

Report to the Schools Forum 13 January 2017

Proposed 2017/18 Central Expenditure from the Dedicated Schools Grant previously funded by the Education Services Grant (ESG)

1 Description of ESG Currently

1.1 ESG was described in the preparatory papers provided to the Forum for the November 2016 meeting. 2016/17 ESG is split into two elements:

- Retained duties – allocated to LAs (LAs) at the rate of £15 per pupil, for all pupils, aged 3-19, whether in maintained schools or academies;
- General funding – allocated to LAs at the rate of £77 per pupil (higher rates for PRU and special school pupils), for pupils aged 3 -19 in maintained schools only.

1.2 The general funding element is reduced pro rata in-year if any schools convert to academy status, from the date of conversion. The expected allocation of ESG to T&W in 2016/17 (assuming no academy conversions before 31 March 2017) was

• Retained duties ESG	£410,193
• General funding ESG	£1,621,910
Total	£2,032,103

2 2017/18 Arrangements

2.1 The retained duties element, relating to services provided to all schools including academies, has been added into the schools block for 2017/18. The DfE confirmed on 20 December that the 'general funding' element of this grant, relating to services provided to maintained schools only, will be allocated at a rate of £27.50 per pupil from April 2017 to August 2017 and then removed entirely. The resulting allocation for T&W is £592,498.

2.2 In addition to this sum, T&W is requesting the following central retentions, detailed in Appendices 1 and 2:

ESG duties (all schools including academies)	£686,000
ESG duties (maintained schools only)	£546,000
Total	£1,232,000

2.3 To put this into context, up to 2016/17, Forum had annually approved CERA central expenditure, which included £252,000 for asset management. Thus in 2016/17, the total like-for-like funding received was as follows:

ESG	£2,032,103
CERA asset management top slice	£252,000
Total	£2,284,103

2.4 In comparison, if the Forum agrees with the amounts proposed, 2017/18 funding will be:

General funding rate ESG allocation April 2017 to August 2017 (assumes no academy conversions before 31 August)	£592,498
Retained duties for full year April 2017 to March 2018	£686,000
General funding duties for September 2017 to March 2018	£546,000
School improvement grant September 2017 to March 2018 (DfE committed to minimum £1,800 per maintained school, T&W £1,800 x 62 schools x 7/12 = £65,100)	£65,100
Total	£1,889,598

2.5 Thus there would be a reduction in funding to T&W in 2017/18 of £395,000. T&W's ESG amounted to £2.85m in 2013/14, so a funding reduction of £820,000 has already been absorbed by the Council. The proposals would increase this loss of funding to over £1.2m since 2013/14.

2.6 From schools perspective, the net additional charge for ESG services in 2017/18 compared to 2016/17 would be as follows

Amounts requested	£1,232,000
ESG moved into DSG	(£410,000)
Includes asset management CERA, previously agreed in 2016/17	(£252,000)
Net additional cost for schools in 2017/18	£570,000

2.7 An alternative perspective is to look at the total central retentions agreed by the Schools Forum in the last two years compared to those agreed/requested for 2017/18:

Category	Approved 2015/16	Approved 2016/17	Requested 2017/18
ESG	£0	£0	£1,232,000
(additional DSG funding from ESG)	£0	£0	(£410,000)
Capital Expenditure from Revenue (CERA: included £342K BSF in 15/16 and £100,000 BSF in 16/17)	£594,907	£352,000	£0
Falling Rolls fund	£450,000	£75,000	£0
School admissions service	£392,356	£392,356	£357,356
Pupil Growth / Infant Class sizes	£165,000	£100,000	£100,000
Safeguarding training	£25,000	£25,000	£25,000
Support for Schools Forum	£17,124	£17,124	£17,124
Total	£1,644,387	£961,480	£1,321,480

2.8 Central retentions for ESG duties will be calculated at an individual school level at an amount per pupil. We are proposing to replicate the DfE's current scaling arrangements with regard to ESG for special schools (4.25) and PRUs (3.75), calculated on the basis of places rather than pupils. If the amounts above and described in more detail in Appendices 1 and 2 are agreed, the per pupil deductions (per place for special schools and PRUs) will be as follows:

Retained duties (all schools including academies)	Mainstream	£25.44
	Special	£108.14
	PRU	£95.42
General funding (maintained schools only)	Mainstream	£26.10
	Special	£110.93
	PRU	£97.88

2.9 The vote on retained duties is a whole Forum vote. The vote on general funding is by maintained school representatives only.

2.10 *The Forum is asked to vote on the amounts to be retained in 2017/18 to fund duties and services previously covered by ESG*