

**Schools Forum**  
**10 January 2017**

**Centralisation of Retained Duties Funds for 2017/18**

**1. Purpose of report**

- 1.1 For Schools Forum to approve the proposed centralisation of funds for retained 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 of £700k for 2017/18 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 has ceased from 2017/18 with funding for retained duties now included within the Dedicated Schools Grant (DSG).

**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 specific ESG retained duties rate funding has ended and nationally this funding has been transferred in full to the Schools Block of DSG. For Walsall this amounted to £700k.
- 3.3 The schools revenue funding 2017/18 operational guidance details the statutory services that local authorities provide to all schools. It also sets out that local authorities 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 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, 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):

<b>Table 1 – Responsibilities that Local Authorities hold for all schools</b>		
<b>Area</b>	<b>Costs Included</b>	<b>Annual Cost 2017/18 (£'000)</b>
<b>Statutory and Regulatory duties</b>		
Director of children's services and personal staff for director (Sch 1, 20a)	Direct costs of DCS and their PA, and supporting costs (training / mileage / stationery / Office Accommodation / CSS).	300
Planning for the education service as a whole (Sch 1, 20b)	Direct costs of Assistant Director for Education (not funded from other sources of education funding), and supporting costs (training / mileage / stationery / Office Accommodation / CSS). No costs are included for the admissions service as this is funded separately from Central DSG.	160
Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 1, 20d)	10% of Finance Manager direct costs, and supporting costs (training / mileage / stationery / Office Accommodation / CSS) - for work associated with budget preparation and audit requirements of DSG and schools capital grants.	10
Administration of grants (Sch 1, 20e)	60% of Finance Manager direct costs, and supporting costs (training / mileage / stationery / Office Accommodation / CSS) - for work associated with administration of DSG and schools capital grants.	40
Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 1, 20fi)	Not applicable at present	-
Formulation and review of local authority schools funding formula (Sch 1, 20g)	85% of Schools Finance Manager direct costs and 10% of Senior Finance Manager direct costs, and supporting costs (training / mileage / stationery / Office Accommodation / CSS) - for work associated with costing and maintaining the schools / early years / high needs funding formula against DSG funding available.	70
Internal audit and other tasks	Not applicable at present (costs for	-

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)	maintained schools are set out within duties for maintained schools only).	
Consultation costs relating to non-staffing issues (Sch 1, 20r)	Not applicable at present	-
Plans involving collaboration with other LA services or public/voluntary bodies (Sch 1, 20v)	Not applicable at present	-
Standing Advisory Committees for Religious Education (SACREs) (Sch 1, 24)	SACRE activities & 25% of SIP consultant costs	15
Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 1, 20w)	Not applicable at present	-
<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)	Costs of service not funded from other sources of education funding.	25
School attendance (Sch 1, 11)	Costs of service not funded from other sources of education funding.	40
Responsibilities regarding the employment of children (Sch 1, 29)	Education Welfare Officer incl. Child Employment	10
<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)	Management of basic need programme - identifying potential sites / plans / schemes	30
General landlord duties for all buildings owned by the local authority, including those leased to academies	Not applicable at present (costs for maintained schools are set out within duties for maintained schools only).	-
<b>Central support services</b>		

No functions	Not applicable at present	-
<b>Premature retirement and redundancy</b>		
No functions	Not applicable at present	-
<b>Monitoring national curriculum assessment</b>		
No functions	Not applicable at present	-
<b>Therapies</b>		
No functions	Not applicable at present	-
<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:	Included within individual lines	-
· Ensuring payments are made in respect of taxation, national insurance and superannuation contributions (sch 1, 20e).	Not applicable at present (costs for maintained schools is set out within duties for maintained schools only)	-
· Recruitment, training, continuing professional development, performance management and personnel management of staff (Sch 1, 20k)	Not applicable at present (costs for maintained schools is set out within duties for maintained schools only)	-
· Investigations of employees or potential employees, with or without remuneration (Sch 1, 20l)	Not applicable at present (costs for maintained schools is set out within duties for maintained schools only)	-
· 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	-
<b>Total</b>		<b>700</b>

4.2 As the costs set out are in line with the funding that has been included within the schools block of DSG for 2017/18 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 Block of DSG for 2017/18 and

as such, if the creation of a central budget is approved, it will result in no financial pressure for individual schools.

## **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 Block of DSG, and as such the schools revenue funding 2017/18 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 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 All elected members with voting rights are eligible to vote on this matter.