

Report to : EXECUTIVE CABINET

Date : 16 December 2015

Executive Member / Reporting Officer: Councillor Gerald P Cooney, Executive Member (Learning, Skills and Economic Growth)
Heather Loveridge, Assistant Executive Director, Education

Subject : **TRADED AND SUPPORT SERVICES TO SCHOOLS**

Report Summary : The report provides an update for Members on the delivery of traded and support services to schools and seeks approval to the continuation of the offer of these services from 1 April 2016 to 31 March 2017.

Following consultation with Headteachers and the Schools Forum last year, it was agreed that all traded services would be procured on the basis of a two year commitment to enable both schools and the Council to plan with greater certainty. The uptake from schools has continued to be high.

As part of the Local Authority's commitment to schools, quality assurance processes have also been put in place to monitor the delivery of services. A Headteacher Panel was convened in May this year at which all service managers attended to receive feedback and provide responses to issues which were raised. Schools now need to consider which services they will want to procure for 2016/17 based on the offer the Council puts forward.

There is no doubt that the changing context nationally, regionally and locally (as described in Section 2) will require a fundamental review of the way in which support services are delivered. However, whilst these deliberations have begun, they will nevertheless take some time to work through, particularly where shared services with other authorities are being developed.

Recommendations : It is recommended that:

1. for the financial year 2016/17, the Council continues to offer the Council services listed in **Appendix A** with the proviso that:
 - HR Support Services are packaged to reflect a more realistic cost of time required on case work;
 - Education Welfare and Educational Psychology Support Services review their capacity to deliver support over and above their statutory functions;
 - The price of all Council Services are inclusive of all associated expenditure as a minimum as per current arrangements;
2. That work commences supported by the Interim Assistant Executive Director of Finance and appropriate officers to find an alternative solution to current hosted traded services such alternatives need to consider a wholly owned school solution or partnership approach with colleges/Academies, and or arrangements with other neighbouring authorities.

The proposals in the report support those elements of the Community Strategy which relate to a Learning and Supportive Tameside.

Policy Implications :

There are no policy implications arising from this report.

**Financial Implications :
(Authorised by the Section
151 Officer)**

The price of all Council Services for 2016/17 made available to schools will include all associated expenditure as a minimum as per current arrangements.

2016/17 price details will be communicated to schools by 19 December 2015 at the latest. Schools will need to confirm their requirements by 12 February 2016.

The associated implications on 2016/17 and future year service revenue income budgets will be reviewed in line with the service request responses received from schools. Any shortfall in the budgeted levels of income will be financed from within the existing service revenue budget with savings proposals requiring implementation as a matter of urgency.

Appendix A provides details of the existing services provided to schools.

**Legal Implications :
(Authorised by the Borough
Solicitor)**

It is important that the Council looks for a revised model to reflect changing landscape of the legal structure of schools ensuring it both supplies school improvement and reduces any significant liability for the Council. As well as looking at a shared local authority approach we need to be considering on local school self support and locality based models.

This needs to be overriding approach to all matters relating to schools as the Council no longer has funding to subsidise or pick up liabilities as these lie with schools.

Risk Management :

Whilst the Council has moved to a two year commitment from schools, it would be more prudent to extend the current arrangements for one year (with inflationary uplift) to allow discussions with neighbouring authorities to be developed over shared services in the coming months. It will also enable the Council to reflect on which services should continue to be provided over and above the Council's statutory responsibilities. Whilst some schools have elected to procure some services from other providers, this is not at a level where there is a need to delete services.

Access to Information :

The background papers relating to this report can be inspected by contacting Heather Loveridge



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1 INTRODUCTION

- 1.1 The Local Authority has been delivering services to schools on a traded basis for a number of years. In 2014, schools were required to procure these services on a two year basis in order to provide the Council and schools with greater certainty in the planning and delivery of support. These services include School Improvement Support, Behaviour and Learning needs, Attendance, Ethnic Minority Achievement, Clerking Service for Governors, Reading Recovery, Educational Psychologists, Music Tuition, HR support, Financial Monitoring and Support, School Library Service.
- 1.2 At the Executive Cabinet meeting in June 2014, Members considered a detailed report which set out the costs of, and the income related to, the delivery of services to schools. That detail was used to set out a series of recommendations to inform proposals for the delivery of such services in the future. In particular, Members agreed at the meeting that services should continue to be provided on the basis that:
- services to schools should continue to be provided on a full cost recovery basis
 - That schools would be required to commit to procuring services for a two year period
 - That schools converting to academy status would be required to pay the full year service cost regardless of when they converted
 - That no services should be provided to any academy without a written agreement to pay for services in full
 - That Primary School Catering and IT Support Services should be delivered through the TIP
- 1.3 In 2013/14, detailed work had been undertaken to arrive at a full cost recovery model for each of the services. Previously, the costs charged did not provide for the recovery of management, accommodation and central establishment costs. It was determined that to properly reflect those fixed overheads, an additional element should be added to the direct costs. In 2015/16, an inflationary uplift of 4% has been applied.
- 1.4 However, it has become apparent that there are demands on certain services that exceed the cost recovery e.g. HR support for schools where complex casework requires a commitment that is over and above the notional days' allowance.

2 CONSIDERATIONS

- 2.1 For both budget planning and HR planning purposes, the authority needs to obtain a firm commitment from schools by the end of the autumn term of the services they will want to procure from the start of the following financial year. As has been the case previously, a report is usually presented to Schools Forum in the autumn term identifying traded and Dedicated School Grant (DSG) support services that are available for Schools. A list of the services schools can access is attached as **Appendix A**.
- 2.2 Since 2014, work has been ongoing to transfer the Primary School catering function to the TIP and this has now been completed. In addition, the School Information Management Systems Support has also been transferred to the TIP as a more appropriate vehicle for delivery and a review is currently being undertaken of individual school needs.
- 2.3 Other services have also reviewed whether they have the capacity to deliver traded services over and above their core statutory functions. Two such services include Education Welfare Services and Educational Psychologist support. With reduced capacity, these services will concentrate on their core statutory functions from next April allowing schools to procure additional support from other external providers. For other services, such as HR support, it will be necessary to develop a new Service Level Agreement, which

properly reflects the cost of support to schools particularly in relation to case work which frequently requires intensive support over a number of weeks.

- 2.4 In May 2015, Heads of Service and Service Managers met with a Headteacher Quality Assurance Panel to receive feedback about the quality and responsiveness of services. This proved to be extremely valuable all concerned. In addition to this, Headteachers are also able to provide on-line feedback through the new website but any issues are generally raised with Service Managers themselves who are frequently in schools and have the opportunity to speak to Headteachers directly.
- 2.4 It should be noted that discussions have begun with Oldham and Rochdale Councils about the potential to share certain support services for schools. At this stage, there is a view that HR and Financial Support for schools should remain with each individual authority. However, Directors of Children's Services and Education lead officers are actively considering what scope there may be for other services to be shared in the future given the financial pressures every Council is having to address.
- 2.6 Local Authorities in Greater Manchester will also be considering the wider opportunities presented by devolution. As far as education is concerned, this will inevitably prompt discussion in the next year or so about services which could be coordinated on a Greater Manchester Authority basis. There will unquestionably be economies of scale from a larger delivery model but this will take some time to develop.
- 2.7 It is now a well-established fact that the Government's aim is to see every school convert to an academy within the lifetime of this Parliament with schools having greater control over their budgets, resources and partnership arrangements. Tameside currently has 7 Secondary Academies and 8 Primary Academies out of a total of 94 schools. Nearly all of these academies buy some services together with local authority maintained schools in the Borough. However, if there is any acceleration in the number of schools converting to an academy, this will clearly impact on the viability of some support services.
- 2.8 The Government is also proposing to introduce a national funding formula which is likely to reduce the overall quantum for Tameside schools which will require them to review their spending priorities. Whilst there is no firm date for the introduction of the new funding formula, this could impact on the level of buy back of services in future years.

3. PROPOSED WAY FORWARD

- 3.1 The Council now needs to make a decision about the basis on which it will continue to provide traded services to schools given they will need to consult their Governing Bodies this term and determine by Christmas those services they wish to procure from April 2016 onwards. The indications are that the take up will remain at a significant level and this is due in large part to the positive relationships staff have built with schools and the quality of the services they receive.
- 3.2 There is no doubt that the changing context nationally, regionally and locally (as described in Section 2) will require a fundamental review of the way in which support services are delivered. However, whilst these deliberations have begun, they will nevertheless take some time to work through, particularly where shared services with other authorities are being developed. New arrangements for traded services will need to be in place by April 2017 whether this is in conjunction with other authorities or as a separate organisational structure and this work will need to be undertaken in conjunction with the Interim Director of Finance.

4. RECOMMENDATIONS

- 4.1 As stated on the report cover

Traded and Support Services to schools 2015/16

Directorate/ Service	Service Unit	Funding	Statutory/Traded Service	Annual / Ad Hoc	14/15 Income Received From Schools / DSG	Surplus / Cost Recovered / Cost Under recovered	Comments
					£'m	£'m	
Education	Behaviour Learning and Inclusion Service	De-delegated DSG from Maintained Schools and recovery from Academies by Invoice	Statutory and Traded	Annual	0.544	Cost Recovered	
Education	Equality, Multiculturalism and Access	De-delegated from Maintained Schools and recovery from Academies by Invoice	Traded	Annual	0.128	Cost Recovered	
Education	Trade Union Costs and Special Staff Costs	De-delegated from Maintained Schools and Attempted Recovery from Academies by Invoice	N/A	N/A	0.182	Cost Recovered	
Education	School Organisation, Admissions and Appeals	Partially Central DSG Funded and recovery from Academies by Invoice	Statutory	N/A	0.212	Cost Recovered	Part of the service is funded through DSG but this is a core function of the LA under Fair Access.
Education	Maternity Cover	Schools and Academies buy back	Traded	Annual		Cost Recovered	
Finance	School Insurances - Council buildings and Voluntary Aided schools	Schools buy back but not Academies	Traded - but Mandatory for Council owned Schools	Annual	0.885	Cost Recovered	Annual premium charged to relevant schools
Education	Education Psychology	Council Funded Statutory Duties, Schools and Academies Buy Back Non Statutory Duties	Statutory and Traded	Ad Hoc	0.113	Surplus of 0.011	Statutory assessment work identified as part of core education offer. Traded services only to be provided if there is sufficient take up to make this worthwhile and capacity to do this.
Education	Education Welfare & COLT	Council Funded Statutory Duties, Schools and Academies Buy Back Non Statutory Duties	Statutory and Traded		0.076	Surplus of 0.044	Education Welfare Service has been reprofiled to focus on statutory work. Capacity for traded activity not available after 2014/15.
Education	Licences and Subscriptions	Schools and Academies Buy Back	DfE	Annual		Cost Recovered	Mandatory central retention.
Education	Governor Clerking and Training	Schools and Academies Buy Back	Traded	Annual	0.238	Surplus of 0.071	
Education	School Library Service	Schools and Academies Buy Back	Traded	Annual	0.108	Expected to Recover Expenditure in 15/16	Stockport and Oldham Councils have ceased to deliver service to schools. Tameside providing service on traded basis to Tameside and other authorities.
Education	Music Service	Specific Grant and Income from Parents, Schools and Academies	Part Traded	Annual and Ad Hoc	0.412	Expected to Recover Expenditure in 15/16	Certain activities have to be provided as a consequence of the grant funding.
Education	Communication Language and Autism Support	High Needs Centrally Retained	Statutory and Traded	Fully Retained DSG	0.635	Cost Recovered	Part of Pupil Support Services. Integral to Council's SEN support and 0-25 offer for SEND from 2014 onwards.
Education	Sensory Support	High Needs Centrally Retained	Statutory and Traded	Fully Retained DSG	0.763	Cost Recovered	Part of Pupil Support Services. Integral to Council's SEN support and 0-25 offer for SEND from 2014 onwards.
Education	School Improvement	Council and ESG	Statutory	N/A			Support over and above statutory functions funded from de-delegated 'Schools Causing Concern' Budget .
Education	SEN Assessment and Monitoring	Council and ESG	Statutory	N/A			Core service of the LA.
Education	NQT Training	Schools and Academies Buy Back	Traded	N/A	0.034	Surplus of 0.054	
Education	SEN School Transport	Council and ESG	Statutory and Non Traded	N/A			
Education	Mainstream School Transport	Council and ESG	Statutory and Non Traded	N/A			
EGIS	Energy Development Unit	Schools and Academies Buy Back	Traded	Annual		Cost Recovered	
EGIS	Primary School Catering	Schools and Academies Buy Back	Traded	Annual		Cost Recovered	

Directorate/ Service	Service Unit	Funding	Statutory/Traded Service	Annual / Ad Hoc	14/15 Income Received From Schools / DSG	Surplus / Cost Recovered / Cost Under recovered	Comments
Governance	Human Resources	Schools and Academies Buy Back	Traded	Annual	0.320		It is known that HR support some schools require additional support where there are particularly complex cases beyond normal expectations. However there are other schools which require lower level support which will offset the demands from schools exceeding the higher level of support requirements
Governance	Payroll	Schools and Academies Buy Back	Traded	Annual	0.245	Cost Recovered	
Governance	Legal Services	Schools Buy Back	Traded	Annual	0.025		
EGIS	School Crossing Patrol	Schools Buy back	Traded	Annual	0.263	Cost Recovered	
Governance	School Information Management Services	Schools and Academies Buy Back	Traded	Annual	0.266	Cost Recovered	
Finance	Internal Audit	Council and ESG	N/A	N/A			Continue to deliver in house statutory and traded elements
Finance	Resource Management	Schools and Academies Buy Back	Statutory and Traded	Annual	0.245	Surplus of 0.038	
Finance	Insurance and Risk	Schools Buy Back	N/A	Annual	0.011	Cost Recovered	
Finance	Distribution of mail to schools	Council and ESG	N/A	N/A			Not a traded service

Other Traded Services

Community	CCTV Monitoring	Schools Buy Back	Traded	Annual			
Community	Arts/Events	Schools Buy Back	Traded	Ad Hoc			
Community	Grounds Maintenance	Schools Buy Back	Traded	Annual			
Sports Trust	Sports Development/Coaching	Schools Buy Back	Traded	Annual			
Community	Sweeping	Schools Buy Back	Traded	Ad Hoc			
EGIS	Estates	Schools Buy Back	Traded	Ad Hoc			
EGIS	Health and Safety	Schools Buy Back	Traded	Ad Hoc			
EGIS	Pest Control	Schools Buy Back	Traded	Ad Hoc			
EGIS	Planning	Schools Buy Back	Traded	Ad Hoc			
EGIS	Transport	Schools Buy Back	Traded	Ad Hoc			
EGIS	Refuse Collection	Schools Buy Back	Traded	Annual			
Governance	Broadband	Schools Buy Back	Traded	Ad Hoc			
Governance	Counselling	Schools Buy Back	Traded	Ad Hoc			
Governance	Mobile Telephones	Schools Buy Back	Traded	Ad Hoc			
Governance	Occupational Health	Schools Buy Back	Traded	Ad Hoc			
Various	Training	Schools Buy Back	Traded	Ad Hoc			