

DARLINGTON SCHOOLS FORUM

29th April 2014

ITEM NO 8

VOLUNTARY AIDED/TRUST ADMISSIONS CONTINGENCY

Purpose of Report

1. To provide further information to School Forum concerning the Voluntary Aided/Trust admissions contingency

Background

2. School Forum were presented with a paper at their April 2013 meeting to consider the future of the Voluntary Aided/Trust admissions contingency, as due to the change in a number of schools to academy status the original operation of the contingency was no longer seen as fit for purpose.
3. Forum were presented with a number of options regarding the future of the contingency. Agreement was made to continue the contingency on the same basis as had operated previously, however the contingency could only be accessed by maintained VA/Trust schools from the financial year 2013/14.
4. Further information regarding the contingency was requested by the Forum at their June 2013 meeting and a second paper was presented to Forum at their meeting in November 2013.
5. The second paper was noted and no changes were made to the previous agreement.
6. Forum requested that a further paper be brought at their meeting in January 2014, focusing on all appeal costs rather than just the historic contingency.

The Contingency

7. At the time the contingency was created there were two types of school in Darlington, i.e. Local Authority Maintained schools and Voluntary Aided/Trust schools. Both types of school are subject to admissions appeals, which are administered currently by the Local Authority through Democratic Services.
8. Local Authority maintained schools are not charged by Democratic Services for the administration of the appeals as the Local Authority are responsible for providing support for appeals. However as VA/Trust schools are responsible for their own admissions, the Local Authority charges these schools for the cost of administering their appeals.
9. As a result of the above, this meant that VA/Trust schools had an additional call on their budget that was not the case for LA maintained schools; hence a contingency was created to provide VA/Trust schools with some additional funding to offset the additional charges they faced.
10. The contingency was set at £20,000, with each VA/Trust school receiving a share of the contingency.

11. The mechanism for sharing the contingency was based on the following payment mechanism.
 - Each school received a lump sum, at £250 per primary and £1,000 per secondary
 - After the lump sum, £16,250 was available to share between all schools. This was shared on a pro-rata basis between the schools based on the number of appeals they had undertaken.
 - The number of appeals used was based on a three year rolling number (to take account of exceptional years).
 - The following illustrates a payment. Primary school A has average 3 appeals over the last three years. In that three year period the total average appeals number 30. Primary school A therefore receives £1,875 of the contingency i.e. £250 lump sum plus £1,625 ($3/30 * £16,250$).

12. The payment mechanism for the admissions contingency in no way reflected what schools were actually charged by the Local Authority for admission appeals, therefore it was the case that one school may receive less from the contingency than they had actually paid in appeals costs, but another school may receive more from the contingency than they had paid.

Requirement for Change

13. Darlington now has a number of academies which are also responsible for their own admissions and therefore are now charged by the Local Authority for appeals in the same way that VA/Trust schools are charged.

14. Under the terms of the contingency only VA/Trust schools could access the funding, therefore a situation was created by which all academies were charged for appeals, but only VA/Trust academies were receiving assistance from the contingency. It was felt that this was an unfair situation where not all schools are treated the same. As a result the contingency was felt to be no longer appropriate.

Previous Proposals

15. A number of options were presented to Forum regarding how the contingency could be changed. One of the options was to extend the contingency to allow all academies to be able to access the funding and therefore treat all schools the same.

16. This option would increase the number of schools accessing the contingency from 9 schools to 27 schools. Under the original payment mechanism this would mean that each school would get a much smaller share of the contingency (i.e. £20,000) and therefore the value may be well under the actual payments made. Alternatively the contingency could have been increased proportionately for the increased number of schools, this would require a contingency of approximately £61,000.

17. Forum agreed to continue the exiting arrangements for the contingency, but with only maintained VA/Trust schools being able to access the fund. As there are only two schools that now qualify the contingency was reduced to approx. £4,000 in 2013/14 with the balance remaining as unspent.

18. The budget for the contingency was set at £5,000 in line with Forums agreement concerning the criteria for access (January 13), the saving on the contingency was added back into the funding allocated through the schools budget shares.

Appeal Costs

19. The payment mechanism for the contingency was not based on the actual charges received by schools for appeals. The mechanism paid a payment to qualifying schools each financial year, based on the average number of appeals over the previous three years. The actual charges to schools for appeals from Democratic Services over the last three financial years are as follows.

	2011/12	2012/13	2013/14
VA/Trust Schools (Maintained)	6,912.50	4,816.00	1,074.50
VA/Trust Schools (Academies)	5,887.50	12,436.50	17,006.50
Sub Total VA/Trust Schools	12,800.00	17,252.50	18,081.00
Other Academies	4,314.00	15,172.50	12,178.50
Total	17,114.00	32,425.00	30,259.50

20. An option to consider is to change the contingency from a pro-rata of a fixed amount to reflect the actual cost to schools of appeals. As can be seen in the above table in all years the value of actual charges for appeals in VA/Trust schools was below the total value of the contingency, therefore it could be said that schools were overpaid. (It will actually be the case that some schools will have received more funding than the cost of the appeals, however some will have received less).
21. If all academy schools could access a contingency even using the actual charges the contingency would need to increase over the £20,000 that was allocated. This figure will rise over the years as more schools become academies.
22. Forum should note that in the budget build for 2014/15 the saving on the existing contingency (£15,000) has been added to the schools funding formula, therefore **all** schools will have received a “slice” of this funding through the unit values applied in the formula. Any increase in the contingency would therefore be a double fund to schools (although it is appreciated that the amount allocated through the funding formula is in no way linked to the actual cost of appeals).
23. Forum should also note that under the terms of the funding formula, guidance states that contingency budgets cannot be increased over the 2013/14 levels, therefore the contingency cannot be increased to more than £20,000. (As the Forum have set the 2014/15 value at £5,000, it may be in the 2015/16 budget setting that the DfE only allow future budgets to be at £5,000). This therefore limits the use of any contingency.
24. The actual spend on the 2013/14 contingency was £4,110, therefore the budget underspent by £15,890, this saving is to be rolled forward into 2014/15. Forum do have the opportunity to allocate this underspend, or alternatively it will form part of the plans for the whole overspend as discussed in agenda item 7.

Proposal

25. It is proposed that for 2014/15 as the budget has been set at £5,000 that the previously agreed criteria for accessing the admissions contingency be continued i.e. only the two VA/Trust maintained schools will be able to access the funding. It is proposed however that the schools will only be funded at the actual cost of the appeals which would value £1,074.50 a saving of £3,925.50 (the contingency would remain to be paid based on the previous year actual charge).
26. The result of this proposal is that all academy schools are treat the same and that all maintained schools are treat the same.

Recommended

27. That Forum note the content of the report
28. That Forum agree to the proposals for the admissions contingency as outlined in paragraph 25

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