

**Schools Forum  
16 January 2018**

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

**1. Purpose of report**

- 1.1 For Schools Forum to approve the proposed centralisation of funds for retained 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 of £700k for 2018/19 in relation to the statutory retained duties that the local authority provides to all schools. These services were previously funded through the Education Services Grant (ESG), however this grant ceased from 2017/18 with funding for retained duties now included within the Schools Central Services Block of the Dedicated Schools Grant (DSG).

**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 specific ESG retained duties rate funding has ended and nationally this funding has been transferred in full to the Schools Central Services Block of DSG. For Walsall this amounts to £700k.

- 3.3 The schools revenue funding 2018/19 operational guidance details the statutory services that local authorities provide to all schools. It also recognises that as local authorities continue to have a statutory duty to provide these services, they should seek to fund these services by creating a central DSG budget to retain the previous ESG funding that has been transferred into the Schools Central Services block of DSG, with the agreement of Schools Forum.

**4. Breakdown of Services**

- 4.1 **Table 1** below highlights responsibilities that local authorities hold for all 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 all schools</b>
<b>Statutory and Regulatory duties</b>
Director of children's services and personal staff for director (Sch 1, 20a)
Planning for the education service as a whole (Sch 1, 20b)
Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 1, 20d)
Administration of grants (Sch 1, 20e)
Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 1, 20fi)
Formulation and review of local authority schools funding formula (Sch 1, 20g)
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 (Sch 1, 20i)
Consultation costs relating to non-staffing issues (Sch 1, 20r)
Plans involving collaboration with other LA services or public/voluntary bodies (Sch 1, 20v)
Standing Advisory Committees for Religious Education (SACREs) (Sch 1, 24)
Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 1, 20w)
<b>Education Welfare</b>
Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 1, 10c)
School attendance (Sch 1, 11)
Responsibilities regarding the employment of children (Sch 1, 29)
<b>Asset management</b>
Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 1, 10a)
General landlord duties for all buildings owned by the local authority, including those leased to academies
<b>Central support services</b>
No functions
<b>Premature retirement and redundancy</b>
No functions
<b>Monitoring national curriculum assessment</b>
No functions
<b>Therapies</b>
No functions

<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 £700k. As the costs set out are in line with the funding that has been included within the Schools Central Services block of DSG for 2018/19 it is requested that Schools Forum approve the creation of a central DSG budget to fund these retained duties.

## **5. Financial implications**

- 5.1 The cost of the services identified is in line with the funding that has been included and made available within the Schools Central Services Block of DSG for 2018/19.

## **6. Legal Implications**

- 6.1 The services set out are statutory duties that local authorities have to provide for all schools. The funding for these services has been included within the Schools Central Services Block of DSG, and as such the schools revenue funding 2018/19 operational guidance sets out that the local authority should seek agreement from Schools Forum for this funding to be centrally retained.
- 6.2 If the local authority and Schools Forum are unable to reach consensus on the amount of funding to be retained by the local authority, the operational guidance sets out that 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 All elected members with voting rights are eligible to vote on this matter.