Agenda Item 7

Rep 715

DERBYSHIRE COUNTY COUNCIL

SCHOOLS FORUM

6th November 2017

Report of the Strategic Director for Children’s Services

De-Delegation of Funding 2018-19: Responses to Consultation

1. Purpose of the Report

To seek decisions from school representatives on the Schools Forum in relation to the de-delegation (re-pooling) of funds for 2018-19.

2. Information and Analysis

On 8th September 2017 the LA wrote to mainstream primary and secondary schools asking them to give their views on whether or not a range of budgets should be de-delegated for 2018-19. The proforma response form which schools were asked to complete is attached as Appendix 1. Schools were asked to e-mail their views on or before Friday 20th October 2017.

Since April 2013 the Schools Forum has agreed to de-delegate primary and secondary schools’ funding in respect of a range of services, such funding then being administered centrally on behalf of all contributor schools. De-delegation only applies to mainstream primary and secondary schools, other schools and academies are excluded from this process by regulation and have to make their own arrangements to cover the relevant responsibilities. Approval to de-delegate funding for each sector is a matter for each sector’s school representatives on the Schools Forum; the letter and proforma canvassing schools’ views is designed to help relevant Forum members reach their decisions on this issue.

The letter to schools explained that some of the indicative rates for 2018-19 were likely to be higher than for the current year to reflect the higher level of cost that these funds are experiencing. In the case of insurance and contingency funds, the rates have not increased since de-delegation commenced in 2013-14. Funding for redundancy costs was top-sliced from schools’ budgets for the first time in 2017-18 and the relevant fund will be significantly over-committed this year. Whilst this shortfall can be met from accumulated de-delegated balances from previous years, the rate for 2018-19 needs to be increased if this scheme is to remain viable

The final de-delegation rates will be determined by the Authority as part of the 2018-19 budget setting process but are unlikely to vary significantly from the figures shown on the response form.

The results of the consultation are shown in the table overleaf (% figures for each service represents the percentage of the respondents in favour of de-delegation):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | No. of Responses | Conting-encies | Ins’ce | Library & Museums | Maternity |
| Primary respondents supporting de-delegation (of 312) | 110 (35.3%) | 96.4% | 98.2% | 60.9% | 98.2% |
| Secondary respondents supporting de-delegation (of 22) | 13 (36.4%) | 62.5% | 100.0% |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | No. of Responses | Trade Unions | Public Duties | School Improvement | Redund ancy |
| Primary respondents supporting de-delegation (of 312) | 110 (35.3%) | 77.3% | 97.3% | 82.7% | 95.5% |
| Secondary respondents supporting de-delegation (of 22) | 8  (36.4%) | 62.5% |  | 87.5% | 87.5% |

There are two charges which the Authority proposes that the redundancy pool will pick up from April 2018. The first is the cost of settlement agreements. At present, where there is a dispute between an employer and an employee - as long as there is no fraud, undue influence or “unambiguous impropriety” - they can enter into discussions on a “without prejudice” basis with a view to terminating the employment relationship. In Derbyshire this happens on a very limited basis but is sometimes seen as a better route to a positive outcome for all parties and avoids the costs of a redundancy and/or an employment tribunal.

The second change is in respect of the buy-out of hours. One of the measures to minimise redundancies is to reduce workforce costs by giving employees an opportunity to reduce their contractual hours. Where agreed, a one off payment will be made to facilitate the reduction in hours alongside a signed variation to the employee’s contract. Hours will be bought out on an indefinite basis and the payment must be repaid in full if the employee leaves the Council within six months.

In the appropriate circumstances this approach can provide a school with the required cost reductions whilst still allowing staff to remain in employment.

Both of these changes are not expected to materially change the overall costs met by the redundancy fund as they are intended to replace the costs of formal redundancies.

A further potential structural change would be to allow nursery schools access to the insurance, maternity, public duties and trade unions pools. The Early Years consultation proposes that nursery schools be required to meet these costs from their delegated budgets from April 2018. In order to ensure that this change does not place an unreasonable burden on these schools it is proposed that each school is offered the chance to be included in the primary sector re-pooling arrangements, subject to the payment of an appropriate premium. Each school will have to make their own decision on this matter as there is no provision in the regulations for the Forum to take a decision on behalf of all nursery schools.

Approval of the Schools Forum to their inclusion in the re-pooling arrangements, subject to the outcome of the current Early Years consultation, is requested.

In view of the responses from schools, it is recommended that funding for all of the above services be de-delegated for 2018-19 for mainstream primary and secondary schools. Ultimately, mainstream school representatives need to determine the arrangements for their sector for 2018-19. If the decisions are to re-pool funding, the Council would have to formally agree to this arrangement.

3. Other Considerations In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.

4. Background Papers

Letter to schools published 8th September 2017 and the responses from schools held in Children’s Services Finance.

5. Strategic Director’s Recommendations

1. That, in view of the responses from schools, primary and secondary school Forum representatives agree to de-delegate the budgets in Appendix 1 for 2018-19 for their sector;
2. That the Schools Forum seeks the Council’s approval to the arrangements arising from (i);
3. Notes that the costs of settlement agreements and buy out of hours will be charged to the re-pooled redundancy fund from April 2018; and
4. That, subject to the outcome of the Early Years consultation, nursery schools that wish to are allowed to join the re-pooling arrangements as described above.

**Jane Parfrement**

**Strategic Director for Children’s Services**

**Response Form: De-delegated (Re-pooled)/Top-sliced Funding 2018-19**

**(Primary and Secondary Schools only)**

***Please return your school’s completed form to*** [***schoolfunding@derbyshire.gov.uk***](mailto:schoolfunding@derbyshire.gov.uk)

***by 20th October 2017***

**School Name:**       **DfE No:**

**Name of Person Completing Form**:       **Position within School:**

**Contact email:**     

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Primary** |  | **2018-19**  **Indicative Value**  **£** | **Narrative** | **De-delegate/**  **(Re-pool)**  **Yes or No?** |
| Contingencies | AWPU | 9.00 | e.g. schools in financial difficulty, exceptional unforeseen costs which are unreasonable  for a GB to meet | Please select. |
| Insurance | AWPU | 20.64 | Includes premises, cash in transit, public liability and employers’ liability | Please select. |
| Library & Museum Services | AWPU | 1.41 | Learning and teaching experiences to support all curriculum areas, creative learning needs and early years; predominantly used by nursery, primary and special schools | Please select. |
| Lump Sum | 219.22 |
| Staff Costs: Maternity | AWPU | 17.41 | Cover costs for staff on maternity, paternity or adoption leave | Please select. |
| Staff Costs: Public Duties | AWPU | 0.09 | Cover costs for staff on jury service. | Please select. |
| Staff Costs: Trade Unions | AWPU | 3.48 | Cover costs for staff undertaking approved union duties | Please select. |
| School Improvement | Lump Sum | 2,850.00 | Services previously offered under subscription package e.g. Leadership forums, single named contact for advice, guidance, signposting & support, e-noticeboard, reduced rate attendance at courses and conferences plus core package of 3 days of school improvement activity plus governor support package | Please select. |
| Redundancy costs\* | AWPU | 10.95 | To meet the agreed redundancy costs of school staff | Please select. |
|  |  |  |  |  |
| **Secondary** |  | **2018-19**  **Indicative Value**  **£** | **Narrative** | **De-delegate/**  **(Re-pool)**  **Yes or No?** |
| Contingencies | AWPU | 4.90 | See primary | Please select. |
| Insurance | AWPU | 18.20 | See primary | Please select. |
| Staff Costs: Trade Unions | AWPU | 3.48 | See primary | Please select. |
| School Improvement | Lump Sum | 2,850.00 | See primary | Please select. |
| Redundancy costs\* | AWPU | 10.95 | To meet the agreed redundancy costs of school staff | Please select. |

\*Technically this funding was top-sliced