us that they do not tend to use ESG for therapies and instead fund this service from their high needs budget.

There will be changes in the way that therapies are funded locally, as a result of the Children and Families Act 2014. The Act encourages better joint working between health commissioning bodies and local authorities. As a result of this, we think the need to fund therapies and other health-related services may be reduced by the improved joint working between education and health authorities.

## **4.9 Monitoring national curriculum assessment**

### **Current spending patterns**

This service was, on average, the lowest area of planned expenditure across all local authorities for 2013-14, as shown in Figure 13 in Annex B. More than half of local authorities did not spend any money on monitoring national curriculum assessments. The range of planned expenditure was between £0 and £25 per pupil in 2013-14.

### **What does this cover?**

This category of expenditure is intended to cover the costs associated with monitoring national curriculum assessment arrangements. This includes activities such as:

- moderation of Key Stage 1 teacher assessments;
- monitoring of school arrangements to ensure that national curriculum tests and phonics checks are conducted under exam conditions; and
- an overall duty to investigate any allegations of cheating or maladministration.

The local authority provides this service for all maintained schools. Every academy has freedom to choose a moderation or monitoring provider but the home local authority is responsible for ensuring that the service is delivered to the academy in the same manner as a maintained school.

Some authorities, including the Triborough (Westminster, Hammersmith and Fulham and Kensington and Chelsea), have reduced administration costs and maintained standards of moderation and monitoring to schools by pooling resource with neighbouring local authorities. Partnering their process with school based staff or teaching schools has reduced central costs whilst also increasing the skills of school based staff.

## **5 How the savings will affect academies**

- 5.1** The basic ESG rate paid to academies in academic year 2015 to 16 will reduce by the same proportion as we will apply to local authorities. We will consider what protection will be applied to academy ESG budgets for academic year 2015 to 16.

Our aim is to ensure that, over time, local authorities and academies receive the same ESG rate. We have already announced that, for academic year 2014/15, academies will receive a top-up of £27 and that we have introduced a new special protection that ensures that the loss incurred by any academy as a result of the changes in ESG and SEN LACSEG in academic year 2014/15 cannot exceed 1% of its total budget (including its post-16 funding) in academic year 2013/14.

### **Information from the fieldwork**

During our fieldwork we collected evidence of academies using ESG funding efficiently and achieving savings. Many of the approaches taken by academies, such as collaboration, are similar to those described in Section 3.2 for local authorities.

### **Savings achieved through increased choice of services and providers**

Academies can buy their own services to achieve greater value for money and to make informed choices about the types of services that they need. We have found examples of academies making strategic decisions about where to source services. For example, Invicta Grammar School (Kent) reported that it has saved money through buying services directly from suppliers which also had the benefit of allowing the school a direct relationship with all its providers. Kirkby High School (Knowsley) also takes this approach: it buys the services of an educational psychologist (as part of the education welfare service) on an hourly basis, meaning that it pays only for the level of service that it needs.

## **Savings achieved through charging for services**

The TBAP Multi-Academy Trust (which includes the Bridge AP Academy in Hammersmith and Fulham) is developing a new pupil support service that other schools can choose to buy into.

The following case study about Tregonwell Academy Trust in Bournemouth illustrates a successful model for schools to charge for providing services, enabling it to recover costs to reinvest in education services. Bournemouth Borough Council told us that academies are increasingly buying services from each other as well as buying them from the local authority and other private providers.

## **Case Study: Tregonwell Academy Trust, Bournemouth**

This multi academy trust includes four schools: two primary, one secondary and one alternative provision.

### Charging for services

The executive head of the four academies is an appointed National Leader of Education, and the schools have been selected as National Support Schools. The Trust provides leadership support to underperforming schools, for example schools in Ofsted categories or those in the process of converting to academies.

Two of the schools in the Trust specialise in supporting pupils with behavioural difficulties. They have begun to market and sell their behavioural support service to other schools. The marketing includes the distribution of leaflets and brochures, and relies heavily on their previous success and recommendations.

The Trust charges local authorities and maintained schools for some services. Initially the executive head provided all of the services. As the Trust became more established, it built its team to include additional specialist staff to manage the demand. The costs recovered are reinvested in the Trust. Charging for these services provides a strong revenue stream for the schools.

The Trust is considering charging for additional services, including business services. It has some experience in this, having been asked to undertake a pilot on behalf of the National College for Teaching and Leadership. Now that the Trust employs a business team (business director and finance director supported by finance managers and support staff) it feels it is in a strong position to begin charging for this service.

### General efficiencies

The Trust has made savings on administrative costs by negotiating on prices for services and salaries. The Trust believes that when procuring larger contracts (for four academies as opposed to one stand alone academy) it has greater negotiating power to secure value for money.

The Trust has also reduced its staff number compared to when the schools were separate; it now shares teams between all four schools. The Trust can also afford to replace services that it previously bought with an in-house service: for example, it employs one full time estate manager to look after all the school estates. The estate manager has business experience, and local knowledge, so can secure high quality services on behalf of the Trust.



## 6 The local authority retained duties funding

6.1 When we created the ESG we acknowledged that there are some statutory functions that remain with local authorities and do not pass to academies. Following consultation, we decided to separate funding for these retained duties and allocate it on a per pupil basis, at a rate of £15 per pupil, for every pupil in maintained schools and academies in the local authority area. This is allocated in addition to the standard £116 per pupil in maintained schools that local authorities receive for 2013-14 and the £113 they will receive for 2014-15. This Section considers whether there is scope to reduce this £15 per pupil in 2015-16.

The duties that are covered by the £15 fall into three of the ESG budget lines as listed below.

### Education welfare services

Local authorities are responsible for most aspects of education welfare for children in academies. These duties include: prosecution of parents for non-attendance; tracking children missing from education; and issues relating to child employment.

We believe these services are important but, as set out in Section 4, our analysis does not demonstrate a discernible link between expenditure on education welfare services and attendance. This suggests that there could be scope for savings to be made to this budget.

### Asset management

Academies do not receive capital funding to cover asset management, and therefore some degree of local authority expenditure on the management of academy buildings is to be expected, to cover services such as capital programme planning and functions relating to academy leases.

### Statutory and regulatory duties

Given that all central services transfer to academies, we believe there is likely to be scope to reduce expenditure on finance, HR and legal functions covered by the funding for LA retained duties. This budget line also includes the strategic planning of children's services. Local authorities should be looking to use innovative ways of delivering services, such as collaboration or charging for services as discussed in Section 3.2, and are therefore likely to be able to reduce expenditure on all statutory and regulatory duties.

## **7 Next steps**

- 7.1 We will consider the responses to the consultation in deciding the level of savings we will ultimately make to the Education Services Grant in 2015-16. We will publish final details, including changes to allocation of the grant, later this year alongside guidance to assist local authorities and academies in achieving the required savings.

## **8 How To Respond**

- 8.1 Consultation responses can be completed online at [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

by emailing: [esg.CONULTATION@education.gsi.gov.uk](mailto:esg.CONULTATION@education.gsi.gov.uk)

or by downloading a response form which should be completed and sent to:

Emily Barbour  
Funding Policy Unit  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

## **9 Additional Copies**

- 9.1 Additional copies are available electronically and can be downloaded from the Department for Education e-consultation website at: [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

## **10 Plans for making results public**

- 10.1 The results of the consultation and the Department's response will be published on the Department for Education e-consultation website in summer 2014.

## Annex B: Charts and tables

The horizontal black bars in Figures 1-3, 6-7 and 9-13 show the range of expenditure on each ESG funded service of the middle 80% of all local authorities excluding Isles of Scilly and City of London. The red box represents the middle 50% and the vertical black line that divides this represents the median expenditure. The eight services described on the graph represent the Section 251 budget lines which ESG is intended to fund. In all cases, the percentiles are calculated at local authority level, with the result that the median will not necessarily be identical with the England median in the published Section 251 data, which is calculated at pupil level.

**Figure 1: Graph showing planned spend per pupil for 150 local authorities for 2013-14 (see explanation above). This relates to Section 3.1 of the main document.**

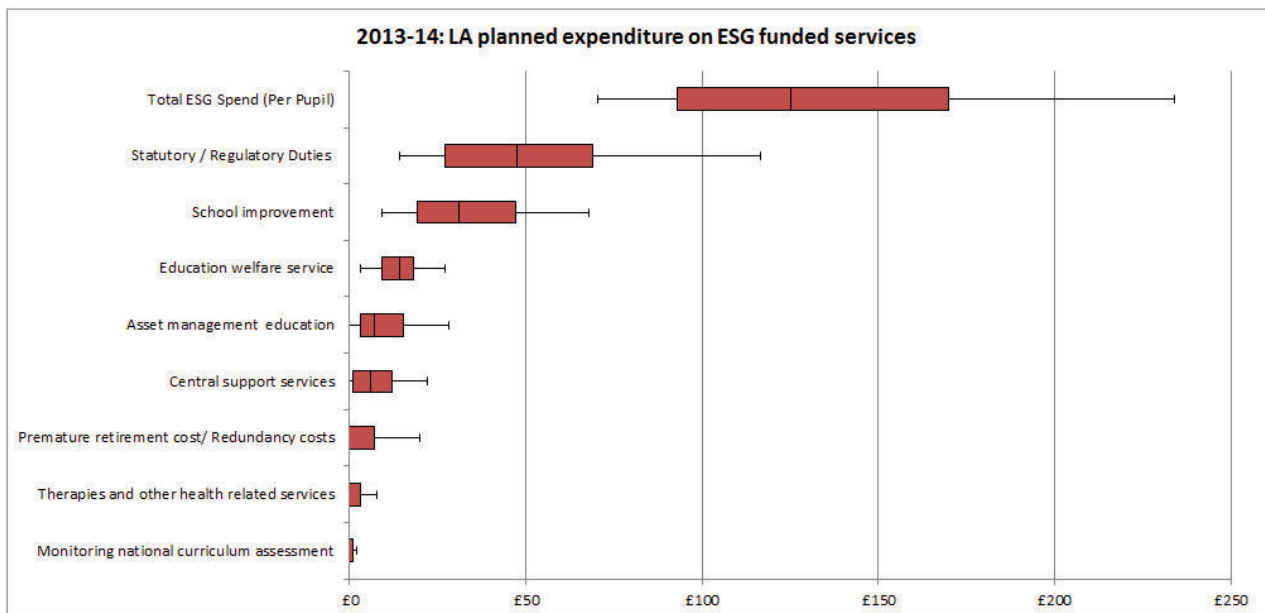


Figure 2 shows the planned net per pupil spend for ESG for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 3.1 of the main document.

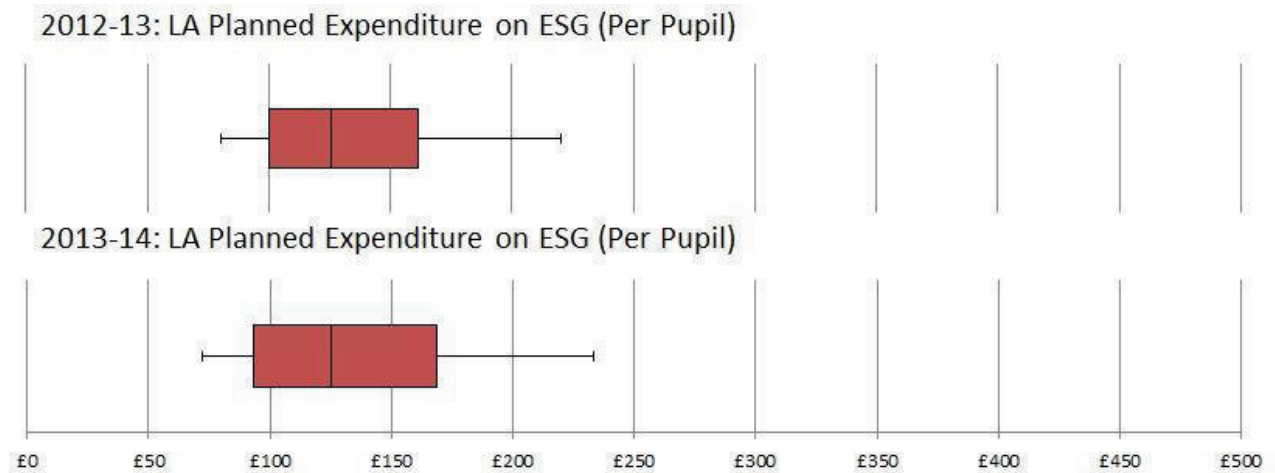


Figure 3 shows the planned net per pupil spend for school improvement for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.2 of the main document.

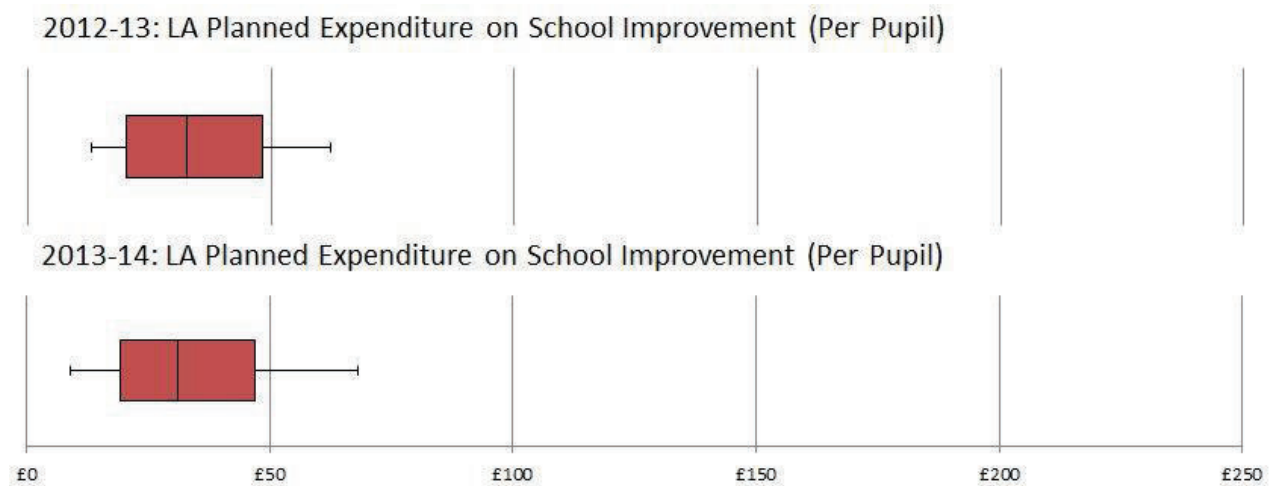


Figure 4 shows the % change in Key Stage 2 attainment rate between 2010 and 2013 and the average planned expenditure on school improvement between 2010-2011 and 2013-14 for each local authority. This relates to Section 4.2 of the main document.

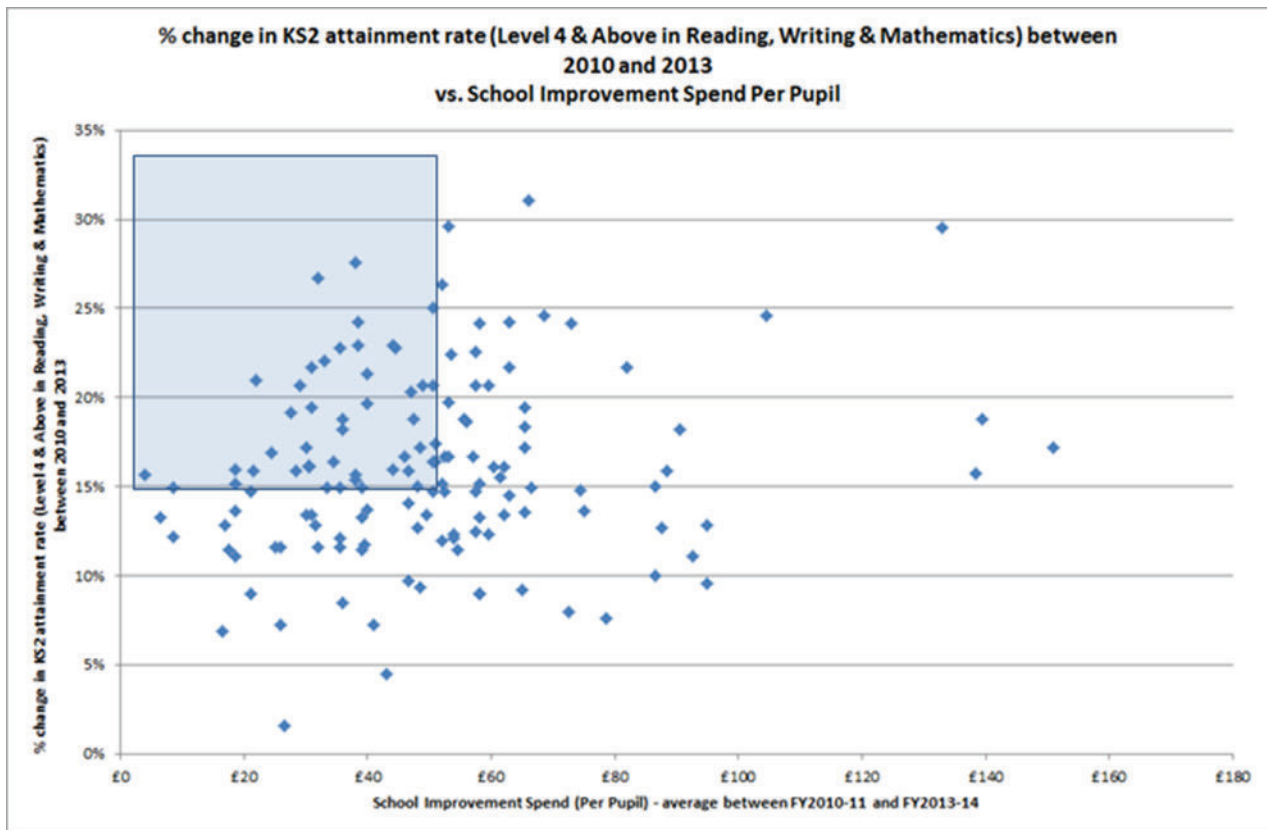


Figure 5 shows the % change in Key Stage 4 attainment rate between 2010 and 2013 and the average planned expenditure on school improvement between 2010-2011 and 2013-14 for each local authority. This relates to Section 4.2 of the main document.

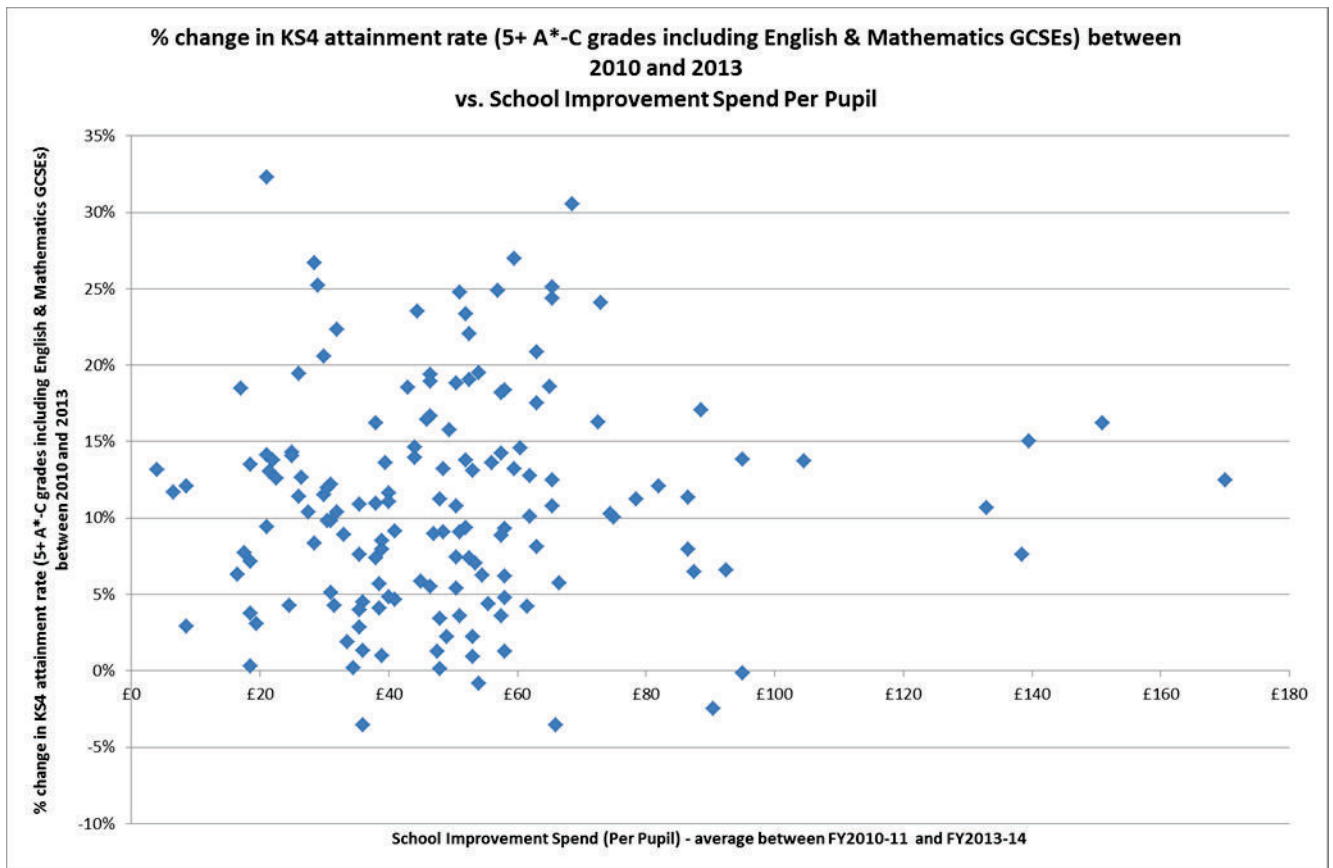


Figure 6 shows the planned net per pupil spend for statutory and regulatory duties for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.3 in the main document.

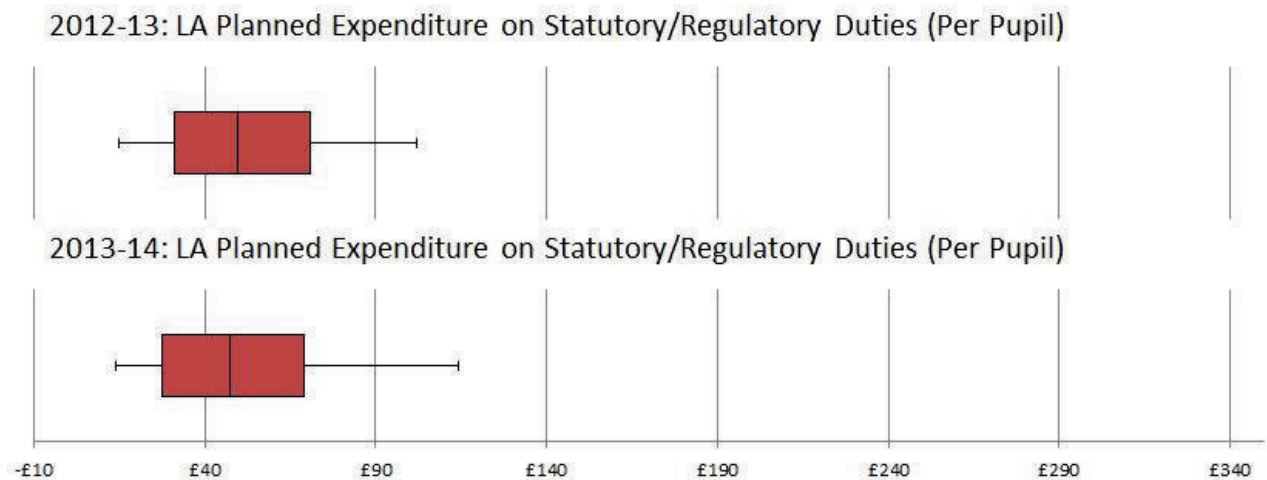


Figure 7 shows the planned net per pupil spend for education welfare services for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.4 in the main document.

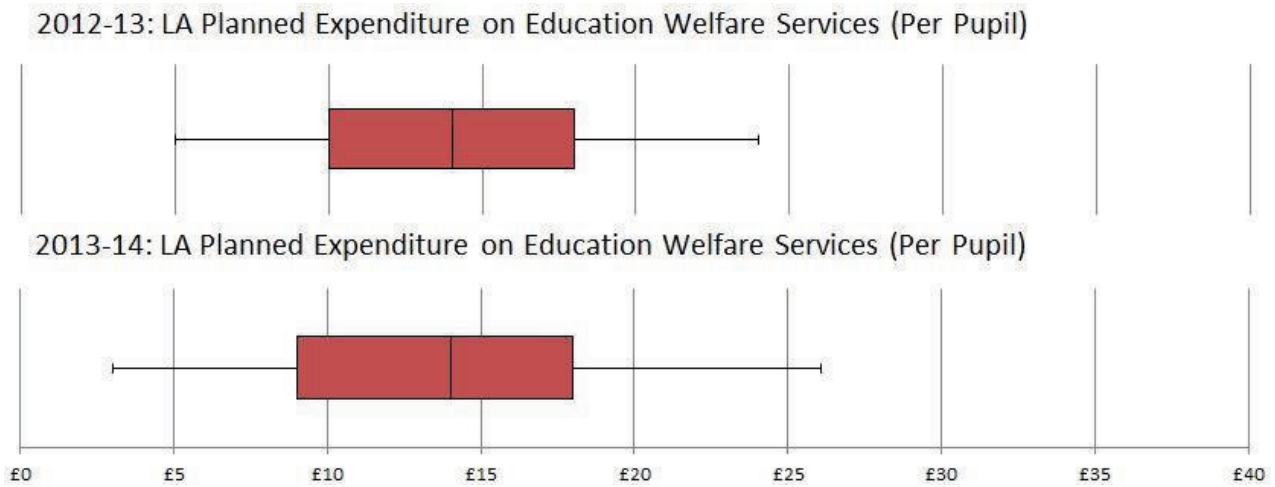


Figure 8 shows the change in overall absence rates between 2009 and 2012, and the average planned expenditure on education welfare services between 2010 and 2014 for each local authority. This relates to Section 4.4 in the main document.

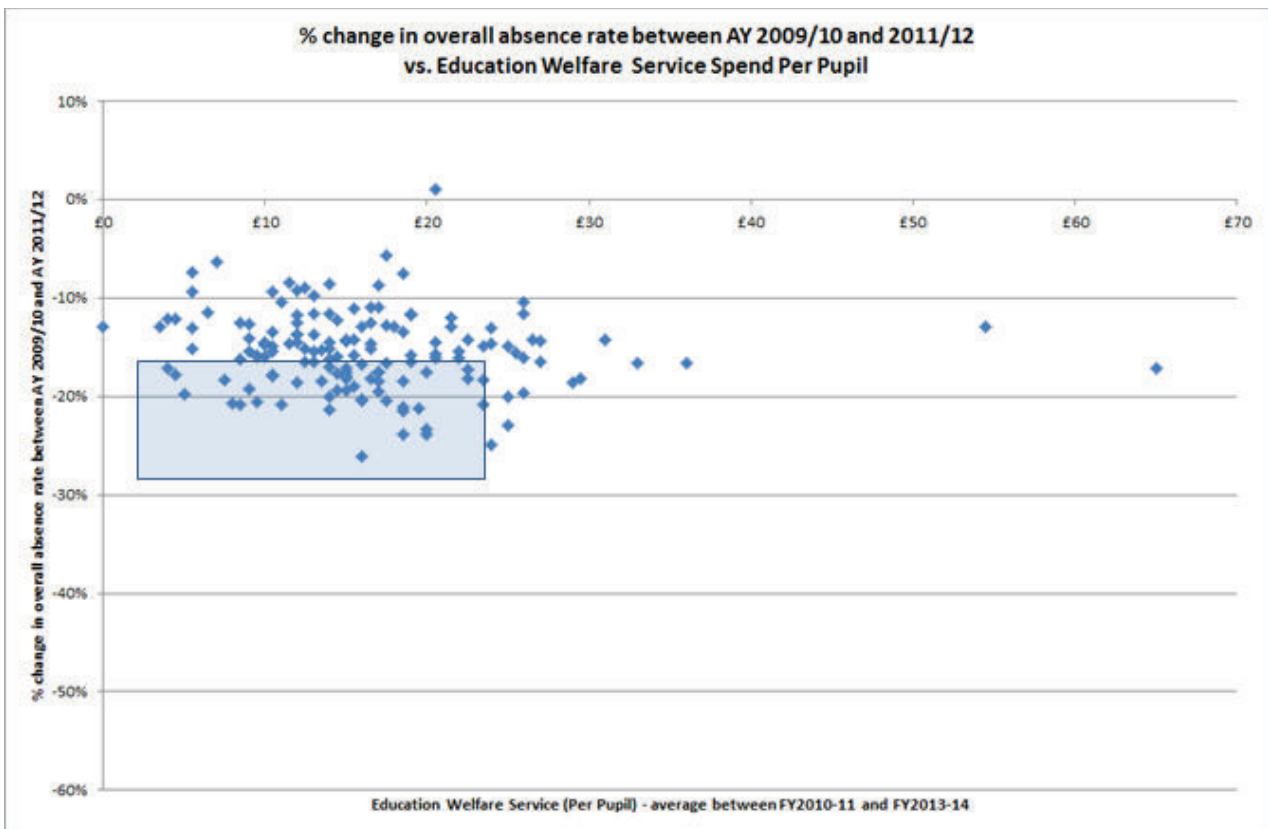


Figure 9 shows the planned net per pupil spend for central support for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.5 in the main document.

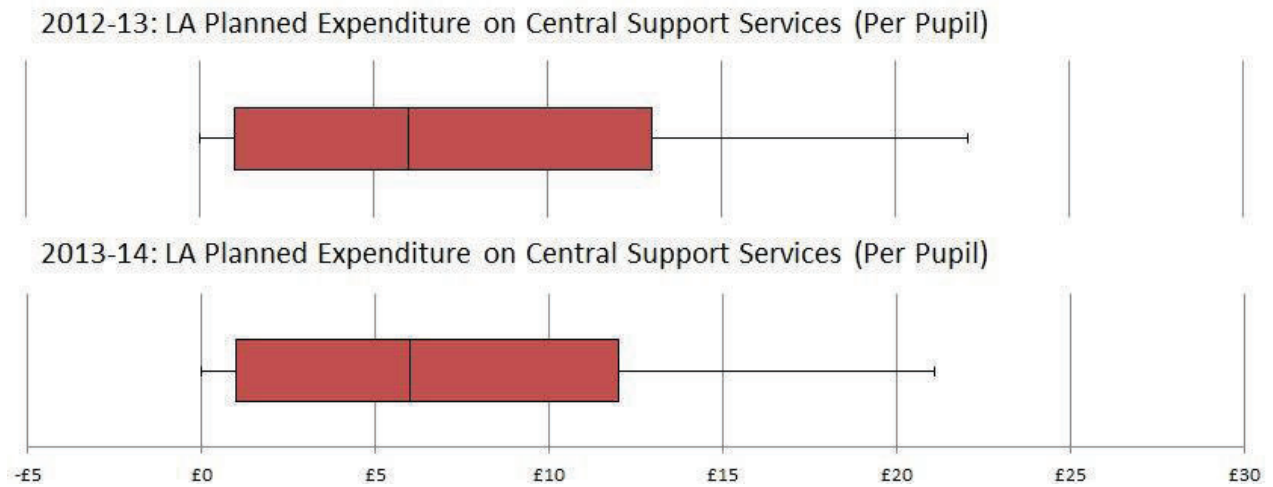


Figure 10 shows the planned net per pupil spend for asset management for 2013-14 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.6 in the main document.

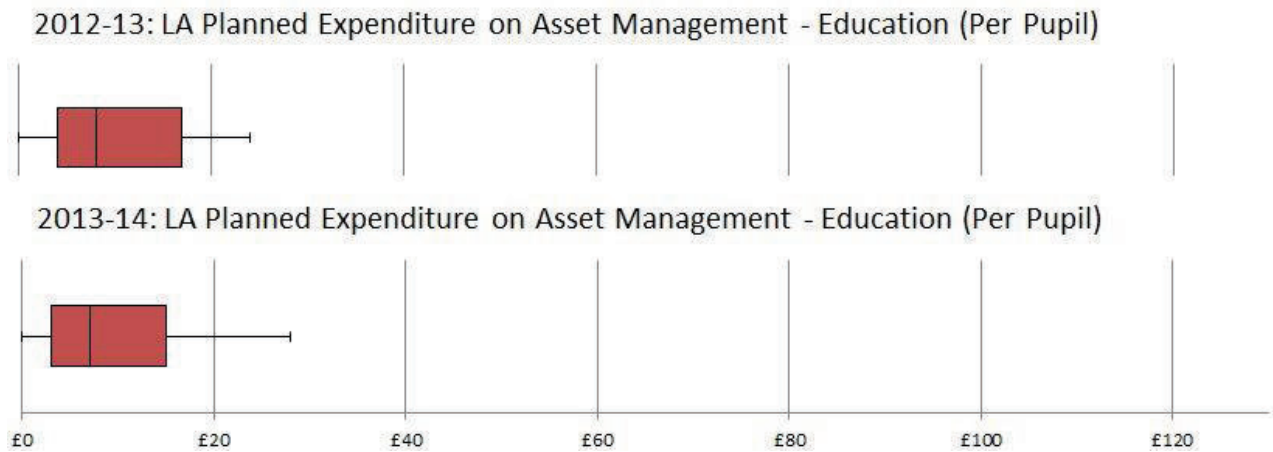




Figure 11 shows the planned net per pupil spend for premature retirement for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.7 in the main document.

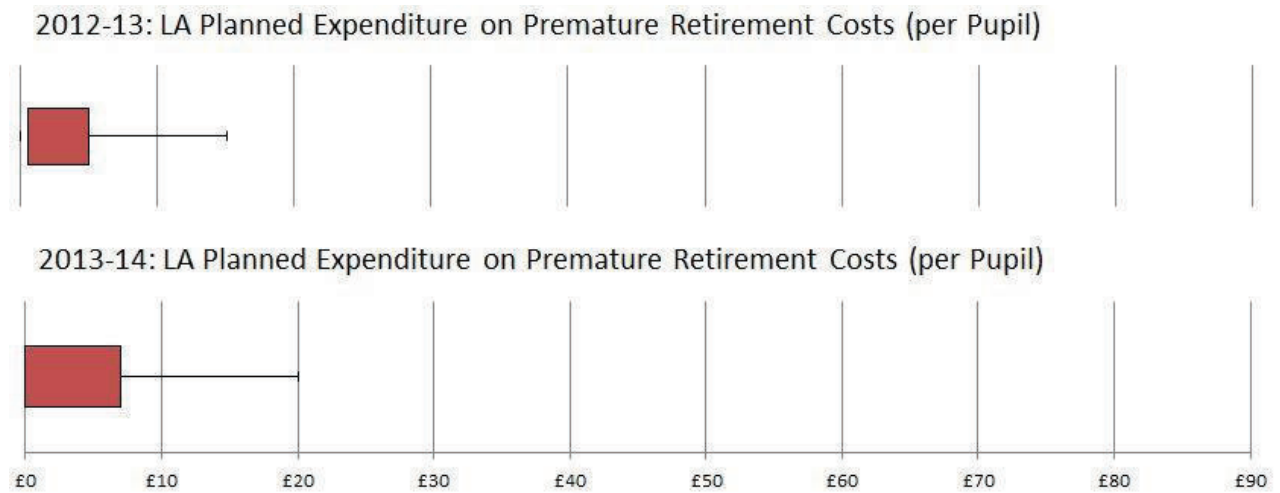


Figure 12 shows the planned net per pupil spend for therapies and other health related services for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.8 in the main document.

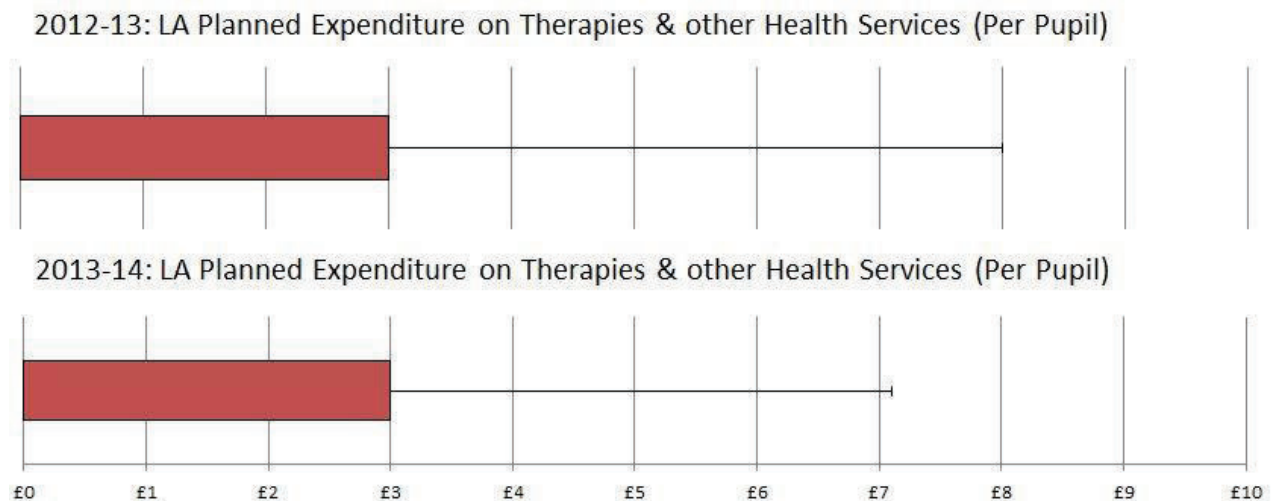
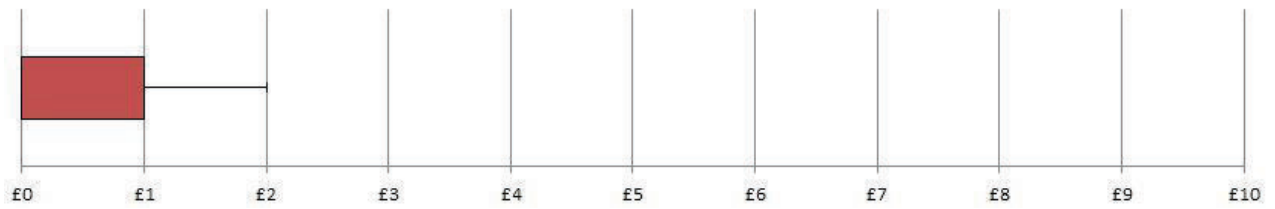


Figure 13 shows the planned net per pupil spend for monitoring national curriculum for 2012-13 and 2013-14 for all 150 local authorities (see explanation above). This relates to Section 4.9 in the main document.

2012-13: LA Planned Expenditure on Monitoring National Curriculum (Per Pupil)



2013-14: LA Planned Expenditure on Monitoring National Curriculum (Per Pupil)





Department  
for Education

**Consultation Response Form**

**Consultation closing date: 19 June 2014**  
**Your comments must reach us by that date**

**Savings to the Education Services Grant for  
2015-16**

**Version 1 25/04/2014**

If you would prefer to respond online to this consultation please use the following link: [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

<b>Please tick if you want us to keep your response confidential.</b>	<input type="checkbox"/>
Reason for confidentiality:	

Name: Chris Baird	
Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
Name of Organisation (if applicable): Herefordshire Council	
Address: Plough Lane, Hereford	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box the best describes you as a respondent.

<input type="checkbox"/> Maintained schools	<input type="checkbox"/> Academies	<input checked="" type="checkbox"/> Local authorities
<input type="checkbox"/> Governors	<input type="checkbox"/> Bursars	<input type="checkbox"/> Parents
<input checked="" type="checkbox"/> School forums	<input type="checkbox"/> Trade union organisations	<input type="checkbox"/> Other

Please Specify:

This response is from Herefordshire Local Authority and incorporates the views of Herefordshire Schools Forum

In responding to the questions in this consultation, we ask you to pay particular attention to any potential impacts on the protected characteristics set out in the Equality Act 2010 (sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment).

## School Improvement

- 1 a) How could the clarification of the role of local authorities in school improvement in Section 4.2 help local authorities to make savings?

**Comments:**

The clarification should recognise the statutory roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services in relation to all children and young people in the local authority area, irrespective of where they go to school. However, this in itself would not help make savings but would acknowledge roles and responsibilities which the consultation currently does not appear to take into account.

- 1 b) Is further clarification or guidance from the Department on the role of the local authority in school improvement needed in order to have a clear set of expectations?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

**Comments:**

In practical terms we are still experiencing the need to have a role in school improvement across all state funded schools, even with a light touch approach for good and outstanding schools and with academies. Herefordshire is developing a School Improvement Partnership approach with all schools in Herefordshire that is founded on the principle of school to school support which is closely aligned to the DfE's view in 4.2. There is however a challenge in how strong leadership and governance across the whole school sector can be secured and it would be beneficial to have clearer expectations for schools and local authorities, that also incorporates academies and free schools.

- 1 c) In addition to the examples set out in Section 3.2 of the consultation document, how else could local authorities provide school improvement more efficiently?

**Comments:**

Herefordshire has already implemented the model suggested in 3.2 and has a very lean school improvement function, with the emphasis placed on school to school support. Critical to this approach is a clear understanding of performance in detail across schools and trends for

particular groups of pupils within a year and over time, sometimes across the local authority. This requires trust and cooperative agreements between schools, including the use of data.

- 1 d) What level of saving is it possible for your local authority to make on school improvement? If cost pressures on school improvement have changed recently, please describe below.

Comments:

Herefordshire has already taken out 60% staffing costs for school improvement and based on the section 251 figures spends £11 per pupil.

- 1 e) If your local authority's expenditure is above the median (£31 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable. However, we would seriously question the DfE's use of this data even if it is the only data available. The different ways costs are accounted for make any use of median and quartile data for particular cost centres unhelpful and not a sound basis for a consultation and change in funding level.

- 1 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (up to £19 per pupil)?

Comments:

We already are so any further cuts would have a significantly detrimental effect to this area.

## **Statutory and regulatory duties**

- 2 a) Which statutory and regulatory duties require greater clarification or guidance?

Comments:

It would be helpful to have a greater level of clarity across all aspects. The DfE should

recognise that reductions in a particular funding stream such as ESG may in actual fact transfer the funding requirement as a budget pressure to another budget area if a local authority has already taken action to achieve efficiencies.

- 2 b) In addition to the methods set out in the case studies in Section 3.2, how else could local authorities fulfil statutory and regulatory duties more efficiently?

Comments:

No comment beyond the suggestions in the consultation document

- 2 c) What level of saving is it possible for local authorities to make on statutory and regulatory duties? If cost pressures on statutory and regulatory duties have changed recently, please describe below.

Comments:

Herefordshire has already created a back office independent provider of services to which significant cuts have been applied

- 2 d) Do you think that the Department needs to change its expectations of local authorities with regard to statutory and regulatory duties in order for savings to be realised? If so, how?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------



Comments:

Provide greater clarity on what the DfE expects to be covered at a school level

2 e) If your authority's expenditure is above the median (£48 per pupil) for this service, can you help us understand why this is?

Comments:

We are reviewing what has been coded to this area as the apportionment does not fully reflect the expectations in the consultation paper. For a sensible analysis the DfE must take account of economies of scale or the lack of for small LAs.

2 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£6<sup>1</sup> to £28)?

Comments:

Lack of economies of scale as described above. The national funding formula for schools recognises the issue of fixed costs for small schools. The same applies for small local authorities in terms of statutory and regulatory duties.

### **Education welfare services**

3 a) Why do you think there is such significant variation in spending on education welfare?

---

<sup>1</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

Comments:

Variation is due to different approaches taken to the discharging of statutory responsibilities, the charging for some services, and the use of other funding streams. Herefordshire has combined the functions of some aspects of education welfare with other services to achieve efficiencies. This then loses the ability to attribute costs in this way.

3 b) How do you think local authorities could provide this service more efficiently?

Comments:

By working with schools to be clear about respective responsibilities. However, the key emphasis in this area should be on how to improve pupil attendance and engagement as the primary driver rather than focusing primarily on finance.

3 c) What level of saving could your local authority make to education welfare? If cost pressures on education welfare have changed recently, please describe below.

Comments:

None, we have already reduced the spend in this area to a minimum and no longer have a separate education welfare service in terms of education welfare officers. Other local authorities could do carry out the same repositioning of education welfare to achieve savings.

3 d) Is further clarification or guidance from the Department needed about our expectations in respect of education welfare services? If so, why?

Yes

No

Not Sure

Comments:

3 e) If your authority's expenditure is above the median (£14 per pupil) for this service, can you help us understand why this is?

Comments:  
Not applicable

3 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (£0 to £9)?

Comments:  
Already delivered.

3 g) Do you agree that the duties required for this service are fulfilled by local authorities, and therefore should be covered by the local authority retained duties funding (set out in Section 6)? If not, which aspects do academies hold responsibility for and should therefore be paid for by the standard ESG rate?

<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<input type="checkbox"/> Not sure
-------------------------------------------	-----------------------------------	-----------------------------------

**Comments:**

In terms of tracking children missing from education, and safeguarding children in employment yes. However, the DfE is also suggesting that money for this area could be cut as well which is untenable given the cuts proposed to the ESG as well.

**Central support services**

4 a) Are there any reasons why local authority expenditure on central support services could not be significantly reduced, if not stopped altogether? Please give details below.

**Comments:**

Herefordshire has already stopped funding clothing grants, board and lodging grants, outdoor education including field studies, music services and visual and performing arts. The music service has been established as a social enterprise. Herefordshire is a high delegating local authority and spend in these areas are either covered directly through schools or via safeguarding services.

4 b) If you do not think this could be stopped altogether, how much of a saving could local authorities make to these services? If cost pressures on central support services have changed recently, please describe below.

**Comments:**

See above

4 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

Comments:

Not all local authorities will be coding the same activity to this area. There is significant variation between local authorities in this area, and this is down to local decision making through councils democratic processes. There is therefore a balance between what would in effect be DfE central direction in terms of the use of money, and local decision making.

4 d) If your authority's expenditure is above the median (£6 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable.

4 e) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£10 to £1)?

Comments:

Surely bigger fish to fry than this if the average spend is £1 per pupil!!

## Asset management

- 5 a) Which services are your local authority funding under the 'Asset Management' heading?

Comments:

=

Our asset management will be £40/pupil in 2014/15 m, which includes £35 of PFI- so a net £5 which is below national average.

- 5 b) Could your local authority join up asset management relating to education with asset management across all local authority services, if this is not already happening?

Yes

No

Not Sure

Comments:

Already have clear roles and responsibilities and achieved efficiencies. Still require key education knowledge. No evidence that there are savings to be made

- 5 c) Are there reasons why local authority expenditure on asset management, under the standard ESG rate, could not be significantly reduced if not stopped

altogether? If cost pressures on asset management have changed recently, please describe below.

Comments:

Already operating at minimum level.

5 d) If you do not think this could be stopped altogether, how much could local authorities save by delivering this service in a different way?

Comments:

Already funding at suggested minimum.

5 e) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
-------------------------------------	-----	--------------------------	----	--------------------------	----------

Comments:

Clarification required on apportionment of PFI costs.

5 f) If your authority's expenditure is above the median (£7 per pupil) for this service, can you help us understand why this is?

Comments:

Not applicable once PFI costs removed.

5 g) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£1<sup>2</sup> to £3)?

Comments:

See above.

### **Premature retirement costs/ redundancy costs (new provisions)**

---

<sup>2</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.



6 a) Are there any reasons why schools could not take financial responsibility for redundancies? Please give details below.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

Comments:

Difficult to see how schools in financial difficulty or deficit can bear the extra costs of meeting redundancies as this will push the school further into deficit. However , we realise this is the academy model so presumably the DfE already have evidence that this will work.

An extra hidden cost of redundancy is the local government pension fund actuarial strain of releasing pensions early for redundant staff over age 55.

6 b) If you are a local authority that is funding early retirement, why are you not requiring schools to do so?

Comments:

Herefordshire does not.

6 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

Falling rolls in schools requires a corresponding reduction of staff – avoidable and redundancies cost money.

Herefordshire has capped redundancy cost as set out in the DfE's consultation paper.

One of the statutory roles of the LA is to plan school re-organisations which will inevitably involve redundancy costs. Spend therefore will occur.

### Therapies and other health-related services

- 7 a) Given the high needs budget that local authorities have, and the improved joint working between health and education authorities which should result from the provisions within the Children and Families Bill, are there any reasons why funding for therapies and other health-related services should continue from ESG? If cost pressures on therapies and other health-related services have changed recently, please describe below.

Comments:

The Children and Families Bill has not addressed the longstanding issue of who pays for certain therapies (local authority and health) and it would be naïve to suggest that it has. Local authorities vary in terms of whether therapies are paid for or not out of ESG but any removal of ESG to pay for these therapies would either result in a cost shunt to other budget areas including the High Needs Budget, or a reduction in service. Health services are facing significant budget pressures which minimises their abilities to pick up costs of cuts elsewhere and can result in difficult relationship to address cost pressures across the whole.

- 7 b) Is there a need for further clarification or guidance from the Department about what local authorities are expected to provide in terms of therapies and other health-related services. If so, why?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

Comments:

Yes, because the Children and Families Act does not provide this. Has the DfE considered delegating some health budgets to schools and/or local authorities to purchase therapies?

- 7 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

The issue is one of coding and we suspect this is true nationally.

### **Monitoring National Curriculum assessment**

- 8 a) What level of savings could local authorities make to this service?

Comments:

Already operating at a minimum

- 8 b) If cost pressures on monitoring national curriculum have changed recently, please describe below.

Comments:

Not applicable

- 8 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

8 d) Given that some local authorities are charging for this service and not incurring any net expenditure, is this something your local authority could do? If not, please help us understand why.

Yes

No

Not Sure

Comments:

Will be explored.

**How the savings will affect academies**

9 a) What level of saving could your academy make by adopting some of the strategies we have set out in Section 5 of the consultation document?

Comments:

9 b) Can you provide any additional examples of methods that academies can use to increase value for money from the ESG funding?

Comments:

9 c) What would be the consequences of a less generous protection in 2015/16 for academies against losses in ESG than the protection offered in 2014/15?

Comments:

9 d) What would be the consequences of reducing the academies rate of ESG to the local authority rate in 2015/16?

Comments:

## The local authority retained duties funding

10 a) What further savings could your local authority make from:

- i) education welfare services;
- ii) asset management; and
- iii) statutory and regulatory duties

As covered by the local authorities retained duties funding?

If cost pressures on the local authority retained duties have changed recently, please describe below.

Comments:

Herefordshire has already significantly reduced spending on all three areas as detailed above, which has affected both the local authority retained duties funding and the ESG. This is also in a wider context of local authority cuts which have significantly affected children's services and in particular early intervention and youth services.

10 b) Is further clarification or guidance about these duties from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

**Please acknowledge this reply.**

E-mail address for acknowledgement: [cbaired@herefordshire.gov.uk](mailto:cbaired@herefordshire.gov.uk)

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
-----------------------------------------	-----------------------------

All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 19 June 2014

Send by post to: Emily Barbour, Funding Policy Unit, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT

Send by e-mail to: [esg.CONULTATION.education.gsi.gov.uk](mailto:esg.CONULTATION.education.gsi.gov.uk)



<b>MEETING:</b>	<b>HEREFORDSHIRE SCHOOLS FORUM</b>
<b>DATE:</b>	<b>16 MAY 2014</b>
<b>TITLE OF REPORT:</b>	<b>WORK PROGRAMME</b>
<b>REPORT BY:</b>	<b>GOVERNANCE SERVICES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consider the Forum's work programme.

### **Recommendation**

**THAT:** the Work Programme be noted, subject to any comments the Forum wishes to make.

#### **Herefordshire Schools Forum – Work Programme 2014/15**

<b>Friday 11 July 2014 – 9.30 am</b>
<ul style="list-style-type: none"> <li>• Whitecross Private Finance Initiative update</li> <li>• Report of Budget Working Group (Proposals for inclusion in Schools Consultation Paper)</li> <li>• High Needs Tariff Proposals</li> <li>• Outcome of DfE National Funding Formula Consultation Paper</li> <li>• Pupil Premium for Looked After Children</li> <li>• Workplan</li> <li>• Dates of Meetings</li> </ul>

---

Further information on the subject of this report is available from  
Tim Brown, Governance Services on (01432) 260239

<b>Friday 24 October 2014 - 9.30 am</b>
<ul style="list-style-type: none"> <li>• Election of Chairman/Vice-Chairman of Forum</li> <li>• Election of Chairman of Budget Working Group</li> <li>• Report of Budget Working Group (outcome of School budget 2015/16 consultation - approval of provisional National Funding Formula values)</li> <li>• Capital Investment 2014/15 Update</li> <li>• Workplan</li> <li>• Dates of Meetings</li> </ul>
<b>Friday 5 December 2014 - 9.30 am</b>
<ul style="list-style-type: none"> <li>• PRU Funding – adoption of high needs tariff model for PRUs in 2015/16</li> <li>• Workplan</li> <li>• Dates of Meetings</li> </ul>
<b>Monday 19 January 2015 – 2.00pm</b>
<ul style="list-style-type: none"> <li>• Dedicated Schools Grant settlement and proposed schools budget 2015/16</li> <li>• Capital Investment Programme Principles 2015/16</li> <li>• Workplan</li> <li>• Dates of Meetings</li> </ul>
<b>Friday 13 March 2015 - 9.30 am</b>
<ul style="list-style-type: none"> <li>• Workplan</li> <li>• Dates of Meetings</li> </ul>

## **Background Papers**

- None identified.