

**Schools Forum
10 January 2017**

Centralisation of General Duties Funds for 2017/18

1. Purpose of report

- 1.1 For Schools Forum to approve the proposed centralisation of funds for general duties for 2017/18 as required within the schools revenue funding 2017/18 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 2017/18 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 to 2018, 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 to provide the statutory services to maintained schools that were previously funded by the ESG general duties rate.
- 3.3 The schools revenue funding 2017/18 operational guidance details the statutory services that local authorities provide to maintained schools. It also recognises that local authorities 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, and identifies the estimated cost of each of these services for Walsall for 2017/18 (references are to the schedules in the current schools and early years finance (England) regulations):

Table 1 – Responsibilities that Local Authorities hold for maintained schools		
Area	Costs Included	Annual Cost 2017/18 (£'000)
Statutory and Regulatory duties		
Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 1, 20c)	50% Governor Support Team (not funded from other sources of education funding)	27
Budgeting and accounting functions relating to maintained schools (Sch 1, 20d)	Not applicable at present (this is delivered as a traded service)	-
Functions relating to the financing of maintained schools (Sch 1, 20e)	60% of Schools Team Finance Officer post, and supporting costs (training / mileage / stationery / Office Accommodation / CSS) - for work associated with paying budget shares / funding over to schools	18
Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 1, 20fii)	Not applicable at present	-
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)	5% of Schools Finance Manager direct costs and 5% of Senior Finance Manager, and supporting costs (training / mileage / stationery / Office Accommodation / CSS) - for work associated with maintaining and monitoring the scheme for financing schools and compliance	8
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)	Planned internal audit days for maintained schools as a % of total planned days of internal audit contract	116

Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 1, 20j)	Not applicable at present	-
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)	Not applicable at present	-
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)	50% of Pension Officer time (based on share of schools pensions as a percentage of overall pensions)	20
Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 1, 20n)	Not applicable at present	-
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)	Cost of Schools Humans Resources Manager post (representing costs of post not funded from other sources of education funding)	24
Consultation costs relating to staffing (Sch 1, 20r)	Not applicable at present	-
Compliance with duties under Health and Safety at Work Act (Sch 1, 20s)	Cost of Schools Health & Safety Manager post (representing costs of post not funded from other sources of education funding)	55
Investigation and resolution of complaints relating to maintained schools (Sch 1, 20t)	Cost of Head of Educational Improvement & Standards post (representing costs of post not funded from other sources of education funding)	9
Provision of information to or at the request of the Crown relating to schools (Sch 1, 20w)	Not applicable at present	-
School companies (Sch 1, 20x)	Not applicable at present	-

Functions under the Equality Act 2010 (Sch 1, 20y)	Not applicable at present	-
Establish and maintaining computer systems, including data storage (Sch 1, 22)	Statutory Licence costs in relation to schools e.g. Capita One / Family Trust etc	171
Appointment of governors and payment of governor expenses (Sch 1, 26)	50% Governor Support Team (not funded from other sources of education funding)	27
Education Welfare		
Inspection of attendance registers (Sch1, 11)	Not applicable at present	-
Asset management		
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:	Not applicable at present	-
• 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).		-
Central support services		
Clothing grants (Sch 1, 10e)	Not applicable at present	-
Provision of tuition in music, or on other music-related activities	Not applicable at present (seperate combined budget already in place)	-

(Sch 1, 15)		
Visual, creative and performing arts (Sch 1, 16)	Not applicable at present	-
Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 1, 17)	Don't think we can add this in as we charge schools for attending	-
Premature retirement and redundancy		
Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 1, 25)	Education premature retirement costs not currently charged to maintained school budget shares (£1.3m) and estimated costs of in year redundancies not chargeable to individual school budget shares (£124k)	1,424
Monitoring national curriculum assessment		
Monitoring of National Curriculum assessments (Sch 1, 23)	Audit moderation of assessments	6
Therapies		
This will be covered in the high needs section of the regulations	Not applicable at present	-
Additional note		
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:	Included within individual lines	-
· Ensuring payments are made in respect of taxation, national insurance and superannuation contributions (sch 1, 20e).	Not applicable at present (this is delivered as a traded service)	-
· Recruitment, training, continuing professional development, performance management and personnel management of staff (Sch 1, 20k)	Not applicable at present	-
· Investigations of employees or potential employees, with or without remuneration (Sch 1,	Not applicable at present	-

20l)		
· Investigation and resolution of complaints (Sch 1, 20t)	Not applicable at present	-
· Legal services related to education functions (Sch 1, 20u)	Not applicable at present	-
Total		1,905

- 4.2 The schools revenue funding 2017/18 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 2017/18.

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 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 2017/18 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 School improvement is not included in the arrangements set out in table 1 as local authorities will receive separate funding to cover their statutory intervention functions and services such as monitoring and commissioning of school improvement support.

8. Members eligible to vote

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