

<b>Committee:</b>	School Forum
<b>Meeting Date:</b>	13 January 2015
<b>Title:</b>	De- Delegation Schools Intervention Fund
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<b>Decision making / consultative / information:</b>	Decision Making

### **What is the Forum being asked to decide?**

1. The Forum is being asked to agree on the continuation of the de-delegation of the Schools Intervention Fund for 2015-16 at the 2014-15 level.
2. The Forum is recommended to keep this fund at its current level and to de-delegate these funds so they can be used collectively for all maintained schools in Suffolk. This is equivalent to approximately £8.50 per pupil

### **Who can Vote?**

3. Headteachers and Governors of Maintained Schools by phase. Middle school Headteachers and Governors are deemed part of the secondary phase for the purpose of the vote.
4. Academies cannot vote as the funding is automatically delegated to them.
5. Special Schools, PRU's and early years providers are not eligible to vote as their funding is not calculated under the schools block pro-forma, so different arrangements are in place.

### **Reason for recommendation**

6. At the last meeting of the Forum the Local Authority was asked to review the funding level for the schools intervention fund to see if this could be reduced for 2015-16. The resource allocation group has reviewed the level and exactly what the fund is set up to support and based on our understanding and the current level of licence deficits we believe the funding should remain at the 2014-15 level for 2015-16.

### **Alternative options**

7. Schools can decide to not de-delegate this funding, or to de-delegate some of the funding and delegate the rest.

## Who will be affected by this decision?

8. All LA Maintained Schools will be affected by decisions made regarding de-delegation and centrally retained Dedicated Schools Grant. **De-delegation is not an option for Academies, Special Schools, PRUs or Nurseries.**

## Main body of the Report

9. At the meeting of the last Forum, the Local Authority was asked to review the level of funding in the schools intervention fund which is currently at the 2014-15 level of £897,481
10. This funding originated in pre-funding reform years. Historically a sum of approximately £0.1 million was held in each of the three areas to support intervention in failing schools; such as compromise agreements and establishment of IEBs. In 2012 a further £1 million was added to this fund to allow for strategic investment in areas where progress and attainment needed support. Initially this was mainly aimed at KS2 as at the time this was identified
11. This funding has reduced over time as a proportion is delegated to academies on conversion. The current level for the 2014/15 year is £897,481.
12. The intervention fund actually incorporates four elements as follows.
  - Element One – support to school leadership and management
  - Element Two – top correct errors in budget setting
  - Element Three – to cover deficits on closing schools
13. **Element One** the main use of the fund is to support schools with concerns relating to leadership and management. This includes schools in categories requiring change of senior leadership, schools not in categories but in need of urgent intervention due to rapid decline in outcomes, and schools requiring urgent support prior to sponsored academy conversion. The circumstances of these schools vary and it hard to be prescriptive about the use of the fund. However Annex A gives some anonymised examples of the use of this funding.
14. **Element Two** is for errors in budget setting or issue that arise during the budget setting period. In Suffolk we are committed to correcting known errors or omissions in year if the funding would have a significant impact on the school. For example, when Stoke Ash primary school closed, we provided funding to those schools taking on additional pupils, including some with complex SEN.
15. **Element Three** is for deficits on closing schools. As well as closing middle schools this would also include sponsored academy conversions where the deficit of the closing maintained school reverts to the Local authority. It would not cover converter academies as any deficit would transfer to the new academy. The intervention fund would only be used to meet these costs if there were not sufficient surpluses from schools closing with a positive balance available.
16. The local authority monitors and risk assesses schools carefully and any school that is subject to closure or is expected to become a converter academy is issued with a Notice of Financial Concern, which requires local authority approval of any significant expenditure. These schools are

also allocated a monitoring officer from the Schools Accountancy Team. This was very successful in reducing the projected deficits of middle schools in the early phases of SOR.

17. Despite these measures we cannot guarantee that no schools will close with a deficit. With the DfE pushing for schools with poor Ofsted ratings to enter into sponsor academy arrangements, we could find that we are picking up more deficits due to the timing of conversions. Currently we have 14 schools who have either a cash-flow advance or who have entered into a licenced deficit. Obviously the schools in these agreements have plans to repay these funds, however if they were convert midway through the repay plan they could convert with a deficit.
18. We have undertaken some statistical modelling of these schools using our risk assessment and a 'Monte Carol' based statistical modelling tool. Using this tool on schools likely to become converter academies has indicated that there is a most likely cost of around £280,000 in the current year.
19. So far to December 2014/15 we have spent £170,000 on elements one to four, which equates to £204,000 in a full year. In addition to this we prudently need to hold at least £280,000 for school closures, giving a projected expenditure of £484,000 for the full year.
20. However as some elements of this funding are demand led and cannot be easily predicted financial management of the fund is difficult, and there is always a chance that the fund will overspend or underspend in year. For example is a school needs support under element three late in the financial year it would not be possible to delay this without affecting the education of the children in that school. Similarly if some funds are held back for intervention late in the year and the need does not arise the fund could be underspent. Any over or underspends would be managed though DSG reserves.
21. In the past the fund has also been used to support development projects, for this financial year schools have instead bid for challenge funding for these projects made available from the £2.4m base funding provided by Suffolk County Council for raising the bar. This is non recurrent funding so once this funding is gone schools will have to access this fund again or stop the activity on these projects.
22. We are therefore recommending that the intervention fund be maintained at its current levels.

## **Annex A - Examples**

### **School in Category**

June 2013 School RI based on quality of leadership HMI expressing serious concerns in Dec 13 and Feb 14.

- Ofsted investigation following parental complaints based on safeguarding not supported.
- Parental complaints April 14 raised with chair of governors.
- HT on sick leave April 14. Three out of five teachers leaving at end of summer term.
- Temp teacher covering for the HT teaching commitment.
- Senior manager and HR support given to chair in managing the absence of HT in two meetings with parents, and identifying external investigating officer.
- School funded external investigation.
- LA brokered a compromise agreement for HT to leave cost split between school and LA equally £10 000 for LA £10 00 to school.
- Other support has continued in recruiting interim head and managing parents expectations.

### **School rated Good by Ofsted but in rapid decline**

Cost approximately £10 000 for 2 terms.

Small primary school Ofsted judgement currently good (2011)

Head teacher has been off ill since the end of September 2014. Initially the school did not ask for support but during the first part of the autumn term, the LA became aware of the need for leadership support through HR manager. The school budget was an issue.

LA brokered Leadership support on behalf of the governors; outcome the leadership split between an existing head of another school and the existing senior teacher in the school.

Governing body has vacancies including the chair. Headteacher has formally resigned with effect from 31 August 2015.

LA has had discussions with the governors about future arrangements for leadership.

### **IEB for School in Special Measures**

Cost for IEB 4 members over 3 terms £29 800 (£3 400 for 3 members and £11 200 for the chair)

School placed in special measures May 2013

IEB members monthly meetings in the school and the chair had additional days for leadership work with the head and leadership team.

Impact of IEB.

- HMI recognised the impact of the IEB in addressing the leadership and management of the school.
- HR staffing issues addressed with 2 teachers leaving and head teacher leaving before the Academy conversion
- Academy conversion with sponsor