



## Schools Forum

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Training and Development  
Centre

Paper

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Public

## Consultation on Central Retention of Dedicated Schools Grant from April 2019

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### Summary

In 2013-14 school funding reforms required increased delegation to maintained schools and academies. Regulations were introduced to allow maintained mainstream primary and secondary schools the option to de-delegate certain delegated budgets to be held and managed centrally, subject to a Schools Forum decision by the representatives of each sector. De-delegation does not apply to academies, special schools or pupil referral units.

From 2017-18, Schools Forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools.

In addition, maintained mainstream primary and secondary schools can agree to a top-slice to their delegated funding, to allow for the central retention of funding for statutory services for maintained schools provided by the local authority, previously funded from general duties Education Services Grant (ESG), which was removed in September 2017. Top-slicing is also subject to a Schools Forum decision by the representatives of each sector.

All Shropshire maintained mainstream schools were consulted on the options for de-delegation and top-slicing for the 2019-20 financial year. The consultation period ran until Friday 16 November 2018.

### Recommendation

That Schools Forum consider the consultation responses received from Shropshire maintained mainstream schools, attached to and summarised within this report, and make decisions on de-delegation and top-slicing for centrally retained services for 2019-20.

## REPORT

### Background

1. Schools Forum is required to take decisions, on an annual basis, on the de-delegation of certain delegated budget areas since school funding reforms required increased delegation to schools through the schools funding formula. Since 2017-18, Schools Forum has also been required to take a decision on the de-delegation of further funding for additional school improvement provision for maintained schools, previously funded through Education Services Grant (ESG) to local authorities, which was removed from September 2017.
2. With the loss of the general duties element of the ESG, school finance regulations also allow local authorities to top-slice school budgets for certain services provided centrally, previously funded from ESG, again subject to the approval of Schools Forum.
3. All Shropshire mainstream maintained schools were consulted on the de-delegation and top-slicing options for the 2019-20 financial year. The consultation period closed on Friday 16 November 2018. The full consultation document is attached at Appendix A to this report and the detailed consultation responses attached at Appendix B and summarised within this report. Responses were received from 25 individual maintained schools (23 primary, 2 secondary). This represents 26.0% of the 96 mainstream maintained schools as at 16 November 2018 (slightly down on the response level of 26.9% in the 2018-19 consultation).
4. The impact in 2018-19 of the decisions taken by Schools Forum in December 2017 are summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
<b>De-delegation (maintained primary and secondary):</b>			
Pupil growth contingency	£150,170	£10.10	-
Maternity cover	£410,000	£20.79	£20.79
Trade union duties	£43,600	£1.93	£3.07
School improvement (primary)	£144,600	£4.86 + £745.36/school	-
School improvement (secondary)	£5,400	-	£1.11
<b>Top-slice (maintained primary and secondary):</b>			
Redundancy fund	£390,693	£19.81	£19.81
Statutory school finance	£30,000	£1.52	£1.52
Statutory human resources and health and safety	£86,777	£4.40	£4.40
Education welfare and inclusion	£227,130	£11.52	£11.52

## De-delegation

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5. Details of each of the areas de-delegated in 2018-19 with Schools Forum approval were included within the consultation document for 2019-20. Views were sought from Shropshire maintained schools on whether de-delegation should continue in 2019-20.

### Pupil Growth Contingency (Primary Schools)

6. Schools Forum has previously agreed the de-delegation of a contingencies budget to allow additional funding to be targeted at maintained primary schools where their pupil number increased by at least 15% of their funded number on roll (the threshold was raised from 10% to 15% from 2018-19). Additional funding allocated from the contingency budget takes into account a school's minimum funding guarantee allocation and the additional expenditure incurred by the school as a direct result of the increased numbers.
7. The de-delegated contingency budget for 2018-19 was decreased to £150,170 given the raising of the threshold to 15% in 2018-19. Current monitoring of the 2018-19 de-delegated budget estimates an outturn underspend against this budget.
8. Retaining the per pupil contribution at £10.10 would generate a contingency of around £124,000, based on the estimated maintained pupil numbers in April 2019. It is not anticipated that the per pupil contribution will need to be increased in 2019-20.
9. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the primary pupil growth contingency are detailed within Appendix B and summarised below.

	<b>De-delegate as in previous years</b>	<b>No de-delegation</b>	<b>Total Responses</b>
Responses in favour	15 (65.2%)	8 (34.8%)	23

10. Maintained primary school representatives on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary school budgets for a pupil growth contingency for maintained primary schools in 2019-20.

### Maternity

11. Schools Forum has previously agreed the de-delegation of the maternity budget. This centrally held budget funds the salary costs of any member of school staff on maternity leave, leaving the school budget liable for only the costs of the replacement employee.
12. The de-delegated budget was decreased in 2018-19 to £410,000. Current monitoring of the 2018-19 de-delegated maternity budget estimates that the allocated funds for the year will be sufficient.

13. Retaining the per pupil contribution at £20.79 would generate a maternity budget of around £292,000, based on the estimated maintained pupil numbers in April 2019. It is not anticipated that the per pupil contribution will need to be increased in 2019-20.
14. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the maternity budget are detailed within Appendix B and summarised below.

	<b>De-delegate as in previous years</b>	<b>No de-delegation</b>	<b>Total Responses</b>
Responses in favour	24 (96.0%)	1 (4.0%)	25

15. Maintained school representatives on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary and secondary school budgets for a centrally managed maternity budget in 2019-20.

#### **Trade Union Duties (referred to as facilities time)**

16. Schools Forum agreed to de-delegate the trade union duties (more commonly referred to as facilities time) budget in previous years. This centrally held budget covers the costs of trade union representatives supporting their members in maintained schools.
17. The de-delegated budget was £43,600 in 2018-19. Current monitoring of the 2018-19 de-delegated trade unions duties budget estimates expenditure will remain within the allocated budget.
18. De-delegation rates would remain at 2018-19 levels of £1.93 per primary pupil and £3.07 per secondary pupil if the decision is taken to de-delegate for 2019-20, reflecting the direct correlation between the number of maintained schools and the facilities time provision required for maintained schools. This would deliver an estimated trade union duties budget (based on October 2018 numbers on roll) for 2019-20 of £29,000.
19. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the trade union duties budget are detailed within Appendix B and summarised below.

	<b>De-delegate as in previous years</b>	<b>Fully delegate with no de-delegation</b>	<b>Total Responses</b>
Responses in favour	22 (88.0%) <i>Primary 20 (87.0%)</i> <i>Secondary 2 (100.0%)</i>	3 (12.0%) <i>Primary 3 (13.0%)</i> <i>Secondary 0 (0.0%)</i>	25 <i>Primary 23</i> <i>Secondary 2</i>

20. Maintained school representatives on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary and secondary school budgets for a centrally managed trade union duties budget in 2019-20.

### **School Improvement**

21. For 2018-19 Schools Forum agreed to de-delegate £144,600 from maintained primary schools and £5,400 from maintained secondary schools to secure the ongoing statutory school improvement support through the Education Improvement Service (EIS).
22. The consultation document proposed reducing the school improvement budget to £100,000 for 2019-20, with modelling indicating that this would require £98,500 from the estimated 88 maintained primary schools in April 2019, and £1,500 from 2 maintained secondary schools.
23. The de-delegation model for primary schools is based on a 50% fixed element per school and a 50% variable element based on pupil numbers. It is estimated that the fixed element will be £585 per school and the variable element will be £3.82 per pupil (comparable figures in 2018-19 were £745.36 and £4.86 respectively), which will be required to secure a £98,500 school improvement budget.
24. For secondary schools a school improvement budget of £1,500 would result in the de-delegation figure reducing from £1.11 per pupil in 2018-19 to an estimated £0.87 per pupil in 2019-20. This option is being proposed for 2019-20 rather than the fixed/variable option, given the small number of schools involved.
25. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the school improvement support budget are detailed within Appendix B and summarised below.

	<b>De-delegate funding</b>	<b>Total Responses</b>
Responses in favour	25 (100.0%)	25

26. Maintained school representatives on Schools Forum are required to make a decision on whether to de-delegate funding for school improvement support from maintained primary on a 50% fixed and 50% variable element basis, and secondary school budgets on a per capita basis in 2019-20.

### **Free School Meal Eligibility, Public Duties, Library and Museums Strategic Management and Fidelity Insurance**

27. Schools Forum has previously agreed not to de-delegate the administration of free school meal eligibility. This service is offered to schools on a traded basis by the local authority.

28. In addition, Schools Forum has previously agreed not to de-delegate the public duties, the library and museum services strategic management or fidelity insurance budgets. Schools are therefore currently responsible for meeting these costs from within their individual delegated budgets.
29. This report recommends these arrangements continue.

## Top-slicing

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30. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
31. With the removal of the general duties element of the ESG to local authorities in September 2017, Schools Forum determined that, for 2017-18 and again in 2018-19, funding would be top-sliced from individual school budgets and retained centrally in order to provide continuity of provision for maintained schools. This was based on the understanding and commitment to fully consult with schools on what would happen in each subsequent year, hence the consultation on top-slicing from April 2019.

## Redundancy Fund

32. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
33. Top-slice rates remained unchanged in 2017-18 and 2018-19, at £19.81 per primary and secondary maintained pupil. While the number of maintained schools has reduced over this period and so the number of schools drawing on the fund has gone down, the overall costs of redundancies in maintained schools has increased. The budget of £390,693 for 2018-19 is unlikely to be sufficient to meet the anticipated costs at outturn. The remaining maintained schools in April 2019 have been advised to prepare for an increased unit cost in 2019-20.
34. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the redundancy budget are detailed within Appendix B and summarised below.

	<b>Top-slice funding</b>	<b>Fully delegate, no top-slice</b>	<b>Total Responses</b>
Responses in favour	24 (96.0%)	1 (4.0%)	25

35. Maintained school representatives on Schools Forum are required to make a decision on whether to top-slice a centrally held redundancy budget from maintained primary and secondary school budgets in 2019-20.

## Statutory School Finance

36. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
37. This is an area in which it is difficult to present an option for schools to assume delegated responsibility or to offer an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided.
38. Top-slice rates for the statutory school finance function are estimated to be £2.14 per primary and secondary maintained pupil for 2019-20 (based on October 2018 numbers on roll).
39. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the statutory school finance budget are detailed within Appendix B and summarised below.

	<b>Top-slice funding</b>	<b>Total Responses</b>
Responses in favour	25 (100.0%)	25

40. Maintained school representatives on Schools Forum are required to make a decision on whether to top-slice a centrally held statutory school finance budget from maintained primary and secondary school budgets in 2019-20.

## Statutory Human Resources and Health and Safety

41. The areas of support covered by the £86,777 top-sliced in 2018-19 include health and safety, occupational health, recruitment, payroll and contracts, as well as HR advice. A proportion of this centrally retained funding underwrites the costs of the statutory functions outlined in the Recruitment, Payroll and Contracts Service Level Agreement (SLA). In addition a significant proportion of this centrally retained funding underwrites the Health and Safety and Occupational Health SLA.
42. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top-slice at the 2017-18 and 2018-19 per pupil rate of £4.40 per maintained primary and secondary pupil.
43. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the statutory HR and health and safety budget are detailed within Appendix A and summarised below.

	<b>Top-slice funding</b>	<b>Total Responses</b>
Responses in favour	25 (100.0%)	25

44. Maintained school representatives on Schools Forum are required to make a decision on whether to top-slice a centrally held statutory HR and health and safety budget from maintained primary and secondary school budgets in 2019-20.

## Education Access Service

45. The 2018-19 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
46. Current monitoring of the EAS budget indicates a top-slice of £227,130 is sufficient for 2019-20.
47. The consultation for top-slicing for EAS was based on retaining the per pupil figure at the 2018-19 level, namely £11.52 for maintained primary and secondary schools.
48. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the EAS budget are detailed within Appendix B and summarised below.

	<b>Top-slice funding</b>	<b>No top-slice, buy-back arrangements offered</b>	<b>Total Responses</b>
Responses in favour	20 (80.0%)	5 (20.0%)	25

49. Maintained school representatives on Schools Forum are required to make a decision on whether to top-slice a centrally held budget for EAS from maintained primary and secondary school budgets or to fully delegate and offer buy-back arrangements.