

**CONSULTATION ON DE-DELEGATION FOR CORE EDUCATION SUPPORT SERVICES IN 2018/19**

*Report of the Director of Children's Services*

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**1. Purpose**

- 1.1 To present the results of the consultation with Maintained Schools on the de-delegation of maintained school budgets for core education support services in order for Forum to make an informed decision on the proposal.

**2. Recommendations**

- 2.1 That Forum agrees:

**Financial Arrangements for HfL Core Contract**

- i) The proposal for maintained schools to contribute **£25 per pupil in 2018/19** to enable the continuation of the core HfL contract, specifically to support those elements of the contract which relate to the Council's duties towards maintained schools. This contribution will be accounted for as follows:

De-delegation of £20 per pupil for School Improvement;

***(Voting by phase, maintained primary and secondary schools only)***

- (ii) Central Retention of £5 per pupil to cover the statutory duties previously funded through the ESG.

That each Special School and ESC pupil (place) is weighted for the purposes of this recommendation as equivalent to 5 mainstream pupils;

***(Voting by all maintained schools together including Special and ESCs).***

- (iii) The principle that the arrangements proposed are for two years, and that no further consultation is anticipated for 2019/20. ***(Voting by all maintained schools together including Special and ESCs).***

- ii) To note the financial model set out in para 3.8, as agreed by Forum in September, and formally agree the contributions of funding from the different sources set out in that model. ***(All members of Forum)***.

### **De-delegation for Senior Education Manager**

- v) The proposal for maintained schools to contribute £1 per pupil in 2018/19 in relation to management and advisory services provided by HCC Childrens Services ***(Voting by phase, maintained schools only)***.

### **3. Background**

- 3.1 Herts for Learning Ltd (HfL) is an education company providing and trading a wide range school improvement and business services to schools and educational settings. The company also has a core contract with Hertfordshire County Council (HCC) to deliver some of its statutory education functions, which include school improvement services. These services are at the heart of HCC's offer to maintained schools. HfL is 80% owned by the schools it serves and operates on a not-for-profit ethos, the aim of which is that all surplus above the required reserves level is reinvested back into products and services delivered to schools.
- 3.2 Since its inception in 2013, HfL has partnered and worked with HCC, schools and head-teachers to raise the overall attainment scores across the county, in order that the children of Hertfordshire have access to a great education – regardless of where they are born or their circumstances. From 2013 to 2017 the percentage of Good/Outstanding schools in Hertfordshire has risen year-on-year.
- 3.3 As part of DfE's continuing programme of savings, Education Services Grant (ESG) has been cut. The cut has been staged over two years with a transitional grant received in 2017/18 for 5/12ths of the funding provided to LAs to fulfil their duties in relation to standards, quality of education and education management. Recognising that in order to continue maintaining schools, there are a range of activities which Councils must undertake in relation to these duties the DfE made arrangements to allow LAs to provide the services through de-delegation.

## De-Delegation Proposals

- 3.4 In the light of the benefits to schools, efficiencies of and greater likelihood of preserving the quality of services that the HfL core contract enables, Forum agreed a package of funding in 2017/18 which, with HCCs contribution from the residual ESG, allowed the continuation of current HfL services. This decision was supported by a consultation exercise with maintained schools round the de-delegation of funding for services directed specifically to them.
- 3.5 The residual element of ESG will be withdrawn in 2018/19. Recognising that the financial model that Forum agreed in 2016/17 would need to be adapted to this further cut, a series of meetings with schools' representatives round what level of de-delegation would be a suitable basis for consultation with schools for 18/19 took place prior to the Forum meeting in September 2017.
- 3.6 At the September 2017 meeting Forum agreed in principle a financial model to enable the core contract to continue, predicated on an increased contribution from maintained schools. Given the financial impact of the proposals, Forum agreed that the LA should consult on a proposal for de-delegation of funding for 2018/19 as follows:
- (i) £20 per pupil in relation to School Improvement services provided by HfL
  - (ii) £5 per pupil in relation to other services required to support maintained schools provided by HfL
  - (iii) That each Special School and ESC pupil (place) is weighted for the purposes of recommendation (ii) as equivalent to 5 mainstream pupils<sup>1</sup>;
  - (iv) £1 per pupil in relation to management and advisory services provided by HCC Childrens Services

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<sup>1</sup> School Improvement de-delegation cannot include special schools. However, special school and ESC pupils/places can be weighted more highly to enable parity in funding for services provided to all maintained schools.

## The Financial Model

- 3.7 Forum voted to support the funding assumptions on which the proposals were predicated in September 2017. These were:

£000's	Value	Equivalent per pupil
Central Services Block DSG	836	n/a
Early Years DSG	250	n/a
High Level Needs DSG	285	n/a
De-delegated funding	2375	£25
<b>TOTAL</b>	<b>3746</b>	

- 3.8 The model now requires formal agreement from all Forum members. It should be noted that Forum is expected to take the final, comprehensive decision on uses of Early Years DSG early next year, but at this stage we are requesting an agreement in principle to the use of £250,000 for the above purpose so as to contribute to a coherent overall funding package for the HfL contract.

## 4. The Consultation

- 4.1 A consultation ran from to the 16<sup>th</sup> October to 17<sup>th</sup> November by phase on the Hertfordshire Grid for Learning. All maintained school Headteachers and Chairs of Governors were informed about the consultation by email with a reminder email sent at the mid-way point. The consultation made clear that the proposal of £25 per pupil would be extended to 2019/20. The principle of the consultation was therefore a two year arrangement. We would not expect to undertake a further consultation in 2018/19 in respect of 2019/20.
- 4.2 Given that arrangements per phase have varied in previous years, each phase was consulted individually given the need to ensure clarity on proposed changes to existing arrangements. Whilst the background document detailing current arrangements varies slightly by phase, maintained schools from all phases were asked the same three following questions:
1. Do you support the principle that HCC should continue to support schools to remain as Maintained if they wish to do so?

2. Do you support the proposal to de-delegate £25 per pupil for school improvement and other support provided by HfL to allow this to happen?
3. Do you support the proposal to de-delegate £1 per pupil to cover the costs of education leadership and management in relation to Maintained Schools?

Special schools and ESCs were additionally asked:

4. Do you agree that to give effect to this for these purposes a special school/PRU place should be weighted as equivalent to 5 mainstream school pupils, that de-delegation should be £5 per weighted pupil and thus total de-delegation would be £25 per pupil/place (£5 x 5)
- 4.3 The level of response was high relative to previous financial consultations with a total of 179 responses from 161 maintained schools (both the Head and the Chair responded for 18 schools). In all but 5 schools the vote was consistent between Head and Chair of Governors and therefore only one vote has been counted per school. In the cases where the Chair and Head voted differently, the votes were split and a ½ vote counted to make a whole vote per school.
- 4.4 In total across all maintained schools, 98% of respondents answered “yes” to supporting the principle that HCC should continue to support schools to remain as Maintained; 75% supported the proposal to de-delegate £25 per pupil for school improvement and other support provided by HfL to allow this to happen and 76% to de-delegate £1 per pupil to cover the costs of education leadership and management in relation to Maintained Schools.
- 4.4 Voting by phase was as follows:

Q1. Do you support the principle that HCC should continue to support schools to remain as Maintained if they wish to do so?

	Yes	No
Primary	98% (131)	2% (2)
Secondary	100% (17)	0% (0)
Special and ESC	82% (9)	18% (2)

Q2. Do you support the proposal to de-delegate £25 per pupil for school improvement and other support provided by HfL to allow this to happen?

	Yes	No
Primary	76% (101)	24% (32)
Secondary	72% (12)	28% (5)
Special and ESC	73% (8)	27% (3)

Q3. Do you support the proposal to de-delegate £1 per pupil to cover the costs of education leadership and management in relation to Maintained Schools		
	Yes	No
Primary	78% (103.5)	22% (29.5)
Secondary	65% (11)	35% (6)
Special and ESC	64% (7)	36% (4)

Q4. Do you agree that to give effect to this for these purposes a special school/PRU place should be weighted as equivalent to 5 mainstream school pupils, that de-delegation should be £5 per weighted pupil and thus total de-delegation would be £25 per pupil/place (£5 x 5)		
	Yes	No
Special and ESC	72% (8)	28% (3)

- 4.5 The consultation allowed for comments. It should be noted that a significantly higher proportion of respondents that answered yes to the questions skipped the comments than those answering no. The comments were not necessarily representative of the views of respondents therefore. Nevertheless, a selection of the range of comments left is detailed below:

“This will affect our budgets but if it means that we continue to receive fantastic support from HfL then I am in agreement of the increase. With our Ofsted call looming, it has been a comfort to know that HfL and the TLA and HIP have been supporting us continue to develop and improve.”

“Our budget is very squeezed, however we support this proposal because we value the services HfL provide and see the importance of supporting schools that wish to remain maintained.”

“I would be concerned if this amount keeps increasing year on year, this really is at the limit of what we can afford.”

“We agree to the above reluctantly, but value the service we receive”

“As long as this applies to maintained schools and that there will be an appropriate charge should an academy require any of the L&M support.”

“Secondary heads in Herts have always worked collaboratively. The establishment of our schools company was a clear example of this in practice. It would be a backward step for us to lose this significant support at this time.”

“this de-delegation covers statutory duties which the LA HAVE to perform, this proposal is a way of passing council cuts onto Schools. An informed decision is impossible to be made when most schools are assuming 0.5% increase after the NFF announcements but in reality will not see this money”

“I fully support this approach and have expressed my views on this at the SSHF this month. Without HCC support my school would not be where it is now. Thank you.”

## 5. De-delegation Benchmarking Data

- 5.1 In the September 2017 Forum meeting, national benchmarking data for 2017/18 had yet to be released but has since been published. The data evidences that Hertfordshire County Council services for maintained schools are highly decentralised and de-delegation is sought for few services and is lower than both national and regional averages.

<b>ENGLAND - Average (mean)</b>		<b>£34</b>
<b>ENGLAND - Average (median)</b>		<b>£31</b>
<b>ENGLAND - Maximum</b>		<b>£169</b>
<b>ENGLAND - Minimum</b>		<b>£0</b>
	Hertfordshire	<b>£15</b>
	Buckinghamshire	<b>£23</b>
	Cambridgeshire	<b>£50</b>
	Essex	<b>£51</b>
	Norfolk	<b>£38</b>
	Suffolk	<b>£28</b>

- 5.2 The financial pressures that schools are facing are clear. However, both HCC and HfL believe that the core contract is the most cost effective way of delivering the services proposed. It was evident in talking to other Councils over the summer that the situation in Hertfordshire is unique and significant economies of scale are able to be realised through using HfL to deliver school improvement and other educational management services via the core contract.

## 6. Proposed Next Steps

The recommendations of this paper as listed in Section 2. If agreed by maintained schools, then a clear communication strategy will be needed to inform schools of arrangements and timeframes for de-delegation. An initial communication will be sent by HCC following Forum’s decision and a reminder ahead of the budget setting process that maintained schools need to budget for an increase.

If Forum agrees the proposal for maintained schools to contribute £1 per pupil in 2018/19 in relation to management and advisory services provided by HCC Childrens Services, then it is expected that the process of recruitment to appoint a

Lead Education Officer will begin immediately. To ensure transparency, the maintained Forum representatives from all phases will be consulted on the specific details of the proposed role.

## **7. Conclusions and recommendations**

- 7.1 Forum is recommended to support the proposals set out in this report and the recommendations listed in Section 2.