

WIRRAL COUNCIL

SCHOOLS FORUM 28th MARCH 2012

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

ACADEMY UPDATE

EXECUTIVE SUMMARY

This report updates members on the current position regarding academies, funding transfers and charging proposals.

BACKGROUND

Academies are schools that are independent from the Local Authority. They are funded directly from the Education Funding Agency, using allocations based on Wirral's existing funding formula.

Wirral has 10 Secondary Academies as at 1st March. In 2012-13 the Schools Budget has made provision for the transfer of the following resources to fund academies:

Individual Schools Budget	£48.8m
Central School budgets	£0.5m

The final amount will be adjusted to take account of any variation in the actual number of schools transferring to academy status.

LACSEG

The DfE have published revised rates for the Local Authority Central Spend Equivalent Grant for the 2012-13 academic year. LACSEG is a grant paid to academies to ensure that they are funded to cover the cost of services that they are required to secure (and are provided to maintained schools at no cost). These include teacher maternity costs, school improvement, education welfare services and a share of the department's legal and statutory costs.

Changes in LACSEG rates for 2012-13 reflect:

- A reduction to take into account that not all local authority responsibilities can be delegated to schools – in areas such as Education Social Welfare, Asset Management and Statutory Regulatory Duties.
- Additions to include Minority Ethnic Achievement Service and Schools Contingency.

RECOUPMENT

The recovery by the DfE of DSG LACSEG will be based on Wirral's Section 251 Budget Return and is estimated above to be £0.5m.

The recovery of LACSEG in respect of Local Authority services is currently a national top slice. For Wirral this is about £1.7m.

There are proposals to refund authorities centrally where the top slice exceeds the funding that is transferred to academies.

ACADEMY TRADED SERVICES

In both the Schools budget and the LA budget where it has been agreed that services should continue to be provided, this will be on a traded basis. Attached is a brief outline of the costs identified to date and the basis of charging.

In total, if agreed, this is likely to yield about £270,000, of which £80,000 is Schools budget and £190,000 LA budget.

The level of charges are significantly less than funding transferred. This is because:

- in some areas central provision will cease for example maternity / paternity costs
- the budget for central LA costs and funding has reduced
- the level of retained statutory costs are higher than estimated nationally
- there is no reduction in fixed costs
- there are differences in the demand and provision of support to schools that is not fully recognised in LACSEG .

RECOMMENDATION

That the Forum notes the report