

**Schools Forum  
16 January 2018**

**Centralisation of General Duties Funds for 2018/19**

**1. Purpose of report**

- 1.1 For Schools Forum to approve the proposed centralisation of funds for general duties for 2018/19 as required within the schools revenue funding 2018/19 operational guidance.

**2. Recommendations**

- 2.1 That Schools Forum approves the centralisation of funding equivalent to £82.02 per 5 to 16 year old pupil (per place for special schools and Pupil Referral Units) for 2018/19 in relation to the statutory general duties that the local authority provides to maintained schools. These services were previously funded through the Education Services Grant (ESG), however this grant has ceased from 2017/18 with funding being removed.

**3. Background**

- 3.1 Up until 2017/18, ESG was made up of two rates that funded two different groups of services:
- The **retained duties rate** which was paid to local authorities to fund the services that they provide to all schools, including academies
  - The **general duties rate** which was paid to local authorities (and separately to academies) to fund the services that they provide to maintained schools
- 3.2 From 2017/18 the ESG general duties rate funding has ended, with the national funding previously provided by the EFA being removed and with no funding then allocated to local authorities or schools to provide the statutory services to maintained schools that were previously funded by the ESG general duties rate.
- 3.3 The schools revenue funding 2018/19 operational guidance details the statutory services that local authorities provide to maintained schools. It also recognises that as local authorities continue to have a statutory duty to provide these services, they will need to identify other sources of funding to pay for these services now that the general funding rate has been removed.
- 3.4 As such the guidance sets out that local authorities should seek to fund these services by creating a central DSG budget from maintained schools budget shares, with the agreement of Schools Forum.

#### 4. Breakdown of Services

- 4.1 **Table 1** below highlights responsibilities that local authorities hold for maintained schools (references are to the schedules in the current schools and early years finance (England) regulations):

<b>Table 1 – Responsibilities that Local Authorities hold for maintained schools</b>
<b>Statutory and Regulatory duties</b>
Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 1, 20c)
Budgeting and accounting functions relating to maintained schools (Sch 1, 20d)
Functions relating to the financing of maintained schools (Sch 1, 20e)
Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 1, 20fii)
Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 1, 20h)
Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 1, 20i)
Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 1, 20j)
Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 1, 20L)
Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 1, 20m)
Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 1, 20n)
HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 1, 20o); determination of conditions of service for non-teaching staff (Sch 1, 20p); appointment or dismissal of employee functions (Sch 1, 20q)
Consultation costs relating to staffing (Sch 1, 20r)
Compliance with duties under Health and Safety at Work Act (Sch 1, 20s)
Investigation and resolution of complaints relating to maintained schools (Sch 1, 20t)
Provision of information to or at the request of the Crown relating to schools (Sch 1, 20w)
School companies (Sch 1, 20x)
Functions under the Equality Act 2010 (Sch 1, 20y)
Establish and maintaining computer systems, including data storage (Sch 1, 22)
Appointment of governors and payment of governor expenses (Sch 1, 26)
<b>Education Welfare</b>
Inspection of attendance registers (Sch1, 11)

<b>Asset management</b>
General landlord duties for all maintained schools (Sch 1, 10a (section 542(2) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:
• appropriate facilities for pupils and staff (including medical and accommodation)
• the ability to sustain appropriate loads
• reasonable weather resistance
• safe escape routes
• appropriate acoustic levels
• lighting, heating and ventilation which meets the required standards
• adequate water supplies and drainage
• playing fields of the appropriate standards
General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).
Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012).
<b>Central support services</b>
Clothing grants (Sch 1, 10e)
Provision of tuition in music, or on other music-related activities (Sch 1, 15)
Visual, creative and performing arts (Sch 1, 16)
Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 1, 17)
<b>Premature retirement and redundancy</b>
Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 1, 25)
<b>Monitoring national curriculum assessment</b>
Monitoring of National Curriculum assessments (Sch 1, 23)
<b>Therapies</b>
This will be covered in the high needs section of the regulations
<b>Additional note</b>
Services set out in the table above will also include overheads relating to these services (regulation 8(11) already refers to this for schedule 2 services) for:
• Ensuring payments are made in respect of taxation, national insurance and superannuation contributions (sch 1, 20e).
• Recruitment, training, continuing professional development, performance management and personnel management of staff (Sch 1, 20k)
• Investigations of employees or potential employees, with or without remuneration (Sch 1, 20l)
• Investigation and resolution of complaints (Sch 1, 20t)
• Legal services related to education functions (Sch 1, 20u)

- 4.2 The planned costs of providing the services set out in table 1 above for 2018/19 is £1.905m. The schools revenue funding 2018/19 operational guidance sets out that the authority must express the request for the

centralisation of funding as an amount per 5 to 16 year old pupil (and per place for special schools and Pupil Referral Units). For Walsall, to centralise the total amount of funding set out above, this would equate to a rate of £82.02 for 2018/19.

**5. Financial implications**

- 5.1 As set out in the report, from 2017/18 the ESG general duties rate funding has ended, with the national funding previously provided by the EFA being removed and with no funding then allocated to local authorities to provide the statutory services to maintained schools that were previously funded by the ESG general duties rate.
- 5.2 Unlike the changes to the retained duties, as no national transfer of funding into Schools Central Services Block of the Dedicated Schools Grant (DSG) has taken place, any agreement to create a central DSG budget from maintained schools budget shares, would therefore represent a reduction in funding available to individual schools.

**6. Legal Implications**

- 6.1 The schools revenue funding 2018/19 operational guidance details the statutory services that local authorities provide to maintained schools. It also recognises that, with the removal of the ESG general duties funding local authorities will need to identify other sources of funding to pay for these services.
- 6.2 As such the guidance sets out that local authorities should seek to fund these services by creating a central DSG budget from maintained schools budget shares, with the agreement of Schools Forum.
- 6.3 If the local authority and Schools Forum are unable to reach consensus on the amount of funding to be retained, the local authority will need to consider its position and any other options available to it, with the operational guidance setting out that if no agreement can be reached the matter will need to be referred to the Secretary of State.

**7. School Improvement**

- 7.1 No issues directly arising from this report.

**8. Members eligible to vote**

- 8.1 Only maintained school members of Schools Forum with voting rights are eligible to vote on this matter.