



## Schools Forum

Date: 1 December 2022

Time: 8:30 a.m.

Venue: Virtual Microsoft  
(MS) Teams

Paper

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Public

## Consultation on Central Retention of Dedicated Schools Grant from April 2023

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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 2023-24 financial year. The consultation period ran until Friday 25 November 2022.

### 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 2023-24.

## 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 2023-24 financial year. The consultation period closed on Friday 25 November 2022. 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 44 individual maintained schools (43 primary, 1 secondary). This only represents 51.8% of the 85 mainstream maintained schools as at 1 December 2022 (up from the response level of 32.9% in the 2022-23 consultation).
4. The impact in 2022-23 of the decisions taken by Schools Forum in December 2021 is summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
<b>De-delegation (maintained primary and secondary):</b>			
Pupil growth contingency	£30,000	£2.60	-
Maternity cover	£270,000	£22.42	£22.42
Trade union duties	£25,000	£2.08	£2.08
School improvement (primary)	£94,920	£4.11 + £572.67/school	-
School improvement (secondary)	£507	-	£0.99
<b>Top-slice (maintained primary and secondary):</b>			
Redundancy fund	£200,000	£16.61	£16.61
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£52,985	£4.40	£4.40
Education welfare and inclusion	£156,546	£13.00	£13.00

## De-delegation

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5. Details of each of the areas de-delegated in 2022-23 with Schools Forum approval were included within the consultation document for 2023-24. Views were sought from Shropshire mainstream maintained schools on whether de-delegation should continue in 2023-24.

### 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. 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 2022-23 was set at £30,000. Current monitoring of the de-delegated budget indicates a modest projected overspend against this budget in 2022-23.
8. It is proposed to increase this contingency in 2023-24 to £35,000. Based on the estimated maintained pupil numbers expected in April 2023, this will increase the unit cost from £2.60 per pupil in the current financial year to an estimated £3.02 per pupil in 2023-24.
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.

	De-delegate as in previous years	No de-delegation	Total Responses
Responses in favour	38 (88.4%)	5 (11.6%)	43

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 2023-24.

### 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 in 2022-23 was £270,000. Current monitoring of the 2022-23 de-delegated maternity budget estimates that the allocated funds for the year indicate that the budget will underspend.

13. The consultation proposed decreasing the de-delegated maternity budget to £250,000, which would decrease the per pupil contribution from £22.42 to an estimated £20.69 based on forecast maintained pupil numbers in April 2023.
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>Total Responses</b>
Responses in favour	44 (100.0%)	44

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 2023-24.

#### **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. In 2022-23 the fixed budget of £25,000 for facilities time support, based on October 2021 census figures and the expected number of maintained schools in April 2023, will retain an estimated per pupil unit cost of £2.07.
18. 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	42 (95.5%) <i>Primary 41</i> <i>Secondary 1</i>	2 (4.5%) <i>Primary 2</i> <i>Secondary 0</i>	44 <i>Primary 43</i> <i>Secondary 1</i>

19. **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 2023-24.

## School Improvement

20. For 2022-23 Schools Forum agreed to de-delegate £94,920 from maintained primary schools and £507 from maintained secondary schools to secure the ongoing statutory school improvement support through the Education Improvement Service (EIS).
21. The consultation document proposed three options for retaining the de-delegation model for primary schools:
- Maintain the 2022-23 fixed element of £572.67 per site and variable element of £4.11 per pupil, supplemented with £100,000 from council retained funding. Based on the anticipated 83 maintained primary schools in April 2023, this model will secure a further £95,105 school improvement budget, but with a reduced service from April 2023.
  - Maintain the 2022-23 fixed element of £572.67 per site and variable element of £4.11 per pupil, supplemented with £150,000 from council retained funding. Based on the anticipated 83 maintained primary schools in April 2023, this model will secure a further £95,105 school improvement budget but protect the service until April 2024.
  - Increase the fixed element to £859.00 and variable element to £6.17 per pupil for primary schools, and the secondary school pupil unit charge to £1.49. This would generate an estimated sum of £142,715. This will be supplemented by £105,000 of retained funding, maintaining the current service with the expectation of no reduction in service until at least April 2025.
22. 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.

	Option a.	Option b.	Option c.	Total Responses
Responses in favour	17 (38.6%)	11 (25.0%)	16 (36.4%)	44

23. **Maintained school representatives** on Schools Forum are required to make a decision on which of the three options to de-delegate funding from primary maintained schools for a centrally managed school improvement budget in 2023-24.

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

24. 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.
25. 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.
26. This report recommends these arrangements continue.

### **Top-slicing**

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27. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
28. With the removal of the general duties element of the ESG to local authorities in September 2017, Schools Forum determined that from 2017-18 onwards, 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 2023.

### **Redundancy Fund**

29. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
30. The top-slice maintained primary and secondary per pupil rate in 2022-23 was £16.61. A review of the number and cost of redundancies over the 2021-22 financial year, and the 2022-23 financial year to date, indicates that there have been fewer redundancies and therefore less expenditure compared with previous years. It is therefore proposed to reduce the de-delegated fund to £150,000 in 2023-24, which would see an estimated unit cost per pupil of £12.41.
31. 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>No top-slice</b>	<b>Total Responses</b>
Responses in favour	42 (95.5%)	2 (4.5%)	44

32. **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 2023-24.

### **Statutory School Finance**

33. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
34. 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.
35. Top-slice rates for the statutory school finance function are estimated to be £2.48 per primary and secondary maintained pupil for 2023-24 based on the anticipated maintained schools in April 2023.
36. 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. Note that one school did not respond to this survey question.

	<b>Top-slice funding</b>	<b>Total Responses</b>
Responses in favour	43 (100.0%)	43

37. **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 2023-24.

### **Statutory Human Resources and Health and Safety**

38. The areas of support covered by the £52,985 top-sliced in 2022-23 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.
39. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top-slice at the same rate applied in the last six financial years of £4.40 per maintained primary and secondary pupil. This will produce a total budget of an estimated £53,174.

40. 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	44 (100.0%)	44

41. **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 2023-24.

### **Education Access Service**

42. The 2023-24 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
43. The consultation for top-slicing for EAS was based on increasing the per pupil figure by 90p to £13.90 for maintained primary and secondary schools, to reflect pay and price increases. This will produce a budget of approximately £167,980 in 2023-24.
44. 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</b>	<b>Total responses</b>
Responses in favour	38 (86.4%)	6 (13.6%)	44

45. **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 in 2023-24.