

PROPOSALS FOR DE-DELEGATION

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 a formal decision. In addition, to seek approval for the proposed 2020-21 other de-delegated budgets.

2. Summary

- 2.1 This paper provides information on the consultation on proposals for the de-delegation of funding by maintained schools for 2020/21 and the principle that this is a three year agreement for 2020/21, 2021/22 and 2022/23, with an expectation that the 2019/20 level of services will continue to be provided for these three years.
- 2.2 In addition this paper provides information on other de-delegated budgets which need to be approved.

3. Recommendations

That Forum agrees:

Financial Arrangements for HfL Core Contract

- i) The proposal for maintained schools to contribute £25.50 per pupil in 2020/21 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:

- (a) De-delegation of £20.50 per pupil for School Improvement;

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

- (b) Central Retention of £5 per pupil to cover other activities

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

- (c) 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).

- ii) The principle that the arrangements proposed are for three years, and that with an expectation that the 2019/20 level of services will continue to be provided for the following three years.

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

Other de-delegation:

Maintained mainstream school members are also asked to agree the recommendations below with each phase voting separately:

- iii) That rates of de-delegation per pupil remain at 2019/20 levels for the following items:
- Determining Free School Meal (FSM) eligibility
 - Trade Union facilities time.

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

- iv) That the 2020/21 contingency support for reorganizing schools and schools facing financial difficulty continues at the reduced rate of 80p per pupil.

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

4. Background to the de-delegation consultation

- 4.1 At the September 2019 meeting Forum agreed in principle a financial model to enable the HCC/HFL core contract for additional services that Hertfordshire County Council will provide for maintained schools. These additional services enhance the statutory education services that HCC funds and their purpose is to help, and support Hertfordshire schools deliver the best education they can for their pupils. At that meeting Forum agreed the contributions made from centrally-retained funding, and agreed to consult on de-delegation.

4.2 The financial model is as follows:

£000's	2020/21	2019/20
Central Services Block DSG	853	836
Early Years DSG	255	250
High Level Needs DSG	291	285
De-delegated funding	2346	2375
HCC funding	306	300
TOTAL	4051	4046

5. The consultation

5.1 A consultation ran from **Friday 27th September 2019** to **Friday 1st November 2019** by phase on the Hertfordshire Grid for Learning. All maintained school Headteachers and Chairs of Governors were informed about the consultation by email on 27th September with reminder emails sent out on 16th October and 23rd October.

5.2 As a part of this consultation, we also asked schools for an indication of support not just for next year, but for the following two years. This would be subject to annual review and confirmation.

5.3 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 two following questions:

Q.1 Do you support the proposal to de-delegate £25.50 per pupil (£25.00 per pupil/place for ESCs and special schools) to cover the additional services that HfL will provide on behalf of HCC to help and support Hertfordshire maintained schools?

Q2. Do you agree in principle to support a similar funding package for 2021/22 and 2022/23 including increases annually linked to inflation, provided that school budgets on average increase at a faster rate?

5.4 There were a total of 111 responses from 101 maintained schools (both the Head and the Chair responded for 10 schools). This is a reduction from 161 maintained schools in 2017 but the votes are more positive.

Table 1:

	Total responses	Percentage responding 'yes' to de-delegation total £25 in 2017 and £25.50 in 2019
Primary 2017	133	76%
Primary 2019	83	87%
Secondary 2017	17	72%
Secondary 2019	11	91%
Special/ESC 2017	11	73%
Special/ESC 2019*	7	86%

*NB For the special/ESCs we will keep the de-delegation total as £25 per pupil for 2020-21.

- 5.5 In all but 3 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.
- 5.6 Voting by phase was as follows:

Q.1 Do you support the proposal to de-delegate £25.50 per pupil to cover the additional services that HfL will provide on behalf of HCC to help and support Hertfordshire maintained schools?		
	Yes	No
Primary	87% (72.5)	13% (10.5)
Secondary	91% (10)	9% (1)
ESC/Special	86% (6)	14% (1)

Q.2 Do you agree in principle to support a similar funding package for 2021/22 and 2022/23 including increases annually linked to inflation, provided that school budgets on average increase at a faster rate?		
	Yes	No
Primary	89% (73.5)	11% (9.5)
Secondary	82% (9)	18% (2)
ESC/Special	71% (5)	29% (2)

- 5.7 The consultation allowed for comments. It should be noted that a 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 is detailed in Appendix A.

6. Background to other de-delegated budgets

- 6.1 In 2019/20 maintained schools agreed a number of de-delegations as described below. We are proposing to keep each of these the same.

6.2 The net impact of demography is expected to broadly cancel out the impact of schools converting to academy status.

Contingency support for reorganizing schools and schools facing financial difficulty

6.3 Forum agreed in November 2017 to reduce the cost per pupil of contingency support for re-organizing schools and schools facing financial difficulty to £0.80p per pupil, (a reduction of £1.20 per pupil). We propose to maintain this reduced rate to schools for 2020/21, providing £62,000 for the primary phase and £11,000 for the secondary phase.

Phase	2019/20 de-delegated amount per pupil	Proposed 2020/21 de-delegated amount per pupil
Primary	£0.80	£0.80
Secondary	£0.80	£0.80

Free School Meals

6.4 It remains necessary for schools to determine the eligibility of infants to claim Pupil Premium Grant and deprivation funding in the budget share. The proposed de-delegated budget remains at £5 per pupil, providing £50,000.

Phase	2019/20 de-delegated amount per pupil	Proposed 2020/21 de-delegated amount per pupil
Primary	£5.00	£5.00
Secondary	£5.00	£5.00

Trade Union Facilities Time

6.5 All parties continue to consider that the current arrangement for Trade union Facilities time remain successful. Continuing to recognize the financial pressures that schools are under it is proposed that the level of de-delegation remains unchanged providing £109,000. The reality of this arrangement is that if it were not in place the individual costs per school would be higher.

Phase	2019/20 de-delegated amount per pupil	Proposed 2020/21 de-delegated amount per pupil
Primary	£1.20	£1.20
Secondary	£1.20	£1.20

7. Proposed Next Steps

7.1 The recommendations of this paper are listed in Section 3. 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.

8. Conclusions and recommendations

- 8.1 Forum is recommended to support the proposals set out in this report and the recommendations listed in Section 3.

Appendix A: Comments from the De-delegated Consultation

In response to Question 1:

Do you support the proposal to de-delegate £25.50 per pupil (£25.00 per pupil for ESCs and special schools) to cover the additional services that HfL will provide on behalf of HCC to help and support Hertfordshire maintained schools?

"I do support the proposal as I value the work that is completed by HfL but as a small school it is difficult to fund".

"I find the services provided by Herts for Learning invaluable and see the increase of 50p per child going forward into 2020/2021 good value for money".

"This is excellent value for money over 3 years and HfL are a highly focused, professional organisation who are championing high quality outcomes in schools".

"The school values the services of HfL and wishes those services to continue".

"As much as we value the fantastic support available at HfL, the budget we have now means that we are unable to use many of the extra services. Any de-delegation of funds would put us in a critical financial situation. We are already attending a workshop for sustainability (free thankfully)".

"Until the funding increases are guaranteed and received we should not be asked to pay even further for HFL services that we already pay a per service fee for in addition to the top slicing by HCC".

"I wish you would NOT keep comparing the HCC 'slice' with those of a typical MAT... MATs that charge 5% or whatever often provide financial services, ICT support, HR, and legal, not to mention a CEO and possibly other central staff. It is not only misleading but wrong to compare the HCC % with those that a MAT might take".

"As a school we purchase many of the services from HFL and spend a considerable amount with them each year. HCC appear to be handing over more and more of the support for maintained schools to HFL which was previously free. Therefore we are concerned that our costs are going to continue to increase in the future and at some point this could be unsustainable".

"The governing body discussed fully the Primary de-delegation proposal at their FGB - 03.10.19. They are in agreement with the Headteacher that the School Improvement Services, provided by HfL, via de-delegated funds are excellent quality and good value for money".

In response to Question 2:

Do you agree in principle to support a similar funding package for 2021/22 and 2022/23 including increases annually linked to inflation, provided that school budgets on average increase at a faster rate?

"I support a similar funding package going forward but, again, I think the figure has to be realistic and maybe on a sliding scale depending on the PAN of each school. Am concerned about linking it to inflation since if we have high inflation schools will surely be having to pay more for other resources and are then less likely to be able to afford such an increase".

"At this moment in time I would agree in principle, but I would hope that there would be another consultation around the same time next year, when we know a more accurate picture of the school's finances".

"Broadly in favour but could do with more detail being published at a later time. Presumably "inflation" mean CPI and not CPIH, RPI or RPIx ? When would this be benchmarked (i.e. publishing month)? What is meant by "average increase" etc".

"Yes but only if budgets increase at a faster rate".

"If the increase is similar to previous years then there would be no question that we would support it".

"Yes, in principle, however the amount de-delegated is creeping up, year on year, and I would want to make sure we never subsidise statutory service obligations from County".

"As our school is really struggling with financial commitments, we value every last penny and are getting to the stage where the de-delegated sum is becoming unsustainable".