

DERBYSHIRE COUNTY COUNCIL**SCHOOLS FORUM****3rd December 2012****Report of the Strategic Director for Children & Younger Adults****Pooled Funding – Proposed Arrangements****1. Purpose of the Report**

To ask the Schools Forum to consider the proposed frameworks for managing pooled resources and similar funds.

2. Information and Analysis

For 2013-14 a number of resources will be delegated to schools and, following the agreement of the Schools Forum, will be re-pooled from schools (not academies) and the funds managed centrally. The responsibilities, and estimated funding to be delegated and re-pooled, are as follows:

| Budget | Primary | Secondary |
|--|---------|-----------|
| | £k | £k |
| Insurance | 971 | 511 |
| Special staff costs – maternity | 950 | N/A |
| Special staff costs – public duties | 5 | N/A |
| Special staff costs – TU facilities time | 152 | 113 |
| Contingency | 800 | 200 |
| Library and Museums | 153 | N/A |

2.1 Role of the Forum and other issues

The requirement to delegate these funds, and the subsequent decision to re-pool them, changes the nature of the Authority's role. The resources cease to be the LA's as of right; instead the Authority will, in effect, manage the funds on behalf of schools. Generally each of these funds will be managed separately but the re-pooled funding for public duties, which is too small to operate independently, will be added to the primary maternity pool. The re-pooled TU facilities time will also be pooled across sectors as the caseload and distribution of approved time is likely to vary across sectors.

The Forum will be kept apprised on the performance of each fund during the year and, from time to time, may be asked to determine issues of policy.

The DfE arrangements allow the Authority to charge a reasonable fee for the management of these funds. The Authority proposes to implement such a fee and an indicative charge of between 1% and 2% for this additional work is likely.

The proposed arrangements for each of the pooled resources are as follows:

2.2 Insurance (Primary & Secondary)

The funds pooled will be used to meet the costs of insurance, specifically buildings insurance, employer's liability and third party insurances. To the extent that costs are above/below the level of the pooled funding, the resultant under/ overspend will be carried over into 2014-15. The amount delegated/re-pooled for 2014-15 would then need to be reviewed and, if necessary, adjusted accordingly.

There would be no other changes to the arrangements for schools' insurance.

2.3 Maternity/Public Duties (Primary)

Re-pooled funding would be used to meet the additional costs of maternity/ paternity and public duties (e.g. jury service) in primary schools. The claims would reflect the additional cost of covering the absence i.e. costs over and above the level which the school would have incurred had the employee not taken the leave.

2.4 Trades Union Facilities time (Primary & Secondary)

This meets the costs of approved duties by staff in schools to discharge a range of union related responsibilities in accordance with existing LA/union agreements. The Authority will discuss the implications of the new framework with the unions, particularly in the light of the academies' share of this funding (which is not re-pooled). A further report on this will be brought to the Forum in 2013.

2.5 Contingency funds (Primary & Secondary)

This has traditionally covered funding for significant in year pupil number increases, in year increases in the number of ERS and special school places over and above the numbers funded in the start of year budget, KS1 class size claims, end of year correction of estimated Early Years hours, errors in the application of the formula, significant unforeseen additional costs and support for schools causing concern. The total also includes an element to cover the costs of suspensions.

The funding for most of these issues will, in future, be met from the High Needs Block, Early Years Block or the allowable centrally held Pupil Growth fund (see 2.7 below). Accordingly the amount proposed for delegation/re-pooling is an estimate and the position will be reviewed during 2013-14. If, once the new national arrangements have settled down, the level of claims is below the funding collected, it should be possible to reduce the size of the contingency. Any funding released would then be available for delegation through the main funding formula.

2.6 Library & Museums (Primary)

This is the net subsidy for the service managed by the Cultural & Community Services (C&C) department. The intention is that this becomes a capped price/charge i.e. that the costs recharged by C&C are limited to the value of the pool.

2.7 Pupil Growth (Primary & Secondary)

In addition to the re-pooled funding, Authorities are permitted to retain funding centrally for Pupil Growth. Historically the Authority has allocated around £2.65m to schools, mainly for Key Stage 1 "phantom" pupils to enable class size

requirements to be met. The total also includes payments to schools which have experienced significant in-year increases in pupil numbers.

The Authority proposes to retain centrally Pupil Growth funding in line with 2012-13 levels. The alternative would be to delegate the funding through the formula which would mean resources would be scattered; central retention allows funds to be targeted at those schools and academies in most need of support. A report will be brought in 2013 setting out proposals for how the Pupil Growth fund might operate for the Forum to consider.

Schools Forum support for this approach is sought.

2.8 Special Schools

Under the new funding arrangements, School Forums are not empowered to re-pool any funding on behalf of special schools collectively. There are, however, a few options for assisting special schools to manage these particular budgets, for example:

- The new responsibility for maternity could be covered by expanding the scope of the existing special schools' sickness scheme.
- It might be possible to offer a scheme whereby individual special schools are given an option to pay into the mainstream schemes for insurance and contingency.

The Forum's support, in principle, for such an approach would be welcomed.

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 Government consultation "School Funding Reform: Next steps towards a fairer system" and subsequent DfE guidance.
5. Strategic Director's Recommendations

The School Forum is asked to:

- (i) Support the arrangements for the management of pooled resources for mainstream schools;
- (ii) Support, in principle, the inclusion of special schools in the insurance and contingency pools;
- (iii) Note the indicative charges against the pools to be levied by the Authority;
- (iv) Support the Authority's proposal to retain a Pupil Growth fund for 2014-14; and
- (v) Note that a further report will be brought on the operation of the Pupil Growth budget in 2013.

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