

## Report to the Schools Forum 16 November 2023

### Funding Statutory Services for Schools - 2024/25 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 Block (CSSB), a new DSG block.
- 1.2 The current arrangements have therefore now been in place for several years, but in order to see clearly the overall cumulative effects of the DfE's policies over the last few years, it is useful to separate the local authority and school impacts.
- 1.3 Firstly from an LA budgetary perspective:

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

	£'000			
	14/15	17/18	22/23	23/24
ESG	2,805	592	0	0
Central top-slice from all schools including academies for services formerly funded by ESG *	0	510	966	966
Central top-slice for BSF (CERA)	342	0	0	0
Central top-slice for asset management (CERA)	252	0	0	0
Central top-slice for admissions	392	357	0	0
Central top-slice for safeguarding	25	25	0	0
Central top-slice for schools forum	17	17	0	0
<b>Total central top slices from all schools including academies</b>	<b>1,028</b>	<b>909</b>	<b>966</b>	<b>966</b>
De-delegation from maintained schools only for services formerly funded by ESG	0	350	387	388
De-delegation for behaviour support	52	0	0	0
De-delegation for Multi-Cultural Development	0	0	0	0
De-delegation for Free School Meal eligibility checks	17	24	34	34
<b>Total de-delegation from maintained schools only</b>	<b>69</b>	<b>374</b>	<b>421</b>	<b>422</b>
<b>Total funding for LA services from ESG and school budgets</b>	<b>3,902</b>	<b>1,875</b>	<b>1,387</b>	<b>1,388</b>

- 1.4 Thus from an LA perspective, funding for school services is a third of the total in 2014/15.
- 1.5 The picture from a schools budgetary perspective is as follows:

**Table 2: Contributions from Schools Budgets to LA Services**

	£'000			
	14/15	17/18	22/23	23/24
Addition by DfE to school budget for element of ESG relating to services for all schools including academies	0	(410)	(410)	(410)
Central top-slice from all schools including academies for services formerly funded by ESG *	0	510	966	966
De-delegation from maintained schools only for services formerly funded by ESG	0	350	387	388
Central top-slice for BSF (CERA)	342	0	0	0
Central top-slice for asset management (CERA)	252	0	0	0
Central top-slice for admissions	392	357	0	0
Central top-slice for safeguarding	25	25	0	0
Central top-slice for schools forum	17	17	0	0
De-delegation for behaviour support	52	0	0	0
De-delegation for Multi-Cultural Development Team	0	0	0	0
De-delegation for Free School Meal eligibility checks	17	24	34	34
<b>Total</b>	<b>1,097</b>	<b>873</b>	<b>977</b>	<b>978</b>

\* Includes £81,747 added to CSSB for Teachers Pensions in FY2021-2022.

- 1.6 Despite the abolition of the ESG, partly replaced by contributions from the CSSB to central services, the contribution from schools to central services reduced compared to 2014/15 and has since been around £970,000. The substantial contributions from 2018/19 onwards towards statutory services formerly funded by ESG has been partly offset by the additional funds added to Schools Block in 2017/18. In addition, the ending of CERA (both BSF and asset management) reduced the call on DSG.
- 2 2024/25 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 2024/25, as for the last five 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 statutory 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 Section 35 of the ESFA's operational guide for 2024/25 suggests the following information is provided to the Forum in order to decide how to vote:
- planned total spending for 2024 to 2025 on each of the headings set out at Annex 3 [included as Appendix B to this paper];
  - spending shown to at least the level of detail provided in the 2024 to 2025 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 one or more of the protected characteristics under the Equality Act 2010.
- 2.5 The details of the request for 2024 to 2025, including this information, are shown in Appendix A.
- 2.6 For services for all schools, the cash amounts requested are the same as 2023/24. For services for maintained schools the sums per pupil are the same as 2023/24, resulting in a similar amount to be de-delegated as 2023/24. The local authority will therefore have to absorb the impact of inflationary pressures. At a time of relatively high inflation and when local authority services are already under unprecedented financial pressure, this is resulting in staffing structures having to be reviewed in order to try to stay within available resources.
- 2.7 The CSSB allocation to T&W is reducing per pupil by 2.5% per year, as protection is removed. In addition to local authority services, the CSSB also funds the cost of national licences for schools purchased by the DfE. Neither the local authority nor schools have any control over this sum. In 2023/24 the cost of these licenses increased significantly, from £145,881 in 2022/23 to £166,009. This increase resulted in a cash decrease in the amount available for statutory central services.
- 2.8 *The Forum is asked to approve the amounts detailed in Appendix A for statutory central services in 2024/25. If there is insufficient resource in the Central School Services Block to fund the identified amounts for the services, the amounts will be reduced so that the total matches the allocation.***

Tim Davis  
Group Accountant  
November 2023

**Appendix B – Statutory Responsibilities for local Authorities previously funded by the Education Services Grant (text taken from Annex 3 of the ESFA’s Schools revenue funding 2024 to 2025 operational guide)**

*References are to the schedules in the current schools and early years finance (England) regulations 2021*

Central Services	
Responsibilities local authorities hold for <b>all schools</b> (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for <b>maintained schools</b> (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<p><b><u>School Improvement</u></b></p> <p>No duties</p> <p><b><u>Statutory and regulatory duties</u></b></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>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>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>Consultation costs relating to non-staffing issues (Sch 2, 19)</p>	<p><b><u>School Improvement</u></b></p> <p>Expenditure related to core school improvement activities of local authorities with respect to maintained schools (Sch 2, 53)</p> <p><b><u>Statutory and regulatory duties</u></b></p> <p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (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, 59)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 60)</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, 60)</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, 61)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 62)</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, 63)</p>

Central Services	
Responsibilities local authorities hold for <b>all schools</b> (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for <b>maintained schools</b> (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
<p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</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>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 64)</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, 65); determination of conditions of service for non-teaching staff (Sch 2, 66); appointment or dismissal of employee functions (Sch 2, 67)</p> <p>Consultation costs relating to staffing (Schedule 2, paragraph 68)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 69)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 70)</p> <p>School companies (Sch 2, 71)</p> <p>Functions under the Equality Act 2010 (Sch 2, 72)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 73)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 74)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 75)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 77)</p>
<b><u>Education welfare</u></b>	<b><u>Education welfare</u></b>
Functions in relation to School attendance (Sch 2, 16)	Inspection of attendance registers (Sch 2, 80)

Central Services	
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<p>Responsibilities regarding restrictions on the employment of children (Sch 2, 18)</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><b><u>Asset management</u></b></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><b><u>Asset management</u></b></p> <p>General landlord duties for all maintained schools (Sch 2, 76a &amp; b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> <li>• appropriate facilities for pupils and staff (including medical and accommodation)</li> <li>• the ability to sustain appropriate loads</li> <li>• reasonable weather resistance</li> <li>• safe escape routes</li> <li>• appropriate acoustic levels</li> <li>• lighting, heating and ventilation which meets the required standards</li> <li>• adequate water supplies and drainage</li> <li>• playing fields of the appropriate standards</li> </ul> <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><b><u>Central support services</u></b></p> <p>No functions</p>	<p><b><u>Central support services</u></b></p> <p>Clothing grants (Sch 2, 54)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 55)</p>

Central Services	
Responsibilities local authorities hold for <b>all schools</b> (funded by the central school services block with the agreement of schools forums)	Responsibilities local authorities hold for <b>maintained schools</b> (funded from maintained school budgets only with agreement of the maintained school members of the schools forum)
	<p>Visual, creative and performing arts (Sch 2, 56)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 57)</p>
<u><b>Premature retirement and redundancy</b></u>  No functions	<u><b>Premature retirement and redundancy</b></u>  Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 79)
<u><b>Monitoring national curriculum assessment</b></u>  No functions	<u><b>Monitoring national curriculum assessment</b></u>  Monitoring of National Curriculum assessments (Sch 2, 76)
<u><b>Therapies</b></u>  No functions	<u><b>Therapies</b></u>  This is now covered in the high needs section of the regulations and does not require schools forum approval
<u><b>Other ongoing duties</b></u>  Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8) – this does not require schools forum approval  Operation of the system of admissions & appeals (Sch 2, 9)  Fees or expenses payable in connection with the attendance of non-SEN pupils at schools not maintained by any local authority (Sch 2, 10)  Remission of boarding fees at maintained schools and academies (Sch 2, 11)  Servicing of schools forums (Sch 2, 12)  Back-pay for equal pay claims (Sch 2, 13)	

Central Services	
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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 (Sch 2, 23)	
<p><b><u>Historic commitments</u></b></p> <p>Capital expenditure funded from revenue (Sch 2, 1)</p> <p>Prudential borrowing costs (Sch 2, 2(a))</p> <p>Termination of employment costs (Sch 2, 2(b))</p> <p>Contribution to combined budgets (Sch 2, 2(c))</p> <p>Special educational needs transport costs (Sch2, 2(d))</p>	
<p><b><u>Additional note</u></b></p> <p>Services set out in the table above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• expenditure in relation to the investigation and resolution of complaints</li> <li>• expenditure on legal services</li> </ul>	