

REPORT TO SCHOOLS FORUM

DE-DELEGATION OF SERVICES AND RETENTION OF FUNDING FOR EDUCATION FUNCTIONS 2020/21

1. Purpose

- 1.1. To provide an update to Schools Forum on the funds that can be de-delegated from 2020/21 school budget shares and advise on arrangements set out by the DfE regarding the approval of over or underspent de-delegated services.
- 1.2. To enable Schools Forum to consider the services to be de-delegated in 2020/21.
- 1.3. To enable Schools Forum to consider the continued retention of funding for education functions in 2020/21.

2. Recommendations

- 2.1. Maintained primary and secondary representatives are asked to note and comment on this report.**
- 2.2. Maintained primary and secondary representatives are asked to formally approve which services will be considered for de-delegation in 2020/21.**
- 2.3. Maintained primary and secondary representatives are asked to formally approve that an amount be retained from school budgets in financial year 2020/21 in respect of education functions, previously funded by the Education Services Grant.**

3. Background

De-delegation of Services

- 3.1. The Schools Finance Regulations that came into effect in April 2013 require the delegation to schools of the entirety of the Schools Block funding, subject to certain prescribed exceptions.
- 3.2. Maintained, mainstream schools may choose, by vote at Schools Forum, to de-delegate some of these prescribed elements of funding to be managed centrally by the local authority on behalf of them. Delegation means the allocation of funding to schools through the local schools funding formula. De-delegation means the retention of funding by the local authority.

- 3.3. Decisions are to be made by primary and secondary phases separately, and voting is restricted to school members representing those phases. De-delegation does not apply to academies, which could instead choose to buy into local authority services. It also does not apply to special schools, as they no longer receive delegated budgets in the same way that mainstream schools do, but they will be able to access any collective arrangements using their funding.
- 3.4. The difference between de-delegation and buy-back is that, in the case of de-delegation, all maintained schools in that phase will not receive additional funding in their delegated budgets, and the local authority will hold the de-delegated budgets centrally and provide services on behalf of all schools.
- 3.5. If de-delegation is not voted for, all schools will receive the additional funding, and may choose, on a school-by-school basis, how to fund those responsibilities. As with any item of expenditure, should Schools Forum not vote for de-delegation, groups of schools could still choose to combine their resources in order to achieve best value, including buying services back from the local authority where available.
- 3.6. In 2019/20, maintained schools voted to de-delegate the following services:
- a) Free School Meal eligibility checks
 - b) Maternity pay cover for both teaching and non-teaching staff
 - c) Trade Union facility time

Education Functions

- 3.7. In the 2015 Spending Review, the Government announced that it would be cutting £600m from the Education Services Grant (ESG), a funding stream paid to local authorities outside of the local government finance settlement in respect of certain education functions.
- 3.8. There were two elements of ESG – the retained grant, and the general grant. Retained ESG was only paid to local authorities, and funded the responsibilities they hold for all pupils in the area, regardless of whether they are educated in maintained or academy schools. The general element of ESG was paid to local authorities in respect of the pupils in maintained schools. It was also paid separately to each academy in respect of the pupils in their own school.
- 3.9. In November 2016, details were released of how the £600m of savings would be realised. The retained element of ESG was transferred into Dedicated Schools Grant from April 2017, and has formed part of the Central Schools Services Block since April 2018. The general element of the grant ended in September 2017 for both local authorities and academies.

- 3.10. The functions of the local authority covered by the general element of the grant include:
- 3.10.1. School Improvement
 - 3.10.2. Statutory and regulatory duties in respect of maintained schools, such as best value and procurement advice, internal audit compliance, pension scheme administration
 - 3.10.3. Education welfare, including the inspection of attendance registers
 - 3.10.4. Asset management to ensure maintained school buildings are in a satisfactory condition
 - 3.10.5. Central support services, such as music tuition, visual, creative and performing arts, outdoor education centres
 - 3.10.6. Monitoring of National Curriculum assessments
- 3.11. The local authority remains responsible for providing these functions on behalf of its maintained schools, and financial regulations allow for funding to be retained from the budgets of maintained schools in order to cover the costs.

4. De-delegation of services and retention of funding for education functions in 2020/21

- 4.1. For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula. For example the rate per pupil will be listed by service.
- 4.2. There should be a clear statement of how contingencies and other resources will be allocated. Academies will continue to receive a share of funding for these services in their delegated budgets.
- 4.3. A list of the possible services that can be de-delegated is shown below:
- 4.3.1. Additional school improvement services
 - 4.3.2. Contingencies including schools in financial difficulties and deficits of closing schools
 - 4.3.3. Behaviour support services
 - 4.3.4. Support to underperforming ethnic groups and bilingual learners
 - 4.3.5. Free schools meals eligibility
 - 4.3.6. Insurance
 - 4.3.7. Museum and library services
 - 4.3.8. Licences/subscriptions other than those paid for by DfE
 - 4.3.9. Staff costs supply cover (for example, long term sickness, maternity, trade union and public duties).
- 4.4. The table below lists the de-delegated items agreed for 2019/20, plus the amount for retained education functions. Should Schools Forum decide to change the services de-delegated in 2019/20, the LA will provide a report on the costs of the proposed changes and consult with maintained primary and secondary schools headteachers to enable Schools Forum to make an informed final decision at a later meeting.

De-delegated services 2019/20

Service	Primary rate per pupil	Secondary rate per pupil
	£	£
Free School Meals	11.38	11.38
Staff costs – maternity	16.00	16.00
Staff costs – trade union	7.30	7.30
Education functions	19.00	19.00
Total	53.68	53.68

- 4.5. No change to the 2019/20 rates is proposed for 2020/21, with the possible exception of trade union facility time, which will be subject to a review by a sub-group of Schools Forum. Final proposals will be presented at the Schools Forum meeting in January 2020.
- 4.6. Any unspent de-delegated funding remaining at the year end should be reported to Schools Forum. Funding may be carried forward to the following period as with any other centrally retained budget and can be used specifically for de-delegated services if the LA wishes.
- 4.7. If there is a brought forward overspend on de-delegated services from the prior year, for example from 2019/20 then Schools Forum will need to specifically approve funding of this overspend for the next year’s budget (i.e. 2020/21) as a separate decision from any decisions on the overall underspend or overspend of central expenditure.

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