

## SCHOOLS FORUM

**Date of Meeting:** 12th October 2017

**Subject:** Proposals for Central School Services Block DSG and De-delegation in 2018/19

**Report of:** Sandra Bowness/ Christine Clarkson

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**Confidential:** Not applicable

### Introduction and Context

The purpose of this report is to outline proposals for the Central School Services (CSSB) Dedicated Schools Grant (DSG) in 2018/19 for agreement by Forum. In addition to outline proposals for amounts to be de-delegated and returned to the Local Authority (LA) for central provision of services; this to be agreed by relevant sectors of maintained schools only. The report also provides details of Early Years Centrally Retained funding arrangements.

### Summary

Under the new arrangements, moving towards a national funding formula, whilst the arrangements have changed there will still remain central funding for LA's to provide statutory services to schools. LA's are still able to de-delegate funding for provision of services with agreement from the relevant sectors of maintained schools. The LA outlines proposals for use of the CSSB (formerly central retention) of £1.183m together with de-delegation of funding of £2.391m.

### Recommendations

Forum agree to the proposals outlined for the CSSB of DSG totalling £1.183m from the Schools Block for 2018/19.

Schools Members representing the primary and secondary sector consult with schools in their sector on the proposals for de-delegation of items totalling £2.391m with a view to making a decision at December Forum.

Forum note the arrangements and amount permitted for central retention from the Early Years Block. More detailed proposals will be presented to November Forum.

### Implementation Date

1<sup>st</sup> April 2019

### Reference to Key Documents/Previous Papers:

Schools Revenue Funding 2018 to 2019 Operational Guide

## **Report to the Schools Forum**

**Date** 12<sup>th</sup> October 2017

**Title** Proposals for Central School Services Block DSG and De-delegation in 2018/19

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### **1. Purpose of the report**

- 1.1 The purpose of this report is to outline proposals for the Central School Services Block (CSSB) Dedicated Schools Grant (DSG) in 2018/19 for agreement by Forum. In addition to outline proposals for amounts to be de-delegated and returned to the Local Authority (LA) for central provision of services; this to be agreed by relevant sectors of maintained schools only. The report also provides details of Early Years Centrally Retained funding arrangements.

### **2. Background**

- 2.1. School funding regulations allowed LA's to retain funding centrally to make provision for services to schools and pupils as agreed by Schools Forum. Under the new arrangements, moving towards a national funding formula, whilst the arrangements have changed there will still remain central funding for LA's to provide statutory services to schools. LA's are still able to de-delegate funding for provision of services with agreement from the relevant sectors of maintained schools.

### **3. Strategy and Context**

- 3.1. Allocation of school funding is important in directing resources to where they are most needed to improve the outcomes for all pupils in the Borough.

### **4. Findings**

#### *Arrangements for Central Retention – the Central School Services Block (CSSB)*

- 4.1. As outlined in a separate report to Forum, the DfE have worked with LA's to re-baseline DSG allocations and created a new block the 'Central School Service Block' (CSSB). This block is made up of:
- funding previously allocated through the Retained Duties of the Education Services Grant (ESG) – £530k in 2017/18. Details of these are outlined in Appendix A.
  - funding for ongoing central functions such as admissions etc which were previously top-sliced from the DSG following agreement by Forum - £683k in 2017/18
  - residual funding for historic commitments previously top-sliced from Schools Block – Rochdale does not have any of these.
- 4.2. For 2017/18 the agreed baseline for this block is £1.213m i.e. the amount which Forum agreed to centrally retain for 2017/18 excluding the Growth Fund (£1.0m). The Growth Fund now forms part of the Schools Block and discussions around requirements for the Growth Fund will form part of a separate report on the new arrangements and requirements/ pressures across all Blocks of the DSG.

- 4.3. As part of the policy document issued in September the DfE updated on the funding arrangements in relation to the CSSB. From 2018/19 the CSSB allocation is calculated on a formula basis made up of 90% on a per pupil basis and 10% based on deprivation. Protection limits loss for any LA to -2.5%. Rochdale's allocation for 2018/19 at £1.183m is a reduction of £0.030m in funding from this year (the maximum -2.5% loss) despite there being no reduction in functions. The LA could request a transfer of funding from Schools Block to contribute to this reduction (as part of the 0.5% permitted under the Regulations) but has reviewed it's spend to manage within this funding allocation. Forum are still required to agree these on a line by line basis; proposals are as outlined below:

	<b>£000</b>
Admissions	280
Forum	27
Building Maintenance	226
Copyrights	150
Asset Management	265
Education Welfare	235
<b>Total</b>	<b>1,183</b>

- 4.4. The use of the CSSB relates to all schools including academies so Forum members are asked to agree the central retention of funding for these items.

*Services to Maintained Schools (Proposals for de-delegation of funding)*

- 4.5. The new arrangements still allow maintained schools to agree funding to be de-delegated. De-delegation takes place after calculation of the formula but before the budget has been provided to the school. It has the effect of giving money back to the LA to provide for some services centrally. The DfE prescribes which services can be de-delegated; these are outlined at Appendix A. De-delegation is not an option for academies, special schools, nurseries or PRU's. With this in mind only those members from the primary and secondary sector can agree items to be de-delegated. Decisions can be taken by each sector (i.e. primary or secondary) but must relate to all schools in that sector.
- 4.6. The Education Services Grant ceased from September 2017. As outlined in paragraph 4.1 the Retained Duties element of the grant is included in the CSSB (£530k in 2017/18). The General Duties element of the grant ceased. Only funding for school improvement is now provided by a Schools Improvement Grant (SIG). Formerly the LA received £2.5m in General Duties ESG, from 2018/19 they will receive an estimated £250k in School Improvement Grant. As part of the new arrangements LA's are able to fund services previously funded from the general funding rate of the ESG from the maintained schools budget shares (i.e de-delegation) with agreement of **all** maintained school members of Forum. They can also request additional funding for school improvement from the **relevant** maintained sector members of Forum. The LA is not currently requesting additional funding from schools for this as part of this report. However, it is considering whether the develop an SLA with individual schools or charge schools a small rate of contribution per pupil to contribute to the shortfall in School Improvement support.
- 4.7. Proposals for de-delegated services are provided below. It assumes schools will want to continue with the shared fund for criminal suspensions and maternity leave. Budgets have been reviewed to take account of transfers of schools to academies where appropriate. The EL.PL.PA Insurance charge is currently being calculated so the amount included is currently as per the estimate for 2017/18; any changes to this will be notified when known (in the next few weeks).

## Proposals for De-delegated Items 2018/19

	<b>£000</b>
Schools Specific Contingency	118
Servicing Governors Forum	1
Cover for civic duties cover in schools (union facilities)	110
Supply cover for maternity/ suspension	519
Insurance – EL/PL/PA	529
Equalities Team and Ethnic Minorities/ Asylum Seekers	466
Fair Access Team	437
Administration of free school meals	124
Health Partnerships	87
<b>Total</b>	<b>2,391</b>

4.8. The LA is proposing continuing arrangements for insurance agreed for 2017/18; this is set out below:

- Building Insurance. Funding for buildings insurance be delegated and schools make their own arrangements with the LA offering the service on a Service Level agreement basis to schools. In view of the fact that risk falls ultimately on the LA it is intended the LA would set out the minimum level of cover required and asked for certificates to ensure compliance with this. Failure by the school to provide this on 2 occasions will lead the LA to arrange insurance on behalf of the school and charge the school.
- Employers Liability/Public Liability/Personal Accident (EL/PL/PA) – De-delegation of funding with the LA insuring all schools with the exception of the Foundation schools. The amount de-delegated for this will be returned to those Foundation schools who will make their own cover arrangements.

4.9. Members will note that the proposals include cover for staff to fulfil trade union duties. This includes representation for both teaching and support staff unions. The LA is of the view that this is the most efficient arrangement for trade union representation.

4.10. Schools Forum Members representing the primary and secondary sector are requested to consult with schools with a view to agreement of items to be de-delegated at November Forum. It is proposed the method of de-delegation will be as previously i.e. on a per pupil basis. This means the funding returned to the LA will be calculated on pupil numbers.

4.11. As in previous years the LA will offer services to schools and academies on a Service Level Agreement (SLA) basis.

### *Central Retention of Early Years Funding*

4.12. The Early Years Block DSG mainly funds provision of the free entitlement for pre-school early years children. However, some funds are required to be retained centrally to provide a contingency for the free entitlement and provide training and support to Early Years providers. The arrangements limit centrally retained funding by LA's to 5% of DSG funding for 3-4 year olds in 2018/19 (including the additional 15 hours free entitlement offered to working parents) The LA retained £0.725m in 2017/18; however excluding contingency which forms part of the pass through rate this equates to £605k. Based on estimated Early Years DSG for 2018/19 5% of funding equates to £610k. The LA will report back to a future Forum to obtain agreement on central retention for Early Years.

## **5. Conclusions/ Summary**

- 5.1. Under the new funding arrangements LA's are still able to obtain Forum agreement for spend in the CSSB (formerly centrally retained) and de-delegated funding. Schools Forum are asked to agree to spend of the CSSB of £1.183m to fund the services outlined in paragraph 4.3.
- 5.2. The LA is also consulting on proposals for de-delegation of services totalling £2.391m to fund the services outlined in paragraph 4.7. Representatives from the primary and secondary sector are asked to consult with all schools for a decision to be made at the November Forum meeting.
- 5.3. Under the new arrangements LA's can only centrally retain 5% of funding for providers in the Early Years block DSG in 2018/19. Proposals for centrally retained funding from the Early Years Block will be presented to a future Forum.

## **6. Recommendations.**

- 6.1. Forum agree to the proposals outlined for use of the CSSB DSG totalling £1.183m for 2018/19.
- 6.2. Schools Members representing the primary and secondary sector consult with schools in their sector on the proposals for de-delegation of items totalling £2.391m with a view to making a decision at December Forum.
- 6.3. Forum note the arrangements and amount permitted for central retention from the Early Years Block. More detailed proposals will be presented to November Forum.

**Services which may be De-delegated as per the Schools Finance Regulations**

- Additional school improvement services
- Contingencies (including schools in financial difficulties and deficits of closing schools)
- Behaviour support services
- Support to underperforming ethnic groups and bilingual learners
- Free school meals eligibility
- Insurance
- Museum and library services
- Licences/ subscriptions (other than those paid by the DfE)
- Staff supply cover costs (e.g. long term sickness, maternity, trade union and public duties).