

Schools Forum – 11 January 2017

Schools Budget 2017-18: Budget Approval for Central Services to Education previously funded by Education Services Grant (ESG)

Recommendation

1. That the Schools Forum approve the amount of £1,768,917 in 2017-18 to fund services previously funded by the ESG retained duties.
2. That the Schools Forum members from maintained schools only, approve the rate of £1 per pupil in 2017-18 (after taking the transitional funding into account – based on current assumptions this would rise to £24.46 in 2018-19) to fund statutory duties performed by the Local Authority and previously funded by the ESG general duties rate.
3. That maintained Schools Forum members vote on whether additional amounts per pupil are levied from schools budgets' to pay for the LA to provide asset management services and meet 30% of redundancy lump sum payments.
4. That any further decisions on this matter be delegated to the Director of Finance and Resources.

Report of the Director of Finance and Resources

Why is it coming here – what decision is required?

5. Schools Forum members are required to approve an amount of funding to be retained centrally by the LA to fund statutory and regulatory duties that would have previously been funded notionally through the Education Services Grant (ESG).
6. Until 2017-18, ESG was made up of two rates that 'notionally' funded two different groups of services:
 - a. The retained duties rate (£15 per pupil).
 - b. The general duties rate. This funding will cease to exist from September 2017, with a transitional rate per pupil for the financial year 2017-18.
7. The retained duties will be voted on by all schools including academies. Duties funded by general ESG funding will be voted on by maintained schools only.
8. If the Local Authority and Schools Forum are unable to reach consensus on the amount to be retained by the Local Authority, the matter will need to be referred to the Secretary of State.

Background

9. The ESG has contributed to funding central services to education. The total cost of these functions in 2016-17 was £13.856m and has been funded by a combination of

Council Tax, ESG and DSG. The table below breaks down how this expenditure is funded.

Total Cost	13,356,425
<i>Funded by...</i>	
DSG	(2,917,420)
ESG	(3,839,005)
Council Tax	(7,100,000)
Total Funding	(13,856,425)

10. The Teachers Pensions Added Years has been funded through Council Tax. This is an annual liability of c.£7.1m reflected in the table above. The County Council will continue to fund this in 2017-18.
11. As outlined above, from 17/18 onwards the ESG will cease to exist in its current form. Alternative arrangements now need to be put in place.

Retained Duties

12. The functions provided to all schools and previously funded by the retained duties ESG rate are listed in the table in Appendix 1, along with an estimate of the total funding to be added into the schools block for retained duties.

Do Schools Forum members approve an allocation of £1,768,917 to fund these services?

General Duties

13. The functions provided to maintained schools only and previously funded by the general duties ESG rate can be split into two sections: functions performed by the Local Authority, and functions that can be provided by the LA or delegated to schools.
14. The table outlined in Appendix 2 shows the functions performed by the LA for maintained schools.
15. The Local Authority will need to levy £1 per pupil from maintained schools in order to cover the cost of these services.

Do maintained Schools Forum members agree with the list of general duties costed in appendix 2?

Do maintained Schools Forum members agree with the levy of £24.46 to fund the costs associated with the general duties?

Do maintained Schools Forum members agree to utilise the 2017-18 transitional funding to fund the general duties, reducing the levy required from maintained schools in 2017-18 to £1 per pupil?

16. Functions that can be performed by the Local Authority for maintained schools or can be delegated to schools are shown in Appendix 3.

Do maintained Schools Forum members approve a levy of £23.74 per pupil to fund Asset Management? (As previously mentioned within the ESG briefing note)

Do maintained Schools Forum members approve a levy of £21.90 per pupil to fund 30% of redundancy lump sum costs? (As previously mentioned within the ESG briefing note)

Report author:

Author's Name: Will Wilkes/Jo Galt
Ext. No.: 01785 278157/ 01785 854812
Room No.: Staffordshire Place 2, Floor 2

Retained Duties

Appendix 1

	2017/18 Amount (£)
Statutory & Regulatory Duties	
Director of Children's Services and personal staff for Director	99,470
Planning for the education service as a whole (detailed in Appendix 4)	318,077
Revenue budget preparation , preparation of information on income & expenditure relating to education, and external audit relating to education	
Administration of grants	
Authorisation and monitoring of expenditure not met from schools' budget shares	420,018
Formulation and review of local authority schools funding formula	
Internal Audit and other tasks related to the authority's chief finance officer's responsibilities under section 151 of LGA 1972 except duties specifically related to maintained schools	50,000
Standing Advisory Committees for Religious Education (SACREs)	9,000
Total Statutory & Regulatory Duties	896,564
Education Welfare	
Statutory Education Welfare activities (detailed in Appendix 4)	486,500
Total Education Welfare	486,500
Asset Management	
General landlord duties for all buildings owned by the local authority, including those leased to academies. e.g. checking that statutory compliance testing has been completed annually	101,866
Total Asset Management	101,866
Overheads	
Legal Services related to education functions (Detailed in Appendix 4)	227,000
HR Overheads (Detailed in Appendix 4)	63,155
Total Overheads	290,155
Total Retained Duties	1,775,085
Total amount included within Schools Block Formula for ESG retained duties	1,768,917

General Duties

Appendix 2

	2017/18 Amount (£)
Statutory & Regulatory Duties	
Functions related to local government pensions and administration of teacher's pensions in relation to staff working at maintained schools under the direct management of the head teacher or governing body Transaction costs of administering compensation benefits	45,000
Compliance with duties under Health & Safety at Work Act (Radiation Protection Officer)	35,880
Establish and maintaining computer systems including data storage (Detailed in Appendix 5)	200,000
Appointment of governors	50,000
Total Statutory & Regulatory	330,880

Education Welfare	
Education Welfare - non-statutory (Detailed in Appendix 5)	890,000
Total Education Welfare	890,000

Asset Management	
Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions	146,896
Total Asset Management	146,896

Monitoring national curriculum assessment	
Statutory monitoring of national curriculum assessments	196,144
Total Monitoring and National Curriculum Assessment	196,144

Total Local Authority General Duties	1,563,920
---	------------------

	2017/18 Amount (£)	Amount per pupil based on October 16 Census (£)
Total Local Authority General Duties	1,563,920	24.46
Less transitional funding (2017/18 only)*	(1,500,000)	
LA general duties - cost after transitional funding	63,920	1.00

*This transitional rate is received for all maintained pupils at a rate of £27.50 per mainstream, £116.88 per Special school pupil and £103.13 per Pupil Referral Unit pupil.

General Duties – previously funded by DSG Central Expenditure

Appendix 3

	2017/18 Amount (£)	Amount per pupil based on October 16 Census (£)
Asset Management		
Statutory landlord duties for all maintained schools including compliance testing for water, gas, electricity and asbestos. (more detail provided in Appendix 5) This budget was previously held centrally but was delegated to schools at December Schools Forum	1,517,420	23.74
Premature retirement and redundancy		
Dismissal or premature retirement when costs cannot be charged to maintained schools This budget was previously held centrally to meet 30% of redundancy costs but was delegated to schools at the December Schools Forum	1,400,000	21.90
Total	2,917,420	45.64

Services Previously Funded by ESG Retained Duties Rate

Planning for the Education Service as a whole (£318,077)

- Strategic management of education functions
- Strategic overview to plan the provision of schools to meet local needs
- Strategic overview to promote high standards in primary and secondary education
- Engagement with regulatory bodies including DfE, Regional Schools Commissioner (RSC) and Ofsted
- Engagement with other bodies and individuals including Diocese, Trade Union, potential academy sponsors, public etc
- Strategic management of number of sessions and their times schools must hold in a year
- Strategic management of academy facilitation
- Strategic management and overview of school performance

Statutory Education Welfare for all schools (£486,500)

- Identification of children not receiving education (CME)
- Administration and enforcement of school attendance Orders
- Administration and enforcement of Penalty Notices
- Consultation for and prosecution of parents for irregular attendance, and supervision of any orders made.
- Investigation of children's whereabouts prior to deletion from school register
- Administration and enforcement of entertainment and employment licences
- Administration of chaperone approvals

Legal (£227,000)

Ad-hoc advice for commissioners on school related issues relating to:

- Leases on land
- Tribunals
- Disability Discrimination Act related issues

HR (£63,155)

Ad-hoc advice on school related issues relating to:

- HR Policies
- Liaison with unions

Services Previously Funded by ESG General Duties Rate

Services Provided by the LA

Establish and maintaining computer systems including data storage (£200,000)

Sims Licenses, SAP, devices, licensing, telephony, broadband, internet, security costs. Principally this is for Central Staff that support schools.

Statutory Education Welfare for Maintained Schools Only (£890,000)

- Inspection of school registers
- Identification and intervention to improve school attendance
 - Attendance clinics
 - Late gates
 - Assemblies / Parents evenings
- Attendance at TAC meetings
- Completion of case work and collation of evidence for statutory action
- Completion of Early Help Assessment

Services which can be delegated

Asset Management (£1,517,420)

The services were outlined in Appendix 3 to the Schools Budget 2017-18 Central Expenditure report taken to the Schools Forum on the 7th December 2016.