

NORTH YORKSHIRE COUNTY COUNCIL

12 OCTOBER 2011

STATEMENT OF SCHOOLS PORTFOLIO HOLDER

COUNTY COUNCILLOR ARTHUR BARKER

Medium Term Financial Strategy

The Statement to Council on 13 October 2010 set out the approach being taken under the Children and Young People's Service Savings and Transformation Strategy which is committed to giving highest priority to frontline services, while acknowledging that the scale of savings needed means that they cannot be protected completely. In 2011-12 the CYPS MTFs target as set by Budgets 1 and 2 is £9.150m. This target has been spread across 18 projects, plus turn-off projects funded by grants which have ended or been reduced.

Overall achievement is well on target at this stage. Indeed, as reported to Executive as part of the Q1 monitoring, it is likely that savings will be accelerated by up to £1m from later years, giving a cash benefit although the overall four year target does not change. The Directorate has set aside a specific MTFs reserve to ensure that cash savings are achieved over the next four years. This is still the intention and these will be used in addition to the acceleration referred to above to ensure the maximum cash benefit for the Council.

This information appears in the Statements to Council for both Executive Members for the Children and Young People's Service as this reflects their joint responsibility for all the relevant resources.

Youth Support Service Reorganisation

The key objective of Project 4 of the CYPS Savings and Transformation Strategy was to create a single Youth Support Service bringing together the work of the Youth Service and Integrated Youth Support. A 90 day consultation period with staff affected by proposals to reorganise staffing within the Youth Support Service ended recently. During the consultation period staff were given the opportunity to attend local consultation meetings and to meet individually or in small groups with their respective Senior Youth Support Service Officer. Unison and Unite were kept fully informed and involved in the process.

Assimilation to the new staffing structure should be completed by the end of October - any staff who are displaced as a result of the process will be under notice of redundancy from 1 November 2011 with the new structure being implemented on 1 February 2012. Current estimates suggest that there will be few, if any, compulsory redundancies.

School Funding

In July, the Government issued three consultation papers relating to school funding.

▪ **Top-slice to fund the Academies programme**

This consultation was concerned with the top-slicing of Local Authority (LA) budgets to fund the national Academies programme and was in response to a legal challenge from some LAs regarding the recurring £265m which has been deducted from LA funds by 2012-13. The consultation paper explains this calculation but also suggest that it needs to increase further, based on Government assumptions that, over the next 18 months, the number of open Academies will increase significantly to perhaps just under 6,000, although the number of schools applying has actually decreased in recent months, partly as a result of uncertainties in the funding of Academies.

North Yorkshire's response to the consultation makes it clear that any top-slicing should be based on actual numbers (not future predictions) and on current, rather than historic budgets. The number of Academies in North Yorkshire stands at approximately one-third of the national average. This has significant implications for any national top-slice. For example, North Yorkshire has been top-sliced £2.1m in 2011-12, rising to £3.8m next year. Were the calculations to be based on current budgets and actual numbers, the reduction would be nearer £900k. The figure is also lower in part due to the fact that North Yorkshire is a high delegator of funds to schools and a low spender of centrally-retained budgets.

▪ **School Revenue Funding.**

The main points within this consultation were

- There will be a new national formula for allocating the Dedicated Schools Grant to LAs who would then continue to determine how budgets are calculated for individual schools (although the flexibility for LAs in this process will be more restricted in future)
- The timing of Academy funding will be brought into line with funding for LA maintained schools.
- There will be more delegation for schools
- Funding for High Needs Pupils will become more standardised, although this will take some years.
- The Single Early Years Funding Formula, which resources free nursery education in schools and other settings, will be simplified.
- LAs may become responsible for funding Academies in future.
- The Pupil Premium will be expanded but remain separate from the main school funding allocations.
- Any changes will not come into effect until 2013-14 and there is likely to be transitional arrangements which will mean that full implementation will be delayed for some time.

The Authority's response expresses concern about some of the proposed formula changes which are unlikely to reflect the circumstances of North Yorkshire as well as the existing local formula. An even greater concern is that the changes offer no guarantee to protect the additional £14.2 million which the County Council allocated to schools because the current national formula does not adequately reflect the costs of rurality. This represents 4.5%-5% of school resources, and the anxiety is that a national formula change is unlikely to protect this, let alone to increase it.

▪ **Capital Funding**

In July 2010 the government commissioned an independent review, chaired by Sebastian James, of the Department for Education's approach to capital. This followed the cancellation of the Building Schools for the Future programme and significant cuts to capital funding streams to local authorities and schools. On 19 July 2011 the government published its formal response to the report. It broadly accepted the recommendations and launched a consultation on their implementation. In summary, the government decided that:

- They would start work immediately to collect information on the condition of education buildings
- Funding would be allocated by a formula reflecting greatest need
- There should be flexibility on how to deploy funding locally, with partners working together strategically to agree priorities. Individual schools would be able to agree to aggregate their devolved capital on a voluntary basis.
- There are efficiency benefits from greater centralisation of procurement and delivery – although the government does not wish to override successful local or regional procurement and delivery arrangements
- There would be an immediate move to procure standardised designs and specifications, which would be the subject of separate consultation as the designs are developed

- The school premises regulations and guidance will be revised with a separate consultation in Autumn 2011.

The Authority's response expressed concern about the potential inefficiencies of a nationally centralised approach and argued for the role of Local Authorities in capital planning and commissioning to be retained in the interests of efficiency, strong local knowledge and fair management of resources.

Copies of the Council's full responses to each of these consultations are available via the Corporate Director – Children and Young People's Service.

Academies

There are now eight Academies open in North Yorkshire: Harrogate Grammar School, Skipton Girls Grammar, Norton College, South Craven College, Rossett School, St. Aidan's, Ripon College and Great Smeaton (the only primary). Two other schools (Malton and Harrogate High) have also applied and had expected to open by now but issues at each have meant the DfE has not been able to agree the required Funding Agreement with either at this stage. The majority of schools in North Yorkshire are not however voluntarily pursuing the option for the present time.

The 10 schools make up 2.6% of schools – although the proportion of secondary schools is larger. Nevertheless this is significantly below the national figure which stood at 6% of schools on 1 September, although the government expects this to increase to around 8% in the next few weeks.

In North Yorkshire our position is to support autonomy for all schools by the high delegation of resources and the provision of effective support services. This has been emphasised in 2011-12 by the increase in spending power of over £5m through further delegation and the unringfencing of grants. DfE statistics confirm that North Yorkshire remains one of the highest delegators and, therefore, is also one of the lowest cost Authorities for the services it provides. This represents very good value for money for the schools and the community.

Academy conversion is a matter for individual schools and we respect any decisions made and continue to work with Academies, including providing services where requested. Our main focus however will be on the significant responsibilities we hold for Local Authority maintained schools, and the extensive early years sector, including performance, special needs, attendance, behaviour, preventative services, admissions, school place planning, health and safety and finance.

County Councillor Arthur Barker
Executive Member for Schools