

**READING BOROUGH COUNCIL**  
**REPORT BY FINANCIAL SERVICES**

<b>TO:</b>	<b>READING SCHOOLS FORUM</b>		
<b>DATE:</b>	<b>15 JANUARY 2015</b>	<b>AGENDA ITEM:</b>	<b>7</b>
<b>TITLE:</b>	<b>CENTRAL EXPENDITURE AND DE-DELEGATION</b>		
<b>SERVICE:</b>	<b>EDUCATION &amp; CHILDREN'S SERVICES</b>	<b>WARDS:</b>	<b>ALL</b>
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**1. PURPOSE AND SUMMARY OF REPORT**

- 1.1 The report identifies the key decisions for Schools Forum on centrally retained expenditure and on de-delegations and provides the background information to allow these decisions to be taken.
- 1.2 This decisions were consulted upon at the last meeting and the report largely reflects the discussion at the last meeting.

**2. RECOMMENDED ACTION FOR SCHOOLS FORUM**

- 2.1 **DECISION FOR ALL SCHOOLS FORUM:** To approve the continued central retentions in Section 4 of the report (advice will be given line by line on which retentions require approval)
- 2.2 **DECISION FOR MAINTAINED SCHOOLS FORUM REPRESENTATIVES BY PHASE:** To de-delegate line by line the de-delegations in Section 5 of the report.

## CENTRAL EXPENDITURE AND DE-DELEGATIONS

### 3 CENTRALLY RETAINED EXPENDITURE 2015-16

- 3.1 The only areas of centrally retained expenditure funded by the Schools Block which can be increased are for equal pay and growth fund. An update on these areas in the following paragraphs.

#### *Equal Pay Claims*

- 3.2 At present the Schools Budget makes an annual contribution to an equal pay provision for Schools of £0.55m pa. Presently by the end of this current financial year there will be a £0.95m provision in place to meet any liabilities associated with schools, including academies. At present the total liabilities associated with schools are estimated to be £1.5m based upon current information. Therefore a further year of this £0.55m contribution is required to ensure that the full liability can be met. Therefore we do not propose to increase the annual provision from the present level.

#### *Growth Fund*

- 3.3 We have included at Appendix 1 to this report the anticipated Growth Fund in 2015/16 flowing from the previous year's decisions. The cost of this in 2015/16 is £1,027k, the same as 2014/15. As well as school expansions, this also includes provisions for various contingencies including infant class sizes, free schools and exceptional circumstances. In addition, we have also made some provision for schools with falling rolls as funding can be retained centrally for falling rolls where a population bulge is expected in the future but where a good and necessary school or academy currently has surplus places and faces an unmanageable funding shortfall in the short term.

#### *Early Years Centrally Retained Expenditure*

- 3.4 The decision regarding additional central retention is included in the early years block report which is a separate report at this meeting.

### 4 RESIDUAL CENTRALLY RETAINED EXPENDITURE 2015-16

- 4.1 Following the issues identified above and the recommendations contained in Richard Tyndall's report (which was re-circulated prior to the December meeting), the Schools Forum (including Academy Members) is asked to approve the following areas of central expenditure in 2015/65 line by line. All expenditure is in line with prior year approved levels unless otherwise stated.

Growth Fund (schools block) - £1,027k (as noted in para 3.3 above)

Historic Liabilities (all blocks)

## CENTRAL EXPENDITURE AND DE-DELEGATIONS

- Equal Pay Claims - £550k (as noted in para 3.2 above)
- Prudential Borrowing - £50k
- Termination of Employment Cost - £25k
- Copyright Licensing Agreement and Music Publishers Association (further detail is given at Appendix 2) - £80k (although it should be noted that this amount is determined by EFA and no specific approval is required by Schools Forum)

### Statutory Costs (all blocks)

- Admissions - £109k
- Servicing Schools Forum - £20k

### Combined Services (schools block only)

- Children's Social Care - £275k
- Children's Action Teams - £224k (as endorsed by the Tyndall report)
- School Improvement - £116k
- Commissioning Support - £15k

### Other (all blocks)

- Schools Kitchens (Capital from Revenue) - £197k. While there was a large investment in kitchens during the summer of 2014, this was related to expansion for infant meals. This budget could reduce to £150k in reflection of what is planned to do next, however regulations prevent the future increase of this line and a reduction may present future risks.

## 5 DE-DELEGATIONS 2015-16

5.1 Following the Tyndall report to Schools Forum (as circulated prior to the December meeting) and the matters raised at the October & December 2014 meeting, maintained Schools Forum Members (by phase) are asked to vote to de-delegate the following areas:

- *Existing:* Behaviour Services - When the Tyndall report was written it was asserted that such was the value of the service that "we need not fear for its presence". That is not proven to be true as in the last financial year, when the de-delegation halved, the optional purchases were negligible. In 2011 when schools didn't buy on the pay as you go basis, there was no service used and the level of exclusion and poor behaviour rocketed. We know the pressure on the High Needs block is growing as the apparent rate of more challenging behaviour increases for all schools. If the Forum do not agree a continued de-delegation, the service will offer an insurance-based buyback. If the level of commitment does not meet the current funding level of £135k

## CENTRAL EXPENDITURE AND DE-DELEGATIONS

required for an emergency intervention service then the service will cease and all schools will have to make individual provision for the services. At the last meeting the consensus was to continue to support the de-delegation for a further year given the importance of the service and for consideration to be given to a further de-delegation from 2016-17 by the group being set up on high needs funding matters.

- *Existing:* Support for EAL and Underachieving Groups - The funding provides the core service elements of:
  1. advice, guidance and central training on issues relating to equality, languages and achievement
  2. first language assessments for any bilingual pupil where learning difficulties are suspected
  3. up to 10 hours first language support from community language assistant and 10 hours teaching support for any newly enrolled beginner in English

The £85k represents just 4% of the EAL budget delegated to maintained schools via the funding formula. An additional “insurance based” SLA will need to be supported to the same budget level for the service to be continued in any form. Given success in raising standards for EAL pupils in recent years, it is strongly recommended that this service has to be maintained as a Reading-wide resource and a de-delegation is a certain way to achieve that continuity and success.

- *New:* School Improvement - £250k de-delegation. The Education Support Grant (ESG) paid to the local authority for 2015-16 has fallen by £400k. The Local Authority has asked Education to find budget reductions of £183k, with the remainder being prioritised from other council funding. In 2014-15, £132k of LA money was added to the existing “schools causing concern” £116k centrally retained (see 5.1 above) and all of the £248k has been spend to improve standards in maintained schools requiring support.
- *New:* Schools in Financial Difficulty - £50k de-delegation. When the local authority has issued a formal warning notice, removed delegated powers or replaced a governing body it is often the case that the school is already in a parlous state. The interim measures that have to be taken often incur further, one off costs to correct position for the future. These one-off exceptional costs (not including debts amassed prior to intervention) then add additional burden to the school.

5.2 We also ask for Maintained Schools Forum Members (by phase) to vote to de-delegate the following in line with previous years:

- *Existing:* Union Facilities Agreement - £51k (this includes funding for union staff and cover for union representatives in schools)

## CENTRAL EXPENDITURE AND DE-DELEGATIONS

### Appendix 1 - Growth Fund

#### Expanding school allocations 2015-16

School Name	Expanding/bulge class	Funded number of children	Year group(s) as @ Sept 15	In-year allocation
Katesgrove	Expanding	30	Yr 5	56,459
Wilson	Expanding	30	Yr 5	56,459
St Johns	Expanding	22	Yr 4	41,403
Alfred Sutton	Expanding	30	Yr 3	56,459
St Michaels	Expanding	30	Yr 3	56,459
Geoffrey Field Infant	Expanding	20	Yr 3	37,639
New Town	Expanding	30	Yr 3	56,459
Southcote	Expanding	30	Yr 2	56,459
EP Collier	Expanding	30	Yr 2	56,459
The Ridgeway	Expanding	30	Yr 2	56,459
St Martins	Expanding	6	Yr 2	11,292
Churchend	Expanding	30	Yr 1	96,787
Micklands	Bulge 1 <sup>st</sup>	30	Yr 2	56,459
Coley	Bulge 2 <sup>nd</sup>	30	Yr 1	56,459
The Hill	Bulge 2 <sup>nd</sup>	30	Yr 1	56,459
Micklands	Bulge 2 <sup>nd</sup>	30	Yr R	56,459
		<b>378</b>		<b>808,170</b>

Contingency		90,830
Falling Rolls Fund		78,000
Infant Size Class funding	Estimated	50,000

**Total Growth Fund** **1,027,000**

NB: Churchend amount is more as funded for a longer period given academies funded on an academic year basis plus some additional funds to ensure that schools are funded equally (same per pupil per school day)

## CENTRAL EXPENDITURE AND DE-DELEGATIONS

### Appendix 2

#### National copyright licences

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

- Christian Copyright Licensing International (CCLI) **(new for 2015 to 2016)**;
- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- Filmbank Distributors Ltd. (for the PVSL);
- Mechanical Copyright Protection Society (MCPS) **(new for 2015 to 2016)**;
- Motion Picture Licensing Company (MPLC);
- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS) **(new for 2015 to 2016)**;
- Phonographic Performance Limited (PPL) **(new for 2015 to 2016)**;
- Schools Printed Music Licence (SPML).

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

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