

Report to the Schools Forum 22 November 2018

Funding Statutory Services for Schools (previously funded from the Education Services Grant) - 2019/20 Central Schools Services Block and De-delegation

1 Background

- 1.1 Many of the local authority's statutory functions for schools had been funded from the Education Services Grant (ESG) which ceased in 2017/18. A few had been funded via central top slices agreed by the Schools Forum. In 2018/19 some of these funding streams were brought together into the new Central Schools Services DSG block (CSSB) and this will continue in 2019/20
- 1.2 The tables below contain considerable duplication, but in order to see clearly the overall impact of the funding changes to DSG and ESG from both a local authority and school perspective, it is useful to separate the two sides. It is also useful to look at the last few years so that the cumulative impact of the changes and cuts is more apparent.
- 1.3 Firstly from an LA budgetary perspective:

Table 1: ESG and Schools Budget Funding of LA Services – LA Income

	£'000				
	2014/15	2015/16	2016/17	2017/18	2018/19
ESG	2,805	2,256	2,032	592	0
Central top-slice from all schools including academies for services formerly funded by ESG	0	0	0	510	845
Central top-slice for BSF (CERA)	342	342	100	0	0
Central top-slice for asset management (CERA)	252	252	252	0	0
Central top-slice for admissions	392	392	392	357	0
Central top-slice for safeguarding	25	25	25	25	0
Central top-slice for schools forum	17	17	17	17	0
Total central top slices from all schools including academies	1,028	1,028	786	909	845
De-delegation from maintained schools only for services formerly funded by ESG	0	0	0	350	480
De-delegation for behaviour support	52	53	0	0	0
De-delegation for Multi-Cultural Development Team	0	89	0	0	0
De-delegation for Free School Meal eligibility checks	17	20	16	24	0
Total de-delegation from maintained schools only	69	162	16	374	480
Total funding for LA services from ESG and school budgets	3,902	3,446	2,834	1,875	1,325

- 1.4 Thus from an LA perspective, funding for school services is now around a third of what it was 5 years ago.
- 1.5 The picture from a schools budgetary perspective is as follows:

Table 2: Contributions from Schools Budgets to LA Services

	£'000				
	2014/15	2015/16	2016/17	2017/18	2018/19
Addition by DfE to school budget for element of ESG relating to services for all schools including academies	0	0	0	(410)	(410)
Central top-slice from all schools including academies for services formerly funded by ESG	0	0	0	510	845
De-delegation from maintained schools only for services formerly funded by ESG	0	0	0	350	480
Central top-slice for BSF (CERA)	342	342	100	0	0
Central top-slice for asset management (CERA)	252	252	252	0	0
Central top-slice for admissions	392	392	392	357	0
Central top-slice for safeguarding	25	25	25	25	0
Central top-slice for schools forum	17	17	17	17	0
De-delegation for behaviour support	52	53	0	0	0
De-delegation for Multi-Cultural Development Team	0	89	0	0	0
De-delegation for Free School Meal eligibility checks	17	20	16	24	24
Total	1,097	1,190	802	873	939

- 1.6 It is perhaps surprising to see that the overall net contribution to LA services from school budgets has decreased since 2015/16. The substantial contributions in 2018/19 towards statutory services formerly funded by ESG was partly offset by the additional funds added to Schools Block in 2017/18 and the ending of CERA (both BSF and asset management) reduced the call on DSG.

2 2019/20 Funding of Statutory Services for Schools

- 2.1 Although the DfE has created a specific block for statutory central services, any funding for these services is still subject to an annual Forum vote
- 2.2 This means that for 2019/20, as for the last two years, there will be two Forum votes, the first by the whole Forum covering services funded from the CSSB, the second by maintained school Forum representatives only, covering statutory services for maintained schools only, funded by de-delegation.

- 2.3 Central retentions for ESG duties are calculated at an individual school level based on an amount per pupil. We replicate the DfE's previous scaling arrangements with regard to ESG for special schools (4.25) and PRUs (3.75).
- 2.4 With regard to the information provided to the Forum in order to decide how to vote, the suggested evidence in paragraph 159 of the ESFA's operational guide for 2019/20 is as follows:
- planned total spending for 2019 to 2020 on each of the headings set out in table 9a to 9i [included as Appendix B to this paper];
 - spending shown to at least the level of detail provided in the 2019 to 2020 section 251 budget statement
 - comparable figures for previous years' spending, split where relevant between those relating to all schools and those for maintained schools only
 - consequences for the funding and delivery of each of the services provided if the request was not approved
 - the impact on individual school budgets and their overall financial position
 - the impact on the local authority if the amount was not held centrally
 - detail of the results of the equalities impact assessment carried out to assess the impact of the central retention of the funding on children or other people who have.
- 2.5 The details of the request for 2019 to 2020, including this information, are shown in Appendix A.
- 2.6 Sums per pupil are similar to 2018 to 2019, For de-delegated sums (maintained schools only) the total amount has decreased to reflect conversions of maintained schools to academies.
- 2.7 In effect the local authority is absorbing both inflationary pressures on costs and the impact of more pupils (e.g. on admissions services) rather than passing these back to schools.
- 2.8 The CSSB allocation to T&W is reducing per pupil due to a combination of removal or protection at 2.5% per year and the national freezing of the amount available for the CSSB, resulting in a reduction in the per pupil amount. Thus despite the profound reductions in funding for local government education functions, cuts still continue.
- 2.9 ***The Forum is asked to approve the amounts detailed in Appendix A for statutory central services in 2019/20. Remaining funds in the Central Schools Services Block are planned to be allocated to high needs, as in 2018/19.***

Tim Davis
Finance Team Leader
November 2018

Appendix B – Statutory Responsibilities for local Authorities previously funded by the Education Services Grant

(References are to the schedules in the current schools and early years finance (England) regulations 2017)

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<p><u>Statutory and regulatory duties</u></p> <p>Director of children’s services and personal staff for director (Sch 2, 15a)</p> <p>Planning for the education service as a whole (Sch 2, 15b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</p> <p>Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c)</p> <p>Formulation and review of local authority schools funding formula (Sch 2, 15d)</p> <p>Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</p> <p>Consultation costs relating to non-staffing issues (Sch 2, 19)</p> <p>Plans involving collaboration with other LA services or public/voluntary bodies (Sch 2, 15f)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p>	<p><u>Statutory and regulatory duties</u></p> <p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 58)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</p> <p>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</p> <p>Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</p> <p>Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61)</p> <p>Functions related to local government pensions and administration of teachers’ pensions in relation to staff working at maintained schools</p>

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)	<p>under the direct management of the headteacher or governing body (Sch 2, 62)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 72)</p>
<p><u>Education welfare</u></p> <p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p>	<p><u>Education welfare</u></p> <p>Inspection of attendance registers (Sch 2, 78)</p>

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<p><u>Asset management</u></p> <p>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</p> <p>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p>	<p><u>Asset management</u></p> <p>General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards <p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974)</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</p>
<p><u>Central support services</u></p> <p>No functions</p>	<p><u>Central support services</u></p> <p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<p><u>Premature retirement and redundancy</u></p> <p>No functions</p>	<p><u>Premature retirement and redundancy</u></p> <p>Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)</p>
<p><u>Monitoring national curriculum assessment</u></p> <p>No functions</p>	<p><u>Monitoring national curriculum assessment</u></p> <p>Monitoring of National Curriculum assessments (Sch 2, 74)</p>
<p><u>Therapies</u></p> <p>No functions</p>	<p><u>Therapies</u></p> <p>This is now covered in the high needs section of the regulations and does not require schools forum approval</p>
<p><u>Other ongoing duties</u></p> <p>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8) – this does not require schools forum approval</p> <p>Admissions (Sch 2, 9)</p> <p>Places in independent schools for non-SEN pupils (Sch 2, 10)</p> <p>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</p> <p>Servicing of schools forums (Sch 2, 12)</p> <p>Back-pay for equal pay claims (Sch 2, 13)</p> <p>Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018-19 regulations).¹</p>	

¹Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<u>Historic commitments</u> Capital expenditure funded from revenue (Sch 2, 1) Prudential borrowing costs (Sch 2, 2(a)) Termination of employment costs (Sch 2, 2(b)) Contribution to combined budgets (Sch 2, 2(c))	
<u>Additional note</u> Services set out in the table above will also include administrative costs and overheads relating to these services (regulation 1(4)) for: <ul style="list-style-type: none"> • expenditure related to functions imposed by or under Chapter 4 of Part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions • expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services • expenditure in relation to the investigation and resolution of complaints • expenditure on legal services 	