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Cabinet Member (Education)

30 September 2014

**Name of Cabinet Member:**

Cabinet Member (Education) - Cllr Kershaw

**Director Approving Submission of the report:**

Executive Director – People

**Ward(s) affected:**

All

**Title:**

Cessation of Dol y Moch Remissions Budget Contributions from the Council

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**Is this a key decision?**

No

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**Executive Summary:**

The 1996 Education Act sets out the law on charging for school activities. This applies to schools maintained by local authorities in England and academies (including free schools, studio schools and UTCs). All schools are required to have charging and remissions policies, which comply with the guidance and are approved by Governors.

In relation to residential trips, parents who are in receipt of certain benefits (as set out in the DFE Guidance: Charging for School Activities, November 2013) are exempt from paying the board and lodging costs.

For many years the Council has subsidised schools to enable more deprived or vulnerable pupils to participate in activities at the Dol y Moch residential centre through the remissions budget. The City Council does not fund any other remissions for other activities. With the advent of pupil premium, schools now have access to funding to support vulnerable pupils therefore it is proposed to cease this funding with effect from April 2015.

**Recommendations:**

The Cabinet Member is asked to

- (1) Agree the cessation of the Dol y Moch remissions funding from April 2015

**List of Appendices included:**

None

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

**Report title:** Cessation of Dol y Moch Remissions Subsidy from the City Council

**1. Context (or background)**

- 1.1 The City Council has a full cost recovery policy for services provided to schools, unless there is a previously agreed subsidy. The City Council has provided a small subsidy to Dol y Moch, to reflect the fact that pupils from lower income families are exempt from board and lodging fees. This enables reduced charges to be made to schools to ensure more deprived pupils can participate in residential activities at the centre. The total budget for this is £44k per year.
- 1.2 The money is used to provide each school with a number of free places (board and lodgings only) allocated on the basis of pupils entitled to free school meals. The school then decides how to allocate these places and whether parents are asked for a contribution (voluntary in the case of lower income families). The Local Authority does not provide funding to support residential trips to other activity centres. Schools opting to use other provision fund this from their own resources.
- 1.3 Since these provisions were put in place there has been a significant level of change in schools funding arrangements. Schools which have converted to become academies are no longer in receipt of their part of this subsidy.
- 1.4 All schools now receive a pupil premium for specified vulnerable pupils. The pupil premium is additional funding given to publicly funded schools in England to raise the attainment of disadvantaged pupils and close the gap between them and their peers. Free school meal eligibility is used to identify these pupils. This premium is £1,300 per primary pupil and £935 per secondary pupil which represents a significant increase on 2011/12 levels as detailed in section 5.1 below. There are further payments for looked after or adopted children. This premium can be used to provide access to educational activities and support for individuals, so could be used to replace the part of the subsidy lost from the Council.
- 1.5 The money for the subsidy is currently funded by the Education Services Grant (ESG). This grant has seen substantial reductions over recent years.

**2. Options considered and recommended proposal**

- 2.1 Two options were considered for this subsidy:
  - 2.1.1 To continue with it with no change at an on-going cost of £44k per year.
  - 2.1.2 To cease the subsidy and allow schools to prioritise their own resources to support attendance at educational residential activities as they wish.
- 2.2 To continue with the current subsidy would be anomalous in view of recent changes to pupil funding through the pupil premium. Schools funding continues to be one of the most protected areas in the public sector system.
- 2.3 Local Authority budgets for core education functions have reduced significantly due to the academisation of schools. In 2013/14 this equates to a reduction of £1.9M in Local Authority spending. This reduction is being dealt with as part of the Children's Statutory Functions FSR, and this proposal is put forward as a contribution to dealing with this reduction.

- 2.4 Furthermore, as Dol y Moch is operating in a competitive market and is operating financially independently of the Council, it is no longer appropriate for the Council to provide a subsidy to allow one provider in this market to offer rebates. This proposal enables Dol y Moch to compete on the same basis as all other providers.

### **3. Results of consultation undertaken**

- 3.1 There has been no consultation with parents or pupils as any funding gap can be made up by the use of the Pupil Premium.
- 3.2 A paper about this proposal was taken to the Outdoor Education Steering group in July 2014. This includes representative Head Teachers. It was agreed that the only option was to cease the remissions budget contribution as Dol y Moch needs to be financially independent of the Council and the Council supporting one provider is no longer appropriate or equitable.
- 3.3 There has been no wider consultation with schools.
- 3.4 The impact on this for Dol y Moch is that they would no longer be able to provide free places (board and lodgings) to schools. It is not expected that this will have an impact on their buyback levels.

### **4. Timetable for implementing this decision**

- 4.1 It is proposed that this decision will be implemented from April 2015.

### **5. Comments from Executive Director, Resources**

#### **5.1 Financial implications**

The Outdoor Education Service has a core funded remissions budget of £44k. The £44k budget represents the historic subsidy provided to Doly Moch to subsidise board and lodging costs for low income families.

The actual cost of these remission places is forecast to be £78k in 2014/15 and has been at this level for some years. The shortfall between cost and funding is managed each year within the overall Doly Moch bottom line.

In line with the Scrutiny Board 1 report of 29 November 2011, the Outdoor Education service operates on a full cost recovery basis. This ensures that excluding the remissions budget the service recovers its full cost and is not subsidised by the Local Authority.

If the remissions subsidy ceases and the service charge schools the full cost of these places this will create an addition £78k of income based on 14/15 levels, however the service will have reduced resource of £44k resulting in additional income to service of £34k. The service will have a choice as to whether they wish to review their charging policy or look to invest this additional income into service delivery.

Since 2011/12 Schools have received Pupil Premium funding specifically for disadvantaged pupils which is allocated to schools based on free school meal numbers. Since 2011/12 this allocation has almost tripled in the Primary sector and doubled in the Secondary sector.

#### **5.2 Legal implications**

S449-462 sets out the circumstances for charging for school activities in maintained schools (which by virtue of their funding agreement includes academies/free schools studio schools and UTC's). Schools are required to have and keep under review, a charging and remissions policy. In the absence of such a policy no charges are permissible. Schools are permitted to charge for "optional extras" and board and lodging, eligibility for remission of the charges for board and lodging is the same as eligibility for free school meals and is the responsibility of governing bodies.

**6. Other implications**

None

**6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The savings generated by the cessation of this funding will be used to cover the LA funding reduction as a result of schools becoming academies.

**6.2 How is risk being managed?**

The risk of this having a negative impact on the opportunities of individual pupils is slight given the small amount of per pupil funding this subsidy represents.

**6.3 What is the impact on the organisation?**

None

**6.4 Equalities / EIA**

The funding previously provided by the Council was to support vulnerable groups. This funding is being replaced by funding which schools can access through Pupil Premium and therefore any negative impact of this decision is mitigated.

**6.5 Implications for (or impact on) the environment**

None

**6.6 Implications for partner organisations?**

None

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