

Schools Forum – 17th October 2019

School Budget 2020-21: De-delegation, Central Expenditure & Education Functions

Recommendations

1. That the Schools Forum members from maintained schools only, vote on each de-delegated budget heading on behalf of the schools they represent.
2. That the Schools Forum approve the indicative allocations for both historic commitments and ongoing functions within the Central School Services Block be retained centrally for this purpose.
3. That the Schools Forum members from maintained schools only, approve a levy per pupil in 2020-21 to fund statutory duties performed by the Local Authority and previously funded by the ESG general duties rate.

Report of the County Treasurer

PART A

Why is it coming here – what decision is required?

4. The Schools Forum has oversight of the Schools Budget and is required by the Finance Regulations to annually approve central expenditure (ongoing and historic commitments)
5. Maintained school members only are required annually to:
 - Vote on each de-delegated budget heading by phase
 - Approve a levy per pupil to fund duties performed by the Local Authority and previously funded by the ESG general duties rate.
6. If the Local Authority and Schools Forum are unable to reach consensus on the amount to be retained by the Local Authority for services previously funded by the ESG general duties rate, the matter will need to be referred to the Secretary of State.

PART B

Background

7. For 2020-21 DSG allocations to Local Authorities will again be made using the National Funding Formula. DSG allocations will not be known until December, and Local Authorities need to submit school budgets to the ESFA by 21 January. This timescale means decisions on the budget areas in this report need to be made at this time to enable schools and services time to plan for their budgets and responsibilities for 2020-21.

De-delegation

8. Under the national funding arrangements the government wants schools to have the opportunity to have as much funding and responsibility delegated to them as possible. Each year the Schools Forum representatives for maintained primary and secondary schools are required to vote on behalf of the schools they represent to determine whether or not a range of costs currently met centrally will transfer to maintained schools for them to manage themselves. The budget for these costs would also transfer to schools on a formula basis.
9. The maintained schools' members vote by phase on any areas proposed for de-delegation by the local authority and the outcome of that vote is binding for all maintained schools within the phase.
10. Academies are not part of these arrangements since these responsibilities and the funding for them are automatically delegated to academies through the ESFA use of the local funding formula.
11. The budget areas de-delegated last year following the equivalent vote are set out in the table below. The budget values are estimated for all primary and secondary schools (i.e. including academies) to provide the context of values involved. Actual figures for 2020-21 will be finalised over the next few months as the settlement and school census become available.
12. The ESFA is currently consulting on extending the Risk Protection Arrangement (RPA) to Local Authority Maintained Schools. The consultation closes on 4 November 2019. If the ESFA decides to extend the RPA, it is not clear when this arrangement could start. Therefore for 2020-21 the authority proposes insurance budgets continue to be de-delegated.
13. Supplementary information on the impact of delegation of each area is included in Appendix 1. The authority proposes that these areas are subject to the de-delegated vote for 2020-21. Additional information on the behaviour

support service and the support for ethnic minority pupils service is included in separate reports at this meeting.

Areas proposed for de-delegation for 2020-21:

Budget Area	Primary	Secondary (including middle)
	£m	£m
Insurances (mainly premises related)	2.284	3.099
Staff costs (Maternity Pay)	1.189	1.010
Staff costs (Union Duties)	0.142	0.060
School Specific Contingency	0.390	0.185
Support for ethnic minority pupils or under-achieving groups	0.877	0.319
Licences and Subscriptions	0.505	0.205
Behaviour Support Services	0.529	Delegated
FSM eligibility	0.059	0.030

Do maintained Forum members agree for these budget areas to be de-delegated for 2020-21?

Central School Services Block

14. There are some areas of central expenditure which need to be considered by the Schools Forum and the draft Finance Regulations set out the requirements for approvals/consultation. It should be noted that final regulations have not yet been issued, so in the event that final regulations are different, the content of this report may need to change as a result.
15. Funding in the Central School Services Block is split into Historic Commitments and Ongoing Functions.

Historic Commitments

16. For historic commitments the following rules apply:
 - a. The level of expenditure cannot be increased above 2017-18 levels
 - b. The expenditure against these budgets must be as a result of arrangements that already existed before 1 April 2013
 - c. The Schools Forum must approve the amount of the budget set for each heading

17. The ESFA has indicated that from 2020-21 it will start to reduce funding for historic commitments. The detail of their approach has not yet been announced. As Staffordshire has reduced spend in this area by delegating the School Improvement budget in 2018-19, this should provide some protection against funding reductions.
18. The headings under which Staffordshire currently retains funding for Historic Commitments is set out in the table below, together with indicative 2020-21 budget levels. The Families First LST funding was approved in principle by Schools Forum at the July meeting.

	2019-20	2020/21 Indicative
Prudential borrowing	924,130	924,130
Combined Services		
Families First - Targeted Services (LST)	1,448,000	1,448,000
SEN Transport*	250,140	250,140
	2,622,270	2,622,270

*Schools Forum approval is required for SEN transport budget, but it is now funded from the High Needs Block

Does the Schools Forum approve the continued funding of these areas centrally at no higher than the indicative amounts, with final values to be confirmed at the March meeting?

Ongoing Functions

19. Ongoing Education Functions are funded by a combination of council tax and DSG. There is an annual liability for Teachers Pensions Added Years of c.£7.1m. which is funded by council tax.
20. The estimated cost for other ongoing education functions for 2020-21 is £3.4m. These functions are funded by DSG through the Central Schools Services Block (CSSB).
21. These functions are provided to all schools and are listed in the table in Appendix 2.

Do Schools Forum members approve the ongoing functions allocation in the central schools services block be used to fund these services?

Central Schools Expenditure

22. Staffordshire does not retain significant amounts of funding under this heading, to which the following rules apply:
- The Schools Forum must approve the amounts of funding to be retained centrally
 - For the pupil growth fund and infant class size funding any underspend from the previous year must be added to the ISB
 - For the pupil growth fund and falling roll fund the Schools Forum must approve the criteria used and receive regular updates on the use of funding.

	2019-20 £	2020-21 indicative £
Infant Class Size	95,000	95,000
Significant Pupil Growth / New school funding	500,000	500,000
Falling rolls fund	n/a	n/a
	595,000	595,000

Does the Schools Forum approve the continuing use of the pupil growth and infant class size funds, at the indicative levels set out above?

Central Early Years Expenditure

23. The requirement here is for the Schools Forum to approve the central expenditure. **This is not the expenditure provided to settings for their running costs in providing the free entitlement for two, three and four year olds but is in respect of support services for providers of early years education.**
24. Following the introduction of the Early Years Funding Formula, central overheads are limited to 5% of the Early Years Block Funding for 3 and 4 year olds. For 2020-21, the authority is asking for £1.8m (4.2%) to be retained centrally.

Does the Schools Forum approve the proposed level of central support services for early years' provision?

Education Functions for Maintained Schools Only

25. The functions provided to maintained schools only and previously funded by the general duties ESG rate are listed in Appendix 3, along with the levy per pupil that will be required to fund each of these services.
26. If maintained school members do not agree to the levy required for any of the services listed, the funding and associated responsibilities for providing this service will be delegated to schools.

Do maintained Schools Forum members agree to the levies per pupil presented in Appendix 3 to fund the costs of the associated services?

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