

Schools Forum

Date: 30 November 2023

Time: 8:30 a.m.

Venue: Virtual Microsoft
(MS) Teams

Paper

C

Public

Consultation on Central Retention of Dedicated Schools Grant from April 2024**Responsible Officer** Jo Jonese-mail: jo.jones@shropshire.gov.uk

Tel: 01743 254343

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 2024-25 financial year. The consultation period ran until Wednesday 22 November 2023.

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 2024-25.

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 2024-25 financial year. The consultation period closed on Wednesday 22 November 2023. 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 39 individual maintained schools (38 primary, 1 secondary). This only represents 48% of the 82 mainstream maintained schools as at 30 November 2023 (a reduction from the response level of 52% in the 2023-24 consultation).
4. The impact in 2023-24 of the decisions taken by Schools Forum in December 2022 is summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
De-delegation (maintained primary and secondary):			
Pupil growth contingency	£35,000	£3.03	-
Maternity cover	£250,000	£20.71	£20.71
Trade union duties	£25,000	£2.07	
School improvement	£143,074	£6.17 plus £859 per school	£0.99
Top slice (maintained primary and secondary):			
Redundancy fund	£150,000	£12.43	£12.43
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£53,104	£4.40	£4.40
Education welfare and inclusion	£167,759	£13.90	£13.90

Academy conversions

5. There are currently twelve maintained primary schools with a planned conversion date before 1st April 2024. It is therefore important this year to understand the effect this would have on the per pupil rates for de-delegation and top slicing, should these academisations proceed by the 1st of April 2024. It is hard to calculate the reduction each area may see in costs if these conversions go ahead, and we have therefore kept the costs at what we



believe is needed for the current number of maintained schools. It is hopeful that these costs will reduce in year and then reductions can be made for the following year on the per pupil costs. We have included an estimated per pupil cost based on the number of pupils currently and the anticipated number of pupils if the planned academy conversions all take place by the 1st of April 2024.

6. The per pupil amounts are input into the Authority Proforma Tool (APT) in January 2024 and all maintained schools that are converting from January 2024 onwards will need to be included in the de-delegation and top slice.

De-delegation

7. Details of each of the areas de-delegated in 2023-24 with Schools Forum approval were included within the consultation document for 2024-25. Views were sought from Shropshire mainstream maintained schools on whether de-delegation should continue in 2024-25.

Pupil Growth Contingency (Primary Schools)

8. 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.
9. The de-delegated contingency budget for 2023-24 was set at £35,000. Current monitoring of the de-delegated budget shows an overspend against this budget in 2023-24.
10. It is proposed to increase this contingency in 2024-25 to £50,000. Based on the estimated maintained pupil numbers expected in April 2024, this will increase the unit cost from £3.03 per pupil in the current financial year to an estimated £4.40 per pupil in 2024-25 increasing to a possible £5.47 if all planned academy conversions go ahead.
11. 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	30 (79%)	8 (21%)	38

12. **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 2024-25.

Maternity

13. 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.
14. The de-delegated budget in 2023-24 was £250,000. Current monitoring of the 2023-24 de-delegated maternity budget estimates that the allocated funds for the year indicate that the budget will have a small underspend.
15. Shared parental leave (SPL) was introduced in 2015 to allow both parents to share the 52 weeks of leave available after the birth or adoption of a child. Shropshire has seen a relatively low take up of this right in the previous few years, however, there has been an increase in number of school staff taking Shared parental leave in 2023-24.
16. The cost of “Shared parental leave” is to be borne by the Schools Maternity Pay pot, but the financial impact of any increase in take up is not yet fully understood. There is a further financial burden to schools when the teacher has periods of normal pay (school holidays) however the school would also still be paying an additional post covering the maternity absence.
17. Schools Forum are asked to discuss the implications of this and whether part or full costs associated with shared parental leave should be met by the maternity de-delegation funding.
18. The consultation proposed maintaining the de-delegated maternity budget at £250,000, which would see the per pupil contribution increase from £20.71 to an estimated £21.02 based on forecast maintained pupil numbers in April 2024, possibly increasing to £25.89 per pupil if all planned academy conversions proceed.
19. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the maternity budget are detailed within Appendix B and summarised below.



	De-delegate as in previous years	Total Responses
Responses in favour	34 (87%)	39

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 maternity budget in 2024-25.

21. **Maintained school representatives** on Schools Forum are required to make a decision as to whether the Maternity budget will cover the 'full pay' element of shared parental leave in 2024-25

Trade Union Duties (referred to as facilities time)

22. 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.
23. In 2024-25 the fixed budget of £25,000 for facilities time support, will mean an estimated per pupil cost of £2.10 or £2.59 if all planned academy conversions proceed.
24. 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.

	De-delegate as in previous years	Fully delegate with no de-delegation	Total Responses
Responses in favour	36 (92%)	3 (8%)	39

25. **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 2024-25.

School Improvement

26. For 2023-24, Schools Forum agreed to de-delegate £142,561 from maintained primary schools and £514 from maintained secondary schools to secure ongoing statutory school improvement support for the year through the Education Improvement Service (EIS). This



was necessary given the Government's removal of funding for school improvement from the two elements of ESG funding, for retained duties and general duties. The School Improvement Monitoring and Brokering Grant (SIMBG) was also removed completely from 2023-24.

- 27. This is an area of support in which it is difficult to present an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support.
- 28. The amount will be increased by 5% compared to 2023-24 to reflect the impact of inflation and pay awards on delivery costs.
- 29. On current pupil numbers we would de-delegate funding from primary maintained schools at a fixed element of £902 per site and a variable element of £6.48 per pupil. De-delegation for the remaining secondary maintained school will be £1.04 per pupil. If planned academy conversions go ahead these numbers may increase to a fixed element of £1030 per site and a variable element of £8.25 per pupil in the primary maintained schools.
- 30. 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.

	Yes	No	Total Responses
Responses in favour	34 (87%)	5 (13%)	39

31. **Maintained school representatives** on Schools Forum are required to make a decision to continue to de-delegate funding from primary maintained schools for a centrally managed school improvement budget in 2024-25.

Top slicing

- 32. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
- 33. 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 2024.

Redundancy Fund

- 34. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
- 35. The top-slice maintained primary and secondary per pupil rate in 2023-24 was £150,000. The costs of redundancy can vary significantly dependent on the grade of staff and length of service. The budget of £150k is likely to be on target. The amount was reduced last year and with expected cost pressures for maintained schools due to cost of living and inflationary pressures, it is anticipated that the level of top slice for redundancies in 2024-25 will remain the same.
- 36. It is anticipated that the per pupil rate will be approximately £12.61 on current pupil number or £15.53 per if all planned academy conversions go ahead.
- 37. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the redundancy budget are detailed within Appendix B and summarised below.

	Top-slice funding	No top-slice	Total Responses
Responses in favour	36 (92%)	3 (8%)	39

38. **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 2024-25.

Statutory School Finance

- 39. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
- 40. 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.
- 41. Top-slice rates for the statutory school finance function are estimated to be £2.52 per primary and secondary maintained pupil for 2024-25 based on current pupil numbers or £3.11 if all planned academy conversions go ahead.



42. 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.

	Top-slice funding	Total Responses
Responses in favour	38 (97%)	39

43. **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 2024-25.

Statutory Human Resources and Health and Safety

44. The areas of support covered by the £53,104 top-sliced in 2023-24 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.
45. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top slice. The rate applied in the last seven financial years has been held at £4.40 per maintained primary and secondary pupil.
46. However, the unit cost per pupil top-sliced in 2024-25 will be increased by 19% to the current pupil value which would increase the top-slice from £4.40 to £5.24 per pupil. This could increase to £6.45 per pupil if all planned academy conversions go ahead. This increase reflects that the per pupil value has not increased for several years and the impact of inflation and pay awards on delivery costs.
47. 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.

	Top-slice funding	Total Responses
Responses in favour	38 (97%)	39

48. **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 2024-25.



Education Access Service

49. The 2024-25 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
50. The consultation for top slicing for EAS was based on increasing the per pupil figure by 9% to reflect the impact of inflation and pay awards on delivery costs to £15.15 for maintained primary and secondary schools, to reflect pay and price increases. This could increase to £18.66 if all planned academy conversions go ahead.
51. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the EAS budget are detailed within Appendix B and summarised below.

	Top-slice funding	No top-slice	Total responses
Responses in favour	31 (79%)	8 (21%)	39

52. **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 2024-25.

