



Schools Forum

Date: 8 June 2017

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

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Public

Central Retention of Dedicated Support Grant for Former Education Services Grant Funded Services From April 2018

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Summary

Schools Forum received a report on 19 January 2017 on the central retention of Dedicated Schools Grant (DSG) in 2017-18, to provide continued support to maintained schools resulting from the removal of general duties Education Services Grant (ESG) funding from the local authority from September 2017. Forum approved a number of recommendations, including the top-slicing of, and de-delegation from, maintained school budgets.

The recommendations were approved, on the basis that the financial year 2017-18 was accepted as a transitional year, in order to secure continuity of provision of education support services for maintained schools. It was made clear that further work would be undertaken on a service-by-service basis, involving the wider school community, to determine the best way forward for Shropshire schools in future years. The expectation is that the central retention of DSG will be minimised and services in receipt of top-slice/de-delegated funding in 2017-18 will seek to secure this funding in 2018-19 and future years through trading with schools.

This report provides information on the planned approach to this work over the next two half terms, with a view to coming back to Schools Forum in the second half of the Autumn term with recommendations on how the support services currently funded through centrally funded DSG will be delivered in 2018-19.

Recommendations

Schools Forum consider and agree the planned approach to engaging the wider school community on the future delivery of support services, currently funded through centrally retained DSG, from April 2018 onwards.

REPORT

Background

1. Schools Forum considered a report, at their meeting on 24 November 2016, on the Government's planned changes to the ESG in 2017-18, in particular the removal of the general duties ESG from local authorities from September 2017. The report was produced prior to a number of anticipated Government announcements in December 2016, including:
 - details on the statutory responsibilities coming under the retained and general duties elements of the ESG
 - guidance on securing Schools Forum approval to retain DSG for support services previously funded through general duties ESG
 - the transitional protection arrangements - April to August 2017 - for the general duties ESG
 - information on the new school improvement monitoring and brokerage grant for local authorities.
2. A Schools Forum Task & Finish Group were given delegated authority at the meeting to work through the detail of the planned changes. The group met in December 2016 and January 2017. The lateness of the Government announcements allowed little time for local authority officers, the Task & Finish Group and Schools Forum to undertake the detailed work necessary to properly assess the impact of the planned changes. Equally this allowed no time to formally consult with the wider school community, in particular maintained schools, who would be directly affected by the proposals.
3. Schools Forum considered and approved, at their meeting on 19 January 2017, a number of proposals and key recommendations on how the loss of grant funding from the removal of general duties ESG could be addressed and provide continued provision of support services to maintained schools. Given the significance and importance of these decisions, a briefing session was held for headteachers and chairs of governors (or finance) of all Shropshire schools and academies on 8 February 2017 at the Lord Hill Hotel in Shrewsbury.
4. The decisions taken by Schools Forum on 19 January 2017 are summarised as follows:
 - to continue to centrally manage the retained duties ESG allocation of £570,000
 - to transfer released central DSG funding into the Individual Schools Budget for both maintained schools and academies
 - to top-slice and retain the transferred funding of £330,000 for maintained schools, allocating £300,000 to a **redundancy fund** and £30,000 to support statutory **finance functions** for maintained schools
 - to top-slice £150,000 from maintained school budgets to 'top-up' the **redundancy fund** for maintained schools to a total of £450,000
 - to top-slice £100,000 from maintained school budgets to support statutory and regulatory duties in respect of **human resources and health & safety**, not currently met through service level agreements (SLAs)
 - to top-slice £255,000 from maintained school budgets to support the statutory duties in relation to **education welfare and inclusion**

- to de-delegate £200,000 from school budgets to secure additional funding, over and above the new Government grant, for **school improvement services** - £189,190 from primary maintained schools and £10,810 from maintained secondary schools.
5. The impact of the Forum decisions in 2017-18 on maintained primary and secondary schools was a cost of £36.75 per pupil through the top-slicing, and £10.94 per pupil (maintained primary) and £2.26 per pupil (maintained secondary) through the de-delegation.
 6. The decisions were taken based on the best information available at the time and with consideration to the impact on maintained schools, noting that the changes in the funding of support services would impact from September 2017, part way through the financial year. Forum were asked to consider the financial year 2017-18 as a transitional year, to take into account the merits in securing continuity of provision of support services for maintained schools, and to note that further work on a service-by-service basis would be undertaken with the wider school community to determine the best way forward for Shropshire schools from April 2018 onwards.

Engagement with the Shropshire school community

7. The key areas in which a dialogue with Shropshire schools is required is in respect of:
 - the future of a centrally retained redundancy fund on behalf of maintained schools beyond April 2018
 - the options for meeting the future costs of statutory human resources and health & safety support to maintained schools, previously funded through the general duties ESG, including through the service specific SLAs
 - moving to a fully traded provision of education welfare and inclusion from April 2018, providing a package of support via SLAs
 - a different model of securing school improvement services, including core statutory support, primarily through a traded model, subsidised through the Government grant funding for maintained schools (equivalent to an indicative £1,884 per school).
8. The backdrop to the dialogue with schools is important. The policy direction at the time of writing is towards full academisation, the removal of general duties ESG and the expectation that school improvement provision will be met by schools and not the local authority by 2019-20. The outcome of the general election won't be determined until 9 June and so the Government policy objectives and direction may change. The dialogue with schools will therefore need to take into account of the outcome of the general election and will need to reflect any changes to funding and/or education policy that impact on the provision of statutory support services to maintained schools.

9. The outline plan for engaging with schools is:
 - Primary Headteacher Briefings 20/21/22 June – presentation of the issues and opening dialogue with schools to gauge and assess the initial views of maintained schools, informing the design and development of proposals for 2018-19 (there are no Secondary Headteacher Briefings diaried in the second half of the Summer term and so headteachers in maintained secondary schools will be contacted directly, given the small numbers involved)
 - Based on initial feedback from the briefings and follow-up contacts with schools, officers to develop proposals for presenting to schools in the early Autumn term
 - Primary Headteacher Briefings 26/27/28 September, Secondary Headteacher Briefing on 5 October and Chairs of Governor Briefings on 12/14 September – presentation of finalised proposals and, where appropriate, costed SLAs down to the individual school level
 - Schools Forum meetings on 14 September and 2 November – the first meeting will provide an update on the proposals presented to schools, while the second meeting will include a report with recommendations and seeking approval for the planned delivery and funding of services for maintained schools in 2018-19, currently funded through centrally retained DSG.

10. The planned engagement with schools will be used to discuss the future provision of support from the Multicultural Development Team, currently secured on behalf of maintained schools from Telford & Wrekin through an annual SLA, at a cost of £60,000. In 2017-18 the SLA pays for an assessment visit plus up to 5 x 1 hour teaching visits for 90 pupils who are new to English/new to the UK (at Reception and Key Stage 1 it is 3 x 1 hour teaching visits). The dialogue with schools will explore the delegation of this funding to maintained schools and moving to a fully traded arrangement from April 2018.

11. Schools Forum are asked to consider and comment on the planned approach to engaging with schools on the future delivery of statutory education support services to maintained schools, currently funded through centrally retained DSG, together with the continued central funding of support from the Multicultural Development Team.