

# MEETING OF THE SCHOOLS FORUM

Wednesday 26<sup>th</sup> April 2017 at 8:30am

PROFESSIONAL DEVELOPMENT CENTRE

229 BETHNAL GREEN ROAD, E2 6AB

## AGENDA

1.	Apologies for absence	
2.	Minutes of the meeting on 1 March 2017 and matters arising	Chair
3.	Apprenticeship Levy	Andy Scott
4.	Trades Union Facilities	Suzanne Jones
5.	Academy Process, Contribution to Council Costs	Christine McInnes
6.	AOB	
7.	<ul style="list-style-type: none"><li>Next meeting 8:30am, 14th June 2017 at the PDC, Bethnal Green (TBC)</li></ul>	

### **School Members**

**Governors:** Jill Cochrane (Chair)\*, Bob Stevenson, Dave Lake\*, Veronica Kennard\*, Pip Pinhorn\*, Shahanur Khan\*, Salma Mahbub and Bridget Cass\*.

**Headteachers:** Gillian Kemp\*, Lorraine Flanagan\* (Vice-Chair), Sarah Helm\*, Sheila Mouna\*, Remi Atoyebi\*, Ann O'Reilly\*, Jemima Reilly\*, Matthew Rayner\*, Brenda Landers, John Bradshaw\* and Esther Holland\*.

### **Non School Members:**

Terry Bennett\* (CE Diocese), Alison Arnaud (Tower Hamlets College)\*, Joe Prendiville (City Gateway), Kim Arrowsmith (PVI EYs Providers)\*, Alex Kenny\* (Trade Union Rep) and Mahmudul Choudhury (Council of Mosques)

**Observers:** Cath Smith\*

*\*indicates attendance*

### **Officers in attendance**

Christine McInnes (Divisional Director, Education and Partnership), Neville Murton (Service Head of Finance and Procurement), Sailesh Patel (Schools Finance Manager), and Runa Basit (Clerk)

<p><b>1. Apologies for absence</b> Apologies were received from Bob Stevenson, Brenda Landers and Debbie Jones.</p>	
<p><b>2. Minutes of the meeting on 18 January 2017 and matters arising</b></p> <p>The minutes were agreed as a correct record.</p> <p><u>Matters arising:</u> The Chair advised that she had met with Debbie Jones and discussed the Schools Forum and the need for more clarity.</p> <p>The Chair also met with Neville Murton and Sailesh Patel ahead of this meeting and agreed that papers should be sent earlier. The Chair, Neville and Sailesh will meet on a regular basis.</p> <p>Action [page 3]: <i>Resolved – the Schools Forum requested clarity and transparency in the schools budget when planning the budget for 2018/19.</i></p> <p>Sailesh explained that Table 1 in the previous report was the LA's allocation of the DSG and Table 2 was the allocation received from DfE.</p>	

Sailesh Patel will share the reconciliation between to the two tables, further explaining the allocation of the DSG.

Action [page 4]:

*Headteacher reps requested that the NQT element be moved under a separate service. Christine McInnes will discuss this with relevant LA officers.*

Christine McInnes said that DMT had agreed to restructure the Secondary Improvement Team. Further discussions based on funding cuts and the outcomes from the Schools Forum decision were taking place.

Christine confirmed that the NQT element, currently undertaken by the Secondary Improvement Team will be retained by the LA.

### **3. Early Years Paper 2017/18**

The Early Years report was circulated in advance. The purpose of the report was to:

- Update the Schools Forum on national changes to Early Years funding to Local Authorities and providers.
- To consult on the Early Years Single Funding Formula (EYSFF), and inclusion fund for 3 and 4 year olds.
- To outline the changes to the free childcare entitlement for eligible 3 and 4 year olds.
- To consult the Schools Forum on the Tower Hamlets funding rate changes for 2 year olds.
- To seek approval from the Schools Forum for 2017/18 centrally retained budgets

The Schools Forum was invited to discuss and comment on any of the issues raised in the report and to:

- note the proposed funding rates for 2017-18 section 1.8
- note the allocation of the MNS supplement section 1.10
- agree the allocation of £150k to the SEN inclusion fund under section 1.22
- agree the Central retained Budget within the Early Years Block under Section 2.1
- Note the agreed disapplication by SoS - section 1.5

Sailesh explained that the previous papers had looked at the LAs approach to early years funding. The LA had supported the full-time provision by providing additional top-up funding. The local policy had included top up funding on the national funding to 25 hours (for a maximum of 80% of places) through using the retained Early Years Block funding.

Sailesh further outlined the current practice as set out on page 2 of the report.

Sailesh referred to Table 1 (page 3 of the report) and explained that over that same period of time the funding rates used for all settings

will be equalised and the transition in 2017-18 from 2016-17 was shown in the Table.

Christine McInnes confirmed that the LA had been successful in its application to the DfE for disapplication, while there was transition to the new early years funding.

Bridget Cass congratulated the LA on the disapplication, however stated that it was for a short-term until 2019 and was concerned about the funding beyond 2019.

In relation to the following statement in the report:

*'The government has recognised the higher cost base of MNS and as a result provides additional funding for them; for Tower Hamlets we receive supplementary funding of £628,144.*

*Local authorities will be allowed to continue to provide a higher level of funding to maintained nursery schools'*

The Chair asked whether the shortfall will be covered by the LA. Sailesh confirmed that the shortfall cannot be topped up going forward.

Bridget Cass asked what the actual cuts for maintained nursery schools were. Bridget added that it was particularly important for them to understand the cuts to plan the budget and employ staff.

Neville Murton referred to the report and stated that there were a number of new requirements on how LAs were able to allocate funding to providers from 2017-18.

The main changes were:

- A minimum amount of funding to be passed through to providers.
- A local universal base rate for all types of provider, to be set by local authorities by 2019-20 at the latest.
- Supplementary funding for maintained nursery schools, for the duration of this Parliament.
- Introduction of a disability access fund.
- A requirement for authorities to establish a special educational needs inclusion fund.

Terry Bennett asked whether nurseries had been given indicative figures.

**Action:** Sailesh Patel said that cuts had been explained however suggested that the Finance Team could hold a session/workshop to go over the funding cuts and allocation with maintained nurseries.

Action:  
Sailesh Patel

Bridget Cass said that there were several changes, including the proportion of full-time and part-time places that could be offered. At

present the offer was 80% full-time and 20% part-time which will also need to change.

In reply to a question, Sailesh confirmed that the EFA Maintained Nursery school supplementary will be removing the top-up funding of £628K in 2019-20.

School Forum members commented that the Forum was being asked to make these decisions in March for April and that there were huge implications from these decisions which will impact on the viability of maintained nurseries.

Members noted that the LA was acting on government changes and that the LA was trying to manage/minimise the impact.

Neville Murton explained that transition funding was in place until 2019/20. Christine McInnes said that one of the reasons that the disapplication was agreed was because the changes from central government were announced late into the year.

Lorraine Flanagan said that the LA needs to consider what can be done to protect the maintained nurseries as they will be faced with closure if they are not sustainable.

Christine McInnes said that at this meeting the Schools Forum needs to decide the short-term financial strategy. Further work on the wider Early Years vision, involving the wider Early Years community, needs to take place.

Early Years proposal will be considered at the next Schools Forum meeting.

Schools Forum members commented that the reports presented were clearer to understand and thanked Sailesh Patel and Neville Murton for their contribution.

Gill Kemp suggested that the table with the Early Years funding breakdown should be presented at the upcoming Early Years meeting.

**Action:** Neville Murton to get information to the meeting.

Action:  
Neville  
Murton

Members noted that the current SEN inclusion fund for 3 and 4 year-olds for 2016/17 budget was £50k. It was proposed to increase this to £150k for 2017/18. (50K from EY block and £100k from High Needs Block).

Members asked where this funding was coming from and whether anyone was losing out if the £100K was coming out of the high needs budget.

Sailesh Patel explained that the funds were being moved from the high needs and SEN block for 0-25 age group. Sailesh added that the LA had received an additional amount this year which had

increased the budget to £460K.

Members agreed that it was good to invest in SEN during early years as this will identify and address issues earlier.

Christine McInnes said that there were changes to the Early Years team as part of the restructure.

Bridget Cass expressed her concerns about the support provided by the Early Years team to early years' service providers.

Sarah Helm added that there were concerns about what is going to be delivered by the Early Years team. It was noted that this will be discussed at the Early Years meeting next week.

The Schools Forum was asked to agree the following:

- agree the allocation of £150k to the SEN inclusion fund under section 1.22

**Resolved** – The Schools Forum agreed to allocate £150k to the SEN inclusion fund.

- agree the Central retained Budget within the Early Years Block under Section 2.1

**Resolved** - The above decision was deferred until the next meeting as members felt that they did not have sufficient information to reach a decision.

**Action:** Further clarity was requested for the next meeting.

#### **4. Schools National funding formula consultation (both schools and high needs ) discussion Paper**

The second stage of the Schools National Funding Formula was issued on 14 December 2016. Members noted that the consultation will close on 22<sup>nd</sup> March 2017.

Schools Forum was invited to discuss and comment on any of the issues raised in the report and to decide whether the School Forum wished to submit a response to the EFA.

Christine McInnes said that the resources may be required for SEN area as part of the outcomes from the SEN review.

The Chair asked members whether they had any comments on the draft consultation response presented. Members agreed that the LA draft response was helpful.

Members noted that DfE did not include the apprenticeship levy as part of the consultation.

Lorraine Flanagan said consideration needs to be given to the impact of failing free schools.

<p>Esther Holland said that the paper did not include information on PFI schools. PFI schools were struggling to manage the PFI costs, which then impacted on maintaining other resources.</p> <p>It was noted that PFI was mentioned under Question 3:  <i>[It's also very important that schools with exceptional characteristics - such as split sites and PFI contracts - continue to be recognised fairly in the new funding system as this will lead to further pressures for those schools]</i></p> <p>Esther Holland suggested that a more robust response on PFI needs to be included.  <b>Action:</b> The Chair asked Esther to draft a response in relation to PFI and send to Sailesh Patel.</p> <p>Sailesh Patel encouraged all schools to respond independently to the consultation. The link to the consultation was included in the report.  <b>Action:</b> The Chair requested for members to send any comments to strengthen the LA's response before the 22<sup>nd</sup> March 2017.</p> <p>Neville Murton suggested that one response be submitted on behalf of Schools Forum and one from the LA. PFI schools to send individual response.</p> <p>Alex Kenny said that in Haringey parents group had started a campaign. Alex had written to the Mayor suggesting a campaign from Tower Hamlets. Members agreed that parents should be more involved.</p> <p>Alison Arnaud said that the Tower Hamlets education providers need to maintain a united front and said that the College had responded to the consultation in support of the students and parents of Tower Hamlets.  <b>Action –</b> The Chair will write a covering letter in response to the consultation.</p>	<p>Action: Esther Holland</p> <p>Action: All members</p> <p>Action: Chair</p>
<p><b>5. AOB</b></p> <p><u>Tower Hamlets Education Partnership (THEP)</u></p> <p>The Chair said that she had attended THEP meeting yesterday, where they had discussed the roles and responsibilities, and progress was being made on the membership offer.</p> <p>Cath Smith said that THEP was coming to the end of the free membership year. In order for the partnership to continue schools need to buy in to a membership. The current focus was on School Improvement and brokering related services.</p>	

THEP was moving to a point where schools were paying a membership fee. Information on the membership offer was being shared with schools and governing bodies.

Cath said that information sharing events were planned which would provide opportunities to ask questions.

Forum Members noted that the LA was not receiving much funding for school improvement and one of the strengths of the Partnership was to actively work with individual schools to support improvement.

Cath said that the work was taking place to strengthen the membership offer and to understand the existing partnerships within the borough.

Schools Forum members commented that schools will be looking to see value for money from the THEP membership.

Schools Forum review

Schools Forum members agreed that the Forum's role going forward will also need to be reviewed.

High Needs Funding

Future Agenda item: The Forum will need to consider establishing a working group to look at the high needs funding at a future meeting.

**6. Date of next meeting**

8:30am, 26<sup>th</sup> April 2017 at the PDC, Bethnal Green

**AGENDA ITEM 3**

**Title of report: Apprenticeship Levy**

**Author of the paper: Neville Murton**

**Officer to present the paper to School Forum: Andy Scott**

**Details on who has been consulted with on this paper to date:  
Andy Scott (Divisional Director Growth and Economic Development)**

**Exec Summary:**

The purpose of this report is:

1. to set out the implications of the government's upcoming Apprenticeship Levy for schools. The Apprenticeships Levy will run for three years to 2020 to drive the government's target of 3 million apprenticeships.

**Action required:**

The Forum is asked to:

1. Note the contents of the report.
2. Nominate a representative(s) to attend the Council's Apprenticeship Levy steering group meetings

## 1. Background and Introduction

- 1.1. The national apprenticeship agenda went through a wide reaching review<sup>1</sup> in 2015 and there followed a central government commitment to create three million apprenticeships by 2020. Changes from central government include: a transfer from Apprenticeship Frameworks to the introduction of new Apprenticeship Standards, developed with relevant business sectors in order to simplify and better target training needs; a change in eligibility criteria opening apprenticeships and training up to a wider almost infinite customer base; and the introduction of a new Apprenticeship Levy and Public Sector target. The new levy will take effect on and after 6<sup>th</sup> April 2017 with delivery effective from May 1<sup>st</sup> 2017.
- 1.2. The new levy will require the use of a digital account to administer payments of the levy. The Council as the deemed employer will be responsible for administering the account that will include schools. Funds in the account can only be used to pay for apprenticeship training and assessment for apprentices that work at least 50% of the time, and only up to the funding band maximum for that apprenticeship. If the costs of training and assessment go over the funding band maximum, then the Council or the relevant school will need to pay the difference with other funds from its own budget. The Council cannot use funds in its account to pay for other costs associated with its apprentices (such as wages, statutory licenses to practice, travel and subsidiary costs, work placement programmes or the setting up of an apprenticeship programme).

## 2. Obligations under the Apprenticeship Levy

- 2.1. From spring 2017 large employers with a pay bill of over £3 million will be mandated to pay into a Levy at a rate of 0.5% of their pay bill; and there will be changes to the funding for apprenticeship training for all employers. To be clear, the Apprenticeship Levy is to fund training and assessment costs not salaries.
- 2.2. Those not required to pay a levy (those with a pay bill of under £3m) will nonetheless be able to draw down training funds to deliver apprenticeships. Private sector employers are not legally obligated to deliver apprenticeships even if they pay a levy, however, *public sector* bodies will have an additional target to deliver a number of apprenticeships equivalent to 2.3% of their workforce headcount (not FTEs).
- 2.3. The table below sets out the immediate implications of the Levy for LBTH.

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<sup>1</sup> Richards Review 2015

**Table 1**

	<b>Head count as of 14/03/17</b>	<b>No. of Apprentices Required (2.3%)</b>	<b>Pay Bill as of 14/03/17</b>	<b>Levy Requirement (0.5%)</b>
LBTH	4977	114	£132,000,000	£ 660,000
Schools	3923	90	£130,000,000	£ 650,000

- 2.4. The total levy payment for the Council and schools will be approximately £1.3m, proportionately paid between the Council, schools and any other partners for whom the Council is deemed the employer.
- 2.5. The levy will not affect the funding of apprenticeship training which started before May 2017 and it will continue as before. Further considerations of the implications, management and recouping of the levy are set out below.

### **The Levy**

- 2.6. As illustrated above, schools in Tower Hamlets for which the local authority is considered the employer (see section 3 for more detail on which schools are not within scope) will be liable for a levy payment in the region of £0.6m per annum, which will be deducted on a monthly basis by HMRC and deposited into a Digital Account. All employers, including every local authority, will receive one annual allowance of £15,000 to offset against their annual levy payment. To be clear, only one payment of £15,000 will be made to Tower Hamlets as the employer for both the Council and the Schools.

### ***How to Access Apprenticeship Levy funds***

- 2.7. The Digital Account will contain funds which can be spent on apprenticeship training and assessment costs. Unspent funds will expire after two years and revert to the Treasury.
- 2.8. The Account will contain the levy payments, plus a 10% top-up awarded by the Government. The top-up will be applied monthly at the same time the funds enter the Digital Account. Based on these figures, the amount available to spend on apprenticeship training and assessment by schools should be in the region of £0.72m, subject to potential additional payments/adjustments set out below.
- 2.9. Expenditure of the Levy allowance on any individual apprentice must stay within the approved bandwidth for the course followed. Employers can pay additional fees if they wish at their own cost.
- 2.10. A 10% co-investment will be required if a levy paying employer wishes to invest more in apprenticeship training than they hold in their Digital Account, i.e. if we spend all

our allowance, we pay only 10% of the costs to train additional apprentices and the Government pays the remaining 90%.

#### *Additional Potential Payments*

- 2.11. Recognising that there are some additional costs to training younger apprentices, the Government is proposing to make a £1,000 payment to both the employer and provider when they train a 16-18 year old. This would also apply to 19-24 year olds who were formerly in care or who have an Education and Health Care plan.
- 2.12. In addition to the cost that the employer and provider agree for training to 16-18 year olds on a framework, the provider will also receive an uplift payment from the Government equivalent to 20% of the funding band maximum for that framework. This 20% uplift for providers is a transitional measure designed to support stability whilst providers adjust to the reforms and it will be kept under review. It is envisaged that it will reduce as more apprenticeships start on new apprenticeship standards.
- 2.13. Providers will receive an additional £600 for training an apprentice on a framework who lives in the top 10% of deprived areas (as per the Index of Multiple Deprivation), £300 for any apprentice who lives in the next 10% of deprived areas (the 10-20% range), and £200 for those in the next 7% (the 20-27% range). Overall, the Government will make available at least the same amount on disadvantage payments as under the current system of more complex uplifts.
- 2.14. These additional payments will go to the provider direct from the Government and not from the employer's Digital Account.

#### **Achieving the Target**

- 2.15. There are conflicting messages from the Government about whether the levy pot should be used to enhance the social mobility of those furthest from the labour market or to use in the development of internal staff. There is a clear need for both, but with the ever present need for savings to be made across all areas of local government, it is unrealistic to imagine that additional resources can be found to increase the number of salaried positions within schools to any significant level and so the emphasis will of necessity have to be on managing the process with the resources currently available.
- 2.16. As illustrated in the above table, schools will be required to start approximately 90 apprenticeships per annum. The Council is exploring ~~a number~~ a number of ways of achieving this which are outlined below, and will support schools to identify standards that are appropriate for them to deliver. In addition to those listed below, these may include support service activities such as Business Administration, Customer Service, and Facilities Management.

## **Intermediate level apprenticeship**

- teaching assistant
- classroom assistant
- learning support assistant

## **Advanced level apprenticeship**

- teaching/classroom/learning support assistant
- behaviour support assistant/coordinator
- pastoral/welfare support assistant
- bilingual support assistant
- team leader

Additionally, schools could consider whether it is feasible or desirable to become a formal Trailblazer and develop a new bespoke Apprenticeship Standard.

### *The Council's Annual Apprenticeship Scheme*

Growth & Economic Development currently manages the recruitment, management and wrap-around support for internal apprentices, and delivers and assesses the training and qualification packages to those individuals. Twenty eight apprentices joined LBTH in Dec 2016 on fixed term contracts for 12 months. A further 25 – the new 'Class of 2017' – will be recruited in the spring of 2017 under the new process.

### *Working Start Programme/s*

2.17. Whilst the principle of the Working Start programmes delivered by Growth & Economic Development is to provide six months of paid work experience with a view to maximizing the retention and progression of the clients, , in the past, some Working Start clients have been supported into an actual apprenticeship using secured match funding from the employer, enabling the placement to be extended for the full year required to undertake an apprenticeship qualification. This approach can be developed but consideration will need to be given to the impact of joint funding with external businesses, although it should be simple enough to pro rata outputs.

### *Existing Salaried Positions*

2.18. Levy funding can be used for the training of existing staff and if schools are to achieve the target the consideration of apprenticeship qualifications for the existing workforce will be crucial. Alongside the Council's HR services, schools can review areas that are;

- Hard to recruit to;
- Have skill shortages;
- Have high agency usage; or
- High turnover or large volume recruitment.

- 2.19. The advantage of concentrating upon vacancy conversion and workforce development is that salaries for these positions are likely to be already secured within schools budgets.

#### *Work Force Development*

- 2.20. For most public sector organisations, including schools, the majority of their apprenticeship obligations are likely to be achieved through offering apprenticeship qualifications to existing staff as part of their personal development plans and with reference to the skills needs of the school for which they work.

#### *Converting Appropriate Vacancies to Apprenticeships*

- 2.21. In order to yield a high number of apprenticeship opportunities for schools it will be advisable to make it part of the formal recruitment policy to review every position as it becomes vacant, to assess its potential to become an apprenticeship position.

### **3. Further considerations**

#### *Digital Account Management*

- 3.1. LBTH now has a Digital Account which will hold all levy allowances, including those relating to schools and within which all transactions related to apprentices and apprenticeships will be managed. The funding can only be used for training on accredited apprenticeship standards. In terms of process, the Levy is taken on a monthly basis by HMRC as part of Payroll Services functions and the training allowance is then credited to the Digital Account, also on a monthly basis.
- 3.2. The information required to be uploaded and maintained in the Account includes:
- Personal details of the apprentice;
  - The apprenticeship standard they are undertaking;
  - Training Provider details; and
  - Monthly payments to training providers and end point assessment organizations.
- 3.3. Additionally the levy profile must be managed and details of funds used, allocated and unused must be kept up to date at all times. Transfer of levy funds to third parties (e.g. an Apprenticeship Training Agency (ATA)) from 2018 will also be managed via the Account. Further details of the processes to be put in place to manage the account and the input of internal and external providers will be considered as part of an action plan and agreed by the Council's Steering Group in which it is expected that Schools will have representation ('Schools' meaning a representative for those in the councils Levy and a representative for those not within it).

## **Registered Provider Status**

- 3.4. Large employers have been encouraged to set up as employer training providers. The Growth and Economic Development Team of the Council (G&ED), as an existing apprenticeship provider applied in December 2016 and this status was confirmed on March 13<sup>th</sup> 2017.
- 3.5. Apprenticeship reforms have also added in an 'End Point Assessment' which must be completed by an independent and registered training provider. Providers will be paid £600-£1000 per assessment. Growth & Economic Development Service (G&ED), will apply to be an end-point assessor when the portal opens, and discussions are on-going with TH College to develop a reciprocal arrangement regarding end-point assessment.

## **Implications for Schools**

### *Schools Linked to the London Borough of Tower Hamlets*

- 3.6. HMRC considers Community schools part of the local authority. These schools will be included in the LBTH levy calculation, regardless of whether the school uses the Council for payroll services. This applies to schools where the local authority is considered by HMRC to employ the school's staff and is responsible for admissions. These schools will share the single £15,000 allowance allocated to the London Borough of Tower Hamlets and will have access to funding for apprenticeship training.
- 3.7. Finance and Payroll teams are working together to identify the levy spend per school and the associated target, based on the headcount. Once these figures are known, this will equate to a levy pot per school to spend. We are currently assuming that the schools that are considered part of LBTH in terms of the levy collection and the award of the £15k annual allowance should also be able to "share" the outputs achieved by LBTH and vice versa, but further clarity will be sought from government.

### *Schools Responsible for Levy payments*

- 3.8. For Voluntary-Aided schools, Foundation schools and Academies, the governing body is considered the employer so where their pay bill is above £3m they will be responsible for paying the levy and will each receive the allowance of £15,000 to offset against their Levy payment. Multi-academy trusts will get a single allowance of £15,000.

### *Support for Schools*

- 3.9. As part of the development of In-house Temporary Resourcing Service ITRES (and possibly an Apprenticeship Training Agency (ATA), G&ED will define the offer of

support that schools can buy into either individually or as a consortium. These are likely to include

- Advice and support regarding the best use of the school's levy funds;
- Provision of information on an individual school's levy spend monthly;
- Advice on apprenticeship standards suitable for both new apprentices to schools and for use in the training of the existing workforce;
- Delivery of apprenticeship training to schools as requested;
- Procurement of accredited training providers;
- Monthly levy management information and reports;
- Recruitment of apprentices for and on behalf of schools; and
- Facilitate joint working between schools e.g. 1 apprentice Lab Technician shared across 2 schools

#### **4. Steering Group**

- 4.1. A steering group has been created to ensure that the Borough's levy payment is managed to best advantage. It has been formed to include key officers to ensure both the design and delivery meets the need and also to ensure that the most efficient delivery methods are in place. The Steering Group will consider the needs of LBTH as an employer, but will also consider the LBTH role in the development of further apprenticeship opportunities more widely. This will ensure that opportunities are maximised and that schools, residents and businesses are supported in taking up opportunities.

#### *Membership*

Chair – Andy Scott, Interim Divisional Director Growth & Economic Development

- Growth & Economic Development (Apprenticeship team)
- Human Resources
- Adult Learning & Skills
- Procurement
- Finance
- Schools: Representation to be confirmed – This report
- TH EBP/Careers service
- Tower Hamlets Homes
- Strategy & Performance
- Communications and social media advisor

#### **5. Financial implications**

- 5.1. The Apprenticeships Levy will run for three years to 2020 to drive the government target of 3 million apprenticeships. It is not known if this arrangement will continue, as no guidance is available for the period beyond 2020.

5.2. Projecting the full financial implications and the management and administration costs forms part of the Council's Action Plan; the immediate considerations are set out simply below:

- The Council will be required to pay a Levy of approximately £1.4m, including c£0.6m in relation to schools.
- The Council including relevant schools will have £1.4m available to spend on ~~apprenticeships~~ apprenticeships, plus an automatically applied uplift of 10% from the Government. Once the levy allowance is spent the Council and schools can spend additional sums on apprenticeship training should it be in a position to do so but can recoup only 90% of this additional spend from the Government.
- As an approved Provider, the Council can:
  - Pay itself to deliver apprenticeships – at the current time this would primarily be for the delivery of Business Admin and Health & Social Care and Customer Care apprenticeships.
  - Claim additional income for the delivery to 16-18 years olds and other specific categories as outlined above.
  - Earn income as a provider and/or assessor for other Providers/boroughs.

## 6. Conclusion

6.1. The Apprenticeship Levy will require the Council and schools to work together to ensure that the resources from the levy are maximised and used as effectively as possible to deliver apprenticeships in line with the government's expectations.

## **AGENDA ITEM 4**

**Title of report: Trades Union Facilities Time - Primary Schools**

**Author of the paper: Neville Murton**

**Officer to present the paper to School Forum: Suzanne Jones**

**Details on who has been consulted with on this paper to date:**  
**Esther Holland (Headteacher – Central Foundation Girls School)**  
**Gill Kemp (Headteacher – Cyril Jackson School)**

**Mark Keeble (HR Senior Business Partner)**

### **Exec Summary:**

The purpose of this report is:

1. To set out the arrangements governing the operation of Trades Union (TU) facilities time
2. To agree an approach for funding TU facilities time in 2017/18.

### **Action required:**

The Forum is asked to:

1. Consider the available options and issues associated with meeting the costs of Trades Union (TU) facilities time for primary Schools in 2017/18
2. Agree the proposal set out that the basis for charging primary Schools for TU Facilities time 2017/18 will be a per pupil charge of **£5.74** set out in paragraph 2.4;
3. Agree the proposed supplementary allocation of **£6.00** on a per pupil basis to Primary Schools set out in paragraph 2.5;
4. Agree that during 2017/18 the basis and level of TU facilities time will be agreed for 2018/19 with a view to supporting its future de-delegation.

## **1. Background and Introduction**

- 1.1. At the meeting of the Schools Forum in January 2017 the Local Authority presented a paper seeking approval for the de-delegation of a number of items as permitted under the School Funding regulations.
- 1.2. In respect of Trade Union facilities the Forum took the decision to de-delegate the resources for Secondary Schools but not for Primary Schools; consequent on that decision further meetings were held with TU school and Local Authority representatives to agree how that service might need to operate in 2017/18 and the funding arrangements.
- 1.3. The release of Schools staff to carry out senior roles within the local branch on their union is a benefit to all Schools and the LA. This TU facilities time provides Schools and their employees with access to a range of services including:
  - Collective bargaining across the Borough on terms and conditions, including model HR and Health and Safety policies and procedure;
  - Support and representation associated with school restructuring proposals and changes to contracts;
  - Support and representation associated with more serious and complex individual employee disciplinary, capability, sickness and grievances.
- 1.4. The TU facilities time provided to senior TU representatives, who are seconded for part of their working week from the School that employs them to support their members across all Tower Hamlets Schools, is recharged against the TU facilities budget. This is separate to the arrangements each School has in place to agree and manage paid time off for local stewards who only use their facilities time within the School that employs them.
- 1.5. The process of de-delegation enables these activities of Senior TU Representatives to be undertaken on behalf of all schools or without individual schools being charged according to the incidence of case work in any given year.
- 1.6. Therefore in the absence of an agreement to fund these services and share the costs collectively there is a significant impact on schools individually and other stakeholders in key processes. This paper sets out the relevant options and proposes a solution for 2017/18 only that it is hoped will enable schools to understand the costs and services provided under these arrangements – the absence or lack of clarity on which resulted in the decision to not approve the de-delegation in January.

## **2. Current Position**

- 2.1. In previous years the proposals for de-delegation has included the following components, covering all school phases and totalling £324k:

- Teaching and non-teaching facilities time (£274k);
- Salary protection costs (c£8k)
- Costs relating to staff suspended following police investigations (£42k)

2.2. Following the decision of the Forum not to de-delegate the resources for Primary Schools in 2017/18, it was not practical for the Local Authority to retain sums in relation to either sector for Salary Protection costs or Staff suspension costs. As a result an additional £50k was included within the overall amount for schools' delegated budgets. There is therefore no centrally retained budget to cover any future claims for these purposes and schools individually will need to accommodate these costs from their individual delegated budgets as they occur.

2.3. The estimated costs of Trade Union facilities time has been established for 2017/18 as set out in the table below:

Table 1 – Trade Union Facilities Time (£)

	2017/18	
Teaching Union Costs	158,400	
Non-Teaching Union Costs	76,000	
<b>Sub-total</b>		<b>234,400</b>
Secondary sum de-delegated	(86,000)	
Academies contribution	(31,000)	
<b>Sub-total</b>		<b>(117,000)</b>
Balance to be charged to Primary Schools		<b>117,400</b>

2.4. The charge to Primary Schools equates to **£5.74** on a per pupil basis.

2.5. The current estimated outturn on the facilities time budget for 2016/17 is an underspend of **£122,847** which equates to **£6.00** per pupil. The final per pupil allocation will only be known once the outturn position of the DSG is known, however there is a reasonable degree of confidence in this figure.

### 3. Principles

3.1. The provision of facilities time will operate according to the following principle(s):

- 3.1.1. The cost of providing the service will be based on its actual cost - this is essential to ensure that those schools which provide the staff to support TU facilities time are not disadvantaged financially;
- 3.1.2. To the extent that there is a variance (both over or underspend) between the amount estimated at the beginning of the financial year and the actual cost incurred, this will be rolled forward and be used to offset costs in the subsequent financial year;

### 4. Options Analysis

4.1. Primary Schools have the following main options to deal with the costs of TU Facilities time in 2017/18:

- (i) Pay for the service individually on a 'as required' basis; or
- (ii) Pay collectively for the service in a similar way to the way that de-delegation operates

4.2. The pros and cons of each of these are set out below.

**Table 2 – Evaluation of option (i) – Schools use on 'as and when' basis**

<b>Pro</b>	<b>Con</b>
No up-front costs to schools	No mechanism for collective bargaining – separate arrangement would be needed
Service only used and paid for when required	Support needs difficult to plan leading to unresponsive service and/ or loss of economies of scale
Schools requiring no support pay no charges	Schools liable individually for full cost of support at their school
	Additional administration costs for billing and scheduling would add to the overall cost
	Potential for school stewards to request increased time off to enable them to support restructure proposals or case management work in their individual school

**Table 3 – Evaluation of option (ii) – Collective Purchasing Scheme**

<b>Pro</b>	<b>Con</b>
Identical benefits to the de-delegation route – i.e. provision for collective bargaining and service available as needed	<b>All</b> Primary Schools would need to agree the proposal either individually or through a collective agreement reached through the relevant consultative group.
Level of resource can be planned in advance	Need to agree funding approach as de-delegation deadline has passed
Insurance type approaches where service is available when and if needed.	Some schools will pay towards service and have minimal needs others will pay on same basis and will have higher needs

## **5. Funding Options**

- 5.1. Following initial discussion with headteacher representatives there is a preference for option (ii) however, the LA has been asked to explore alternative mechanisms for funding the service including in particular the use of the aggregate underspend from 2016/17.
- 5.2. As set out in paragraph 2.4 it is anticipated that there will be an underspend of c£122k at the end of 2016/17. This underspend relates to resources either de-delegated or provided by academies as income in previous years which have not been used.
- 5.3. Under normal circumstances the LA would look to use underspends against DSG items , including items retained through de-delegation decisions, in order firstly to offset overspending pressures in other DSG areas e.g. SEN and High Needs costs, consider its use as part of the subsequent years budget setting process and then to consider allocating a supplementary resource allocation to all schools.
- 5.4. The headteacher representatives on the Schools' consultative group, whom have been consulted in the preparation of this report, have both indicated that their members are of the view that this underspend should be used to fund the estimated cost of the Primary School TU Facilities in 2017/18. This follows a number of separate discussions about the extent to which there has been cross subsidisation of de-delegated services in previous years and across phases.
- 5.5. It is important that transparency is maintained so that schools are aware of the costs of the TU Facilities, because the underspend is only available in 2017/18 schools in 2018/19 will need to consider again whether to de-delegate resources and a key element of that will be considering how costs have changed between the years. It is therefore proposed that the total underspend be delegated to Primary Schools only using a per pupil allocation. The costs of TU Facilities set out in table 1 can then be recovered from Primary Schools on an invoiced basis again using a per pupil charge basis.
- 5.6. Although there is a minor mismatch between the estimated costs and estimated underspend all things being equal it should be the case that the two broadly match.

## **6. Future Arrangements**

- 6.1. Schools have sought to undertake discussions with the relevant unions to see if there is scope for a sustainable reduction in the costs of facilities time; this would require a full review of the current agreement to make informed decisions about how much time is needed, how it should be allocated to

different Trade Unions and how the use of this time is monitored and reported to ensure transparency.

6.2. The Local Authority has recently completed a wide ranging review of how Industrial Relations are managed in our central directorates. Included in the recommendations is a review of facilities time. The LA would like to include the Schools' Facilities Agreement in this review with a target date to implement the outcome from 1 September 2017. The current Schools' agreement includes all Teaching Unions with an allocation for GMB. The LA's current agreement applies to GMB, Unison and Unite with paid time off for senior representatives based on their total membership within central directorates and Schools. Therefore, any change of funding by Schools for this activity will have a direct impact on the LA's facilities agreement. A review of the current agreements should aim to give Schools and the LA autonomy over the time off funded by the budgets they each control.

## **7. Conclusions**

7.1. It is possible using the accumulated underspend from TU Facilities in previous years to fully fund Primary Schools in 2017/18 and enable that service to continue for all schools. This approach is subject to the agreement of all primary schools and has been agreed in principle by Secondary School representatives who would otherwise be entitled to a share of the accumulated underspend.

## **AGENDA ITEM 5**

**Title of report:** Proposal to seek a contribution from schools converting to academies

**Author of the paper:** Layla Richards, Service Manager Policy, Programmes and Community Insight

**Officer to present the paper to School Forum:** Christine McInnes, Divisional Director Education and Partnerships

**Details on who has been consulted with on this paper to date:** Children's Services Directorate Management Team, Corporate Management Team, Elected Members

**Exec Summary:**

This paper outlines the Council's intention to secure a contribution from schools towards the Council's costs associated with the academy conversion process. The intention is for a contribution to new conversions with conversion dates after 1 May 2017, which would be subject to annual review. A schedule of charges is attached at Appendix 1.

**Action required:**

This paper is coming to Schools Forum for consultation ahead of any implementation of the proposal.

## **1. INTRODUCTION**

- 1.1 This paper outlines the Council's intention to secure a contribution from schools towards the Council's costs associated with the academy conversion process. The intention is for a contribution to new conversions with conversion dates after 1 May 2017, which would be subject to annual review. A schedule of charges is attached at Appendix 1.
- 1.2 To support the above, the paper provides a brief overview of the academy conversion process and the responsibilities and obligations that apply to the Local Authority, including an indication of the resources needed to meet these requirements.
- 1.3 Schools receive a grant from the DfE of up to £25,000 towards their conversion costs. Councils on the other hand currently receive no direct source of funding to cover these costs.

## **2. SUMMARY OF ACADEMY TRANSFER PROCESS**

- 2.1 The process of converting to an academy involves the following key stages:
- The school or schools making expressions of interest to the Department for Education (DfE) who then confirm that they are acceptable and give the green light, by way of an Academy Order;
  - Employment and HR procedures, including all consultation under the TUPE Regulations 2006 with staff and trade unions prior to the conversion. Upon the conversion, all employees of the converting schools, employed immediately before the conversion, will have their contracts of employment transferred to the new academy;
  - Where the LA owns the school land, the LA grants the trust a 125 year lease; property details can often be complex to resolve depending on the site history
  - Approval of the application by the Secretary of State which triggers the start of legal formalities;
  - Other practical issues, such as banking and insurance arrangements and associated site and building transfer arrangements;
  - The Secretary of State's final approval and signing of the Funding Agreement.

## **3. RESOURCING A CONVERSION**

- 3.1 The workload associated with each academy conversion varies according to the complexity of the conversion. For example, when the converting school is included in a PFI contract, there is a set of additional agreements to be entered into and this takes longer than where there is no PFI contract. Some land transactions (i.e grant of a lease to the trust) are more complex depending on site history, title issues to resolved, etc. Where the school is in a PFI contract, the LA has to bear the contractor's legal costs associated with the conversion.

- 3.2 Nonetheless the workload for any conversion is significant and the Council will continue to require adequate resources to ensure that the increased workload associated with the academy transfer process is undertaken in a reasonable timescale, as well as ensuring that the Council liabilities are transferred appropriately to the new academy. It is likely that more academy transfers will go ahead over the next 1-2 years and it is important that the Council is aware of the resources that are required and recovers a contribution to these costs from the schools which are going through the process.
- 3.3 The actual cost of individual conversions varies on a case by case basis, including whether external resources (eg legal and project management) have been engaged. Quoted figures from other areas are in the range £12,300 (Staffordshire) - £25,000 (West Berkshire) per conversion.
- 3.4 When entering into an Academy conversion, schools receive a grant from the DfE of up to £25,000 towards their conversion costs.
- 3.5 The Council, on the other hand, currently receives no direct source of funding to cover the costs linked to Academy conversions, however, there is a great deal of officer time and potential external legal fees required to ensure smooth transfer arrangements are undertaken within a reasonable timeframe.
- 3.6 The Council submitted an application for grant funding in February, but was unsuccessful on this occasion. The funding was prioritised to councils with the most schools looking to convert (one council imposed a cap of seven schools converting per month) and councils with the most underperforming schools. It is possible that a further tranche of funding will be released in the future.
- 3.7 In order to mitigate costs further, the Council is investigating the possibility of joint working with other authorities.
- 3.8 The academy conversion process requires extra resource and as mentioned earlier, the Council intends to mitigate some of these additional costs by seeking contributions from schools wishing to convert after 1 May 2017.
- 3.9 The schedule of charges is attached at Appendix 1. This is broadly in line with models operated by other authorities and differentiates between conversions which have PFI elements and other cases.
- 3.10 The contributions will support the following increased workload:

Area	Description
<b>Legal – Contracts and Property</b>	To act on behalf of the Council during the Academy transfer process. This may involve purchasing external legal advice where insufficient internal capacity exists to manage the transfer workloads.
<b>Finance</b>	Finance will provide the following support during the transfer process: <ul style="list-style-type: none"> <li data-bbox="639 1962 1378 2029">• Assist in the closure of ‘old school’ accounts and determining the final schools balance.</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensure required closure processes are completed, e.g. bank accounts, purchase cards, petty cash and outstanding income.</li> <li>• Managing the finance related processes when transacting with schools/Academies / DfE</li> <li>• Provision of financial advice around transfer arrangements.</li> <li>• Verification of any financial aspects of transfer negotiations.</li> </ul>
<b>Employment and HR</b>	The transfer of contracts of employment, historic terms and conditions and payroll transfers to comply with TUPE regulations.
<b>Project Management</b>	Co-ordination of the conversion process which includes initial DfE response, arranging document version agreements and final sign off, school meetings and liaison with the DfE, external solicitors, Council officers, etc.

## Appendix 1: Schedule of charges

### Tower Hamlets Council Cost Recovery Schedule New Conversions from April 2017

Contributions to Council costs incurred as part of the Academy  
Conversion Process will be as follows:

#### Community Schools:

Activity	Charges
<b>Governance:</b> Process guidance, financial support, Cabinet Report and other reports, associated consultation process and asset and site related diligence to include preparation of plans required in the Academy conversion process, the giving of instructions to Legal and other related work.	<b>£2,000</b>
<b>Costs associated with legal agreements:</b> Formulation, Agreement and Execution of Commercial Transfer Agreement and 125 year lease of school site.	<b>CTA - £2,500</b>  <b>Lease £1,500 (per lease)</b>
<b>TOTAL</b>	<b>£6,000</b>

**In addition where a school is part of a PFI Contract, the following charges will also apply and be added:**

Activity	Charges
Formulation, population, agreement and execution of School Agreement (SA) recovery of external legal costs associated with development of a Deed of Variation (DofV) to the PFI Contracts and any additional documents required for conversion.	<b>SA - £2,500</b> <b>DofV - £3,000</b>  <b>Any other document required to be entered into as part of the Academy conversion process – up to £2,500</b>

<b>2016-17</b>	N2	8.95	0.46	1.43
	N1	7.87	0.46	1.34

DfE Ref	School	Total hours	Total Participation Funding	Total Deprivation Funding	Total Other Factors	PFI	16/17 Total Funding
1040	Alice Model	60,590	542,281	25,084	86,644		654,008
1012	Childrens House	73,070	575,061	30,251	97,914	14,408	717,634
1024	Columbia Market	75,545	594,539	31,276	101,230	14,304	741,349
1041	Harry Roberts	77,780	612,129	32,201	104,225	15,548	764,103
1031	Old Church	95,995	755,481	39,742	128,633	18,347	942,203
1032	Rachel Keeling	78,825	620,353	32,634	105,626		758,612

<b>2017-18</b>	N2	8.25	0.5	0.70
	N1	8.25	0.5	0.38

DfE Ref	School	Total hours	Total Participation Funding	Total Deprivation Funding	Supplementary funding £678k	PFI	17/18 Total Funding	Diff in funding	diff in hrs over years	cost of hrs £	diff in rate basic rate
1040	Alice Model	56,480	465,960	25,416	88,975		<b>580,351</b>	- 73,658	- 4,110	- 36,785	- 39,536
1012	Childrens House	69,405	572,591	31,232	95,671	15,313	<b>714,807</b>	- 2,827	- 3,665	- 30,236	26,374
1024	Columbia Market	65,925	543,881	29,666	98,911	13,684	<b>686,142</b>	- 55,207	- 9,620	- 79,365	25,052
1041	Harry Roberts	72,170	595,403	32,477	101,838	15,856	<b>745,572</b>	- 18,531	- 5,610	- 46,283	27,425
1031	Old Church	88,228	727,877	39,702	125,686	19,005	<b>912,271</b>	- 29,932	- 7,768	- 64,082	33,526
1032	Rachel Keeling	74,665	615,986	33,599	103,206		<b>752,791</b>	- 5,821	- 4,160	- 34,320	28,373

DfE: Nursery school supplementary funding for 2017/18 is £628K , however is currently top-up to £678k.

SCHOOL h	FTE	25Hrs	15Hrs	Mix 60/40 Hrs	Mix 80/20 hrs
Alice Mod	70	66,619	39,971	55960	61,289
Childrens	72	68,590	41,154	57616	63,103
Columbia	90	85,405	51,243	71740	78,573
Harry Rob	78	74,195	44,517	62324	68,259
Old Church	112	106,305	63,783	89296	97,801
Rachel Kee	84	79,800	47,880	67032	73,416