



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND

Date: 28 November 2022

**Committee:  
Schools Forum**

**Date: Thursday, 1 December 2022**  
**Time: 8.30 am**  
**Venue: MS Teams**

You are requested to attend the above meeting.  
The Agenda is attached

Tim Collard  
Assistant Director - Legal and Governance

**Members of Schools Forum**

Bill Dowell (Chair)  
John Hitchings (Vice-Chair)  
Phil Adams  
Michael Barrett  
Mark Cooper  
Alan Doust  
Sabrina Hobbs  
Sandra Holloway  
Colin Hopkins  
Marilyn Hunt  
Shelley Hurdley  
Samantha John  
Sian Lines

Kerry Lynch  
Stephen Matthews  
David O'Toole  
Alan Parkhurst  
John Parr  
Greg Portman  
Revell  
Darren Reynolds  
Mark Rogers  
Andrew Smith  
Charles Thomas  
Guy Verling

Your Committee Officer is:

**Philip Wilson** Service Manager Business Support People  
Tel: 01743 254344  
Email: [phil.wilson@shropshire.gov.uk](mailto:phil.wilson@shropshire.gov.uk)

# AGENDA

**1 Apologies**

**2 Minutes and Matters Arising - 15 September 2022 (Pages 1 - 8)**

Paper A attached.

**3 School Funding Arrangements 2023-24 (Jo Jones) (Pages 9 - 12)**

Paper B attached.

**4 Consultation on the Central Retention of Dedicated Schools Grant from April 2023 (Phil Wilson) (Pages 13 - 32)**

Paper C attached.

**5 Central School Services Block 2023-24 (Stephen Waters) (Pages 33 - 54)**

Paper D attached.

**6 Early Years Provision in Shropshire (Neville Ward) (Pages 55 - 58)**

Paper E attached.

**7 Government's Autumn Statement and Implications on School Funding (Phil Wilson)**

Verbal update.

**8 Communications**

**9 Future meeting dates**

Thursday 12 January 2023	8.30 – 10.30	Microsoft (MS) Teams
Thursday 26 January 2023 (Provisional)	8.30 – 10.30	Microsoft (MS) Teams
Thursday 16 March 2023	8.30 – 10.30	Microsoft (MS) Teams
Thursday 15 June 2023	8.30 – 10.30	Microsoft (MS) Teams



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# Agenda Item 2



**Schools Forum**  
**Date:** 1 December 2022  
**Time:** 8.30 am  
**Venue:** Via MS Teams

Item/Paper  
**A**  
Public

## MINUTES OF SCHOOLS FORUM HELD ON 15 SEPTEMBER 2022 – HELD VIA MS TEAMS

### Present

#### School forum members

Bill Dowell (Chair)  
Caroline Clode – Association secretaries  
John Hitchings – Academy governor  
Marilyn Hunt – Primary headteacher  
Sandra Holloway – Primary governor  
Sian Lines – Diocese of Hereford  
Sue Lovecy – Academy headteacher  
Stephen Matthews – Primary governor  
John Parr – Academy headteacher (absent 8.45 - 9.00)  
James Pearson – TMBSS  
Mark Rogers – Primary headteacher  
Andrew Smith – Post 16  
James Staniforth – Post 16  
Patrick Jones – Special academy headteacher (representing Brian Thomas)

#### Members

Kirstie Hurst-Knight  
Gwilym Butler (until 9.00)

#### Officers

Jo Jones  
David Shaw  
Neville Ward  
Stephen Waters  
Phil Wilson  
Helen Woodbridge

#### Observers

Nick Bardsley (until 9.50)  
Roger Evans

David Shaw welcomed all to the meeting.

	<b>ACTION</b>
<p><b>1. Apologies</b> Apologies had been received from Shelly Hurdley, Karen Levell, Georgia Moss, David O’Toole, Alan Parkhurst, Michael Revell and Carla Whelan. Gwilym Butler had advised that he would need to leave for another meeting.</p>	
<p><b>2. Election of Chair and Vice Chair</b> David Shaw proposed the appointment of Bill Dowell as Chair and John Hitchings as Vice Chair for the academic year 2022/23. This was unanimously agreed by Schools Forum members.  The chair led a moment of silence in memory of HM Queen Elizabeth II.</p>	
<p><b>3. Minutes and Matters Arising</b> 2. Consideration of whether increased high needs supplementary funding should be passed on to colleges. A meeting had been held regarding 2021-22 commissioning and confirming contracts. This item will need to be considered in light of the 2022-23 student numbers and will form part of the commissioning discussions</p>	

2. The constitution had been amended in respect of the union reference.

7. The chair had asked for a paper to be bought regarding the move to independent schools being in part due to underperforming local special schools which may also impact on post 16 placements. This had been partly covered in the presentation slides for this meeting. Further detailed review and analysis will need to be completed during the 2022-23 academic year as part of the SEND team improvement work.

**4. Updated Dedicated Schools Grant 2022-23**

Jo Jones provided an update confirming that there had been no major changes.

**5. School Revenue Funding Update**

Jo Jones provided a comprehensive update on the Schools Revenue Funding for 2023-24.

The chair spoke of the need to see this in the light of the upcoming cost of living item.

**6. Response to Direct National Funding Formula (NFF) Consultation**

Phil Wilson presented his report advising this was the second phase of consultation. There had been consideration of this at the last meeting of Schools Forum. It was noted that Shropshire's local formula already aligns to and mirrors the NFF and so the impact of the transition to the direct NFF should be minimal. Schools Forum members had received a copy of the submission ahead of the closing date of 9 September 2022.

A copy of the f40 response had been circulated to Schools Forum members.

The chair asked if there were any particular areas for concern.

Phil Wilson advised that there were not but suggested that there will be interest in the indicative SEND budget.

David Shaw added that there is guidance available from the DfE on the notional SEND which provides more clarity.

**7. Funding for Ukrainian Refugees**

Phil Wilson presented some information:

- The first payment to the LA has been made through the Education Skills and Funding Agency (ESFA) on 31 August.
- It covers arrivals on the Homes for Ukraine scheme from 1 March 2022 to 31 May 2022 only – as per the data submitted by the local authority to Department for Levelling Up, Homes and Communities (DLUHC) – and will be a payment in arrears to cover 0.25 of the annual tariff.
- The remaining payment 0.75 (to cover the subsequent 9 months) will be made alongside the payment for arrivals in quarter 2.
- All future payments after the first quarter will provide the total amount of pro-rata funding per child for the 2022-23 financial year.
- Any arrivals via the Ukraine Families route are not included and so any children placed in schools through this route are not eligible to receive funding from this payment.

Allocation of funding for each phase of education:

Phase (Age)	Funding per child	Quarter 1 initial payment amount (March to May 2022)	Quarter 2 (June to August 2022) (Q1 balance payment amount March to May 2022)	Quarter 3 payment amount (September to November 2022)	Quarter 4 payment amount (December 2022 to February 2023)
Early years (2 to 4)	£3,000	Quarter 1 £750	Quarter 1 £2,250 Quarter 2 £2,250	Quarter 3 £1,500	Quarter 4 £750
Primary (5 to 11)	£6,580	Quarter 1 £1,645	Quarter 1 £4,935 Quarter 2 £4,935	Quarter 3 £3,290	Quarter 4 £1,645
Secondary (11 to 18)	£8,755	Quarter 1 £2,189	Quarter 1 £6,566 Quarter 2 £6,566	Quarter 3 £4,378	Quarter 4 £2,189

- The first payment for Shropshire for the period 1 March 2022 to 31 May 2022 is **£176,631.25** and can be analysed as follows:

	Q1 payment	DLUHC return	Total
Early years (2-4)	£750	15	£11,250.00
Primary (5-10)	£1,645	38	£62,510.00
Secondary (11-18)	£2,189	47	£102,883.00
			£176,643.00
	Funding allocated		£176,631.25
	Variation		-£11.75

- The Shropshire return to the DLUHC drew information from the Government's Foundry system which provides details on families arriving in-county via the Homes for Ukraine route.
- The grant conditions are available at [Homes for Ukraine education and childcare grant conditions of funding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/homes-for-ukraine-education-and-childcare-grant-conditions-of-funding)

### Conditions of grant

The funding must only be used for the provision of education and childcare for children ages 2 to 18 who have entered via the Homes for Ukraine visa route, for example:

- to provide a place for 2, 3 and 4-year-olds accessing the 2-year-old, universal or 30 hours entitlements
- the provision of a suitable place for all other children up to the age of 18 (including time for staff resource and travel)
- funding placement of larger clusters of children into schools and early years settings, including the costs of additional and specialist teaching, non-teaching, and administrative staff
- providing suitable travel arrangements, where necessary, to facilitate a child's attendance at school or suitable education setting
- the provision of specialist and bespoke services, such as support for children with additional needs, and resources (this may include education materials for schools)
- free school meals and school uniform (including school bags, provisions for example, water bottles, etc.)
- to provide access to extra-curricular activities for example, sports
- on community services whose provision benefits the children
- any other reasonable costs associated with the provision of education and childcare for the children.
- The local authority can pool any amount of funding to fund activities that will benefit a group or all of the authority's children received via the Homes for Ukraine visa route.
- For any funding that is passed on to the child's education or childcare setting, processes for allocating the funds should be as simple as possible to avoid delay.
- Local authorities may allocate funding to independent schools and independent special schools or spend the funding themselves on additional educational support to raise the attainment for the eligible pupils. **Local authorities must consult schools about how to use funding to support eligible pupils.**
- Local authorities will be required to certify that they have passed on the correct amount of funding to schools or, where funding has been spent centrally, that it has been spent in line with these conditions of grant. The DfE will issue a certification form in April 2023.

Phil Wilson advised that some schools are now full and explained the use of a special Fair Access Panel to place pupils in alternative schools. Also, as 6 month placements are coming to an end, a few families are moving and there are some in hotels.

Amanda Jones from Shropshire Supports Refugees had advised that there are some Ukrainian speaking TAs in schools and more could be sourced. Some 'pooled' funding could be used for employing more centrally, particularly to support with initial arrival into schools.

Marilyn Hunt thought that this would be helpful.

Mark Rogers did not realise that there were two routes at the beginning. He asked if there was a sense of the percentage of pupils who were eligible.

Phil Wilson advised that there are around 150 pupils in schools and 21 of these have come via the Families route (they would have brought in £168k if they had come through the government route).

David Shaw confirmed that the LA has registered discontent with government.

He added that some children may be on the central missing education register.

He asked about the development of central support and thanked schools for the



work done to date.

James Staniforth spoke of economies of scale and established that this was an initial annual payment. He advised that there are 11 students in college and asked if they are covered. Phil Wilson asked for the names so that he can check if funding has been received for them.

Mark Rogers advised that his school uses the Multicultural Development Team (MDT) for children who have EAL. He suggested that a Ukrainian speaker (without education training) would not be helpful. He would be more comfortable if support was overseen by MDT recognising that this is hard for them as pupils often all arrive at the same time.

Stephen Matthews had MDT at his school yesterday who advised that they are only supporting four Shropshire schools. They had devised a cost-effective SLA and provide remote back up. He had found initially that a language speaker had proved very useful for pastoral support.

David Shaw, Phil Wilson, Mark Rogers, Stephen Matthews, and a secondary colleague are to work together to devise a way forward.

The chair stressed that all schools with Ukrainian refugees need to be brought up to speed with the funding arrangements – Phil Wilson agreed to add this to the weekly email to schools.

JS

DS+

PW

## 8. High Needs Place Planning

David Shaw provided an update.

A Vision and Strategy for SEND in Shropshire has been developed -

Shropshire children and young people with SEND to be healthy, happy, safe, and able to achieve their potential to lead a fulfilling life. We want them to have, and to expect the same opportunities as other children and young people.

Young people had told the LA directly that they wanted a dream life which included:

- having a job or vocation
- having friends and being able to play a full part in their community
- being independent and living in their own home
- having a voice on how they live their lives, and
- having access to good and consistent support especially in times of transition

However, there is a wide range of national and local pressures.

There are increases in demand, yet the High Needs block is increasing at a slowing rate. The LA aims to support need through local planning aligned to the Shropshire Plan.

The spend on independent providers means that funding is moving out of Shropshire. This spend is forecast to increase to £7m in 2022-23 and an aim is for this to be reduced and more funding given to Shropshire providers.

Maps re travel demonstrated the excessive distances that some students are travelling eg to Ludlow Education Centre/Bettws Lifehouse.

There is an opportunity to think local first.

- focus on the best outcomes for the children and young people including reducing travel time
- review of all current children and young people placed address Shropshire and reasons for the placements
- reintroduce independent travel training to promote independence and access to the 'dream life' for children and young people

- strategic review an expansion of the SEND hub network across Shropshire including early years
- strategic focus on promoting and supporting all mainstream schools to be highly inclusive
- strategic review of alternative provision available across Shropshire in line with the SEND and Alternative Provision Green Paper
- reinvest funding currently leaving Shropshire back into Shropshire provision
- deliver the vision for SEND whilst also ensuring a long term balanced budget position by planning for, and managing, the growth in demand together.

James Pearson advised that the example of the Ludlow Education Centre is extreme and is largely caused by a lack of places elsewhere. He was pleased that processes for assessing young people are being looked at as the biggest frustration is going through the EHCP process (which causes a backlog of students).

David Shaw spoke of the need to ensure that statutory timescales are achieved. He added that there will be a reorganisation/transformation within the SEN team.

Andrew Smith spoke of the need for joined up thinking at Post 16.

Mark Rogers endorsed this as such an important piece of work which is impacting on schools and will make a real difference.

The chair closed this item by thanking David Shaw and recognising that this is a demanding piece of work.

## 9. **Dedicated School Grant Monitoring 2021-22**

Stephen Waters presented his report.

Neville Ward reminded colleagues of the lag in finding out the final funding allocations for early years but ensured them that careful monitoring is in place.

## 10. **Cost of Living**

Phil Wilson presented some information:

The Team Leader for the Schools Finance Team has provided the following summary of changes that are having to be made since the end of June, when maintained school budgets were set for 2022-23:

- Teachers - original budgets set for a 3.0% to 8.9% pay rise for teaching staff from September 2022 (based on information from March 2022). However announcements in July 2022 confirmed that this would rise to 5.0% to 8.9%. So an additional unexpected cost for all schools as the additional 2.0% relates to Leadership, Upper Pay Spine and Main scale 6. As an example the impact of this for a school with 120 on roll is £3,000. The announcement also changed the expected pay rise from September 2023 from 2.0% to 7.1% to a minimum of 3.0% so an extra 1.0% for Leadership, Upper Pay Spine and Main scale 6.
- Non-teaching staff – original budgets were set at 2.0% from April 2022. Information received in May half-term indicated a much higher pay rise and advised to increase this to 5.5% - schools were emailed regarding this and most opted to increase their budgets to the 5.5% or get a cost from their Finance Officer. New information dated September 2022 now indicates increases from between 4.04% and 10.5% adding £1,925 to

every scale point. This has had a significant impact, £7,000 for example for a school with 120 on roll.

- Energy – West Mercia Energy (WME) has provided information. Increases of 25% for electricity and 50% for gas from April 2022 were included in all 2022-23 maintained school budgets. WME will be communicating with schools via their newsletter.
- Insurance – the Council's corporate finance team has advised that internal recharges for insurances would increase by 15% - this has been factored into all 2022-23 budgets.

Department for Business, Energy & Industrial Strategy announcement – 21 September 2022

- For schools, the scheme will see rates reduced to a 'government-supported price' of £211 per megawatt hour for electricity and £75 for gas, which will equate to a saving of £4,000 for a school paying £10,000 per month for energy – saving of 40%
- For comparison, the government states wholesale costs this winter are expected to be around £600 per megawatt hour for electricity and £180 for gas

Note – only applies initially for energy use between 1 October 2022 and 31 March 2023, with a review planned in three months before making a decision about support from April 2023 onwards

- Support will be 'automatically applied to all eligible bills' and schools 'do not need to take action or apply to the scheme'
- Important – those who signed new contracts before 1 April 'would not have been exposed to the recent rises in wholesale prices, so will not be eligible for support under the scheme'
- West Mercia Energy (WME) has been contacted to clarify what this means for Shropshire schools contracted to them, particularly in relation to the point above
- Sector leaders' initial response relates to concerns regarding the temporary nature of the scheme and the uncertainty that remains for schools

A further allocation of grant through the Household Support Fund has been announced for the period from 1 October 2022 to 31 March 2023, though the sum has yet to be confirmed. The requirement to target funding at specific groups has been lifted for this third round of funding. It is intended that the support to vulnerable families with children with food costs during the school holiday periods will be continued. Funding will be allocated for October half-term, the two weeks over Christmas/New Year and February half-term. As Easter 2023 falls after 31 March 2023, it is unlikely that this grant can be used for this holiday period. In order to keep control on grant costs, the LA is looking at restricting vouchers to those children receiving benefits related free school meals, based on the most up-to-date numbers ahead of each holiday period. Schools will receive specific allocations based on these numbers

Phil Wilson advised that the Schools Finance team have collected and will continue to collect information from schools for reporting back to DfE. The chair suggested that this needs to be shared wider with schools. It was

confirmed that it will be addressed at LA maintained Headteacher forum

Mark Rogers advised that most schools are concerned as it is a very complicated picture which will become clearer in October/November.

Neville Ward added that the increase in settlement next year of between 1 and 3% won't cover increased costs.

James Staniforth spoke of increasing energy costs and the impact of this on teachers/support staff. He raised concerns about students not coming through from Shrewsbury schools but he was not sure that they have gone elsewhere.

**11. Communications**

There were no updates around communications.

**12. Future meeting dates:**

Thursday 3 November 2022 (subsequently cancelled)

Thursday 1 December 2022

Thursday 12 January 2023

Thursday 26 January 2023 (Provisional)

Thursday 16 March 2023

Thursday 15 June 2023

The meeting closed at 10.30 am



## Schools Forum

Date: 1 December 2022

Time: 8:30 a.m.

Venue: Virtual Microsoft  
(MS) Teams

Paper

# B

Public

## School Funding Arrangements 2023-24

**Responsible Officer** Jo Jones

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Tel: 01743 254343

### Summary

Details of the Government's recent funding announcements for 2023-24 for schools, including high needs and early years, were provided to Schools Forum at their meeting in September 2022.

This report details specific local funding arrangements from April 2023 for consideration and agreement by Schools Forum in relation to:

- the split site factor within Shropshire's local funding formula
- the potential transfer of funding between blocks, and
- the approach to be taken should the Schools Block allocation for 2023-24 not deliver sufficient funding to fully fund Shropshire schools through the local funding formula in line with the national funding formula.

### Recommendation

Schools Forum is recommended to consider and agree the specific funding arrangements from April 2023 as detailed within this report.

## REPORT

### Background

1. In July 2017, the Government announced the introduction of a national funding formula (NFF) for allocating the Schools Block of the Dedicated Schools Grant (DSG) to local authorities from April 2018.
2. Local authorities, in consultation with their schools and Schools Forum continue to have local flexibility on the basis for distributing funding to schools through the local funding formula in 2023-24. It remains the Government's intention to fund all schools nationally via a direct NFF in the future (as reported to Schools Forum at their meeting on 30 June).
3. Following consultation with Shropshire schools and Schools Forum in 2017, Shropshire's local formula for distributing the Schools Block to individual schools and academies has mirrored the NFF since 2018-19.

4. Schools Forum members are asked to consider and agree specific arrangements for 2023-24 as detailed within this report. Shropshire Council's Cabinet will make a final decision on the school funding arrangements for 2023-24 in January 2023.

### **Split Site**

5. The schools' NFF includes a split site factor. The purpose of this factor is to support schools that have unavoidable extra costs because the buildings are on separate sites.
6. From 2020-21 it was agreed that the Ludlow Infant/Junior amalgamated school was to receive split site funding to support the additional costs of operating on two sites. This was agreed at an amount of £15,000.
7. The NFF currently uses historic spend as the basis for funding premises factors including split site, and therefore Shropshire's split site funding for 2023-24 will be £15,000.
8. **It is recommended the lump sum split site factor value of £15,000 for Ludlow Primary School continue to be allocated in 2023-24.**

### **Transfer of Funding between Blocks**

9. The Schools Block remains ringfenced in 2023-24 but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block with approval of Schools Forum. To transfer an amount above 0.5%, approval would need to be sought from the Secretary of State for Education
10. In the previous five financial years, Shropshire Schools Forum has approved a transfer up to 0.5% of the Schools Block allocation to the High Needs Block to support the pressures on the high needs budget during this period. Agreement has been secured to transfer remaining Schools Block budget (up to 0.5%) after fully funding schools in line with the NFF factors and values in each year, including transitional protections and caps. Balances of £784,000 (0.49%), £397,000 (0.25%), £842,000 (0.5%) and £876,218 (0.5%) and £949,077 (0.5%) were transferred to the High Needs Block in the last five years.
11. Schools Forum members will be aware through the regular DSG monitoring reports that the financial position relating to the High Needs Block has improved recently. This was evident particularly in 2021-22 when the overall DSG financial position moved from a 0.870m deficit as at the start of 2021-22 to a £0.582m surplus at the end of the financial year as reported in the 2021-22 DSG monitoring outturn paper. A £1.297m in-year surplus on the High Needs Block DSG was a large contributing factor towards this improvement in position.
12. As at the end of August 2022, the position had improved further with a cumulative DSG surplus of £1.220m forecasted which included a £0.426m in-

year surplus on the High Needs Block. As at the end of October that forecast in year surplus on the High Needs Block has increased slightly again.

13. Officers have made a judgement call that the High Needs Block DSG financial position has improved to the extent that, for 2023-24, it is projected that there will not be a requirement to transfer funding from the Schools Block to support the High Needs Block.
14. It is therefore proposed that, once Shropshire schools have been fully funded in line with the 2023-24 NFF factors and values (including transitional protections and caps), remaining funding will be fully allocated to Shropshire schools and academies.
15. Until the October 2022 school census data is run through the NFF for 2023-24 for individual schools it is not possible to confirm if there will be any Schools Block balance remaining in next financial year. October 2022 census data will be made available to the local authority in December and work will take place through January 2023 to calculate individual school budget shares for 2023-24 mirroring the NFF factor values.
16. If there is any Schools Block balance remaining it is proposed to allocate this funding to schools is by increasing the Basic Entitlement factor, otherwise known as Age Weighted Pupil Unit (AWPU). It will be essential to model this thoroughly to ensure it is not affecting any other factors within the NFF.
17. **Schools Forum is asked to agree the recommendation that any remaining balance of the Schools Block, after fully funding individual schools in line with the NFF will be shared to schools by increasing their Basic Entitlement factor.**

### **Affordability of the Funding Formula**

18. The Schools Block of the DSG is allocated to local authorities based on a primary unit of funding (PUF) and a secondary unit of funding (SUF). Shropshire's 2023-24 PUF is £4,960 and SUF is £5,971. These units of funding will be multiplied by the total October 2022 school census numbers on roll in Shropshire and added to Shropshire's historic spend on premises factors to give a total Shropshire Schools Block allocation for distribution to schools through the local funding formula.
19. Until the local formula is run for each individual school in Shropshire based on their October 2022 census data, it will not be known whether the overall cost will be affordable from within the 2023-24 Schools Block allocation. To ensure affordability, a reduction to the factor values may be required. Which factor values are reduced will have differing impacts on individual schools' allocations. A reduction to the Basic Entitlement (AWPU) factor value will affect individual schools on a proportional basis, whereas a reduction to the lump sum value will have a proportionally greater impact on smaller schools for example.
20. The minimum funding level (MFL) formula factor is set at a mandatory level and cannot be amended. From 2023-24 the minimum funding guarantee (MFG) has been reduced to a range of 0.0% to 0.5% from a previous range of 0.5% to 2%

per pupil in the NFF. In the case of affordability, a reduction to the MFG would still be possible but due to the decrease of the factor this may not be enough.

- 21. To ensure a proportional impact on all schools, in the event that the Schools Block allocation for 2023-24 is not sufficient to fully fund the local formula in line with the NFF, Schools Forum is asked to agree the recommendation to reduce the MFG as necessary, and within allowable limits, to ensure affordability. Following this, if also required, Schools Forum is asked to agree to reduce the AWPU factor on a consistent basis across all Shropshire schools.**





## Schools Forum

Date: 1 December 2022

Time: 8:30 a.m.

Venue: Virtual Microsoft  
(MS) Teams

Paper

# C

Public

## Consultation on Central Retention of Dedicated Schools Grant from April 2023

**Responsible Officer** Phil Wilson

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### Summary

In 2013-14 school funding reforms required increased delegation to maintained schools and academies. Regulations were introduced to allow maintained mainstream primary and secondary schools the option to de-delegate certain delegated budgets to be held and managed centrally, subject to a Schools Forum decision by the representatives of each sector. De-delegation does not apply to academies, special schools or pupil referral units.

From 2017-18, Schools Forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools.

In addition, maintained mainstream primary and secondary schools can agree to a top-slice to their delegated funding, to allow for the central retention of funding for statutory services for maintained schools provided by the local authority, previously funded from general duties Education Services Grant (ESG), which was removed in September 2017. Top-slicing is also subject to a Schools Forum decision by the representatives of each sector.

All Shropshire maintained mainstream schools were consulted on the options for de-delegation and top-slicing for the 2023-24 financial year. The consultation period ran until Friday 25 November 2022.

### Recommendation

That Schools Forum consider the consultation responses received from Shropshire maintained mainstream schools, attached to and summarised within this report, and make decisions on de-delegation and top-slicing for centrally retained services for 2023-24.

## REPORT

### Background

1. Schools Forum is required to take decisions, on an annual basis, on the de-delegation of certain delegated budget areas since school funding reforms required increased delegation to schools through the schools funding formula. Since 2017-18, Schools Forum has also been required to take a decision on the de-delegation of further funding for additional school improvement provision for maintained schools, previously funded through Education Services Grant (ESG) to local authorities, which was removed from September 2017.
2. With the loss of the general duties element of the ESG, school finance regulations also allow local authorities to top-slice school budgets for certain services provided centrally, previously funded from ESG, again subject to the approval of Schools Forum.
3. All Shropshire mainstream maintained schools were consulted on the de-delegation and top-slicing options for the 2023-24 financial year. The consultation period closed on Friday 25 November 2022. The full consultation document is attached at Appendix A to this report and the detailed consultation responses attached at Appendix B and summarised within this report. Responses were received from 44 individual maintained schools (43 primary, 1 secondary). This only represents 51.8% of the 85 mainstream maintained schools as at 1 December 2022 (up from the response level of 32.9% in the 2022-23 consultation).
4. The impact in 2022-23 of the decisions taken by Schools Forum in December 2021 is summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
<b>De-delegation (maintained primary and secondary):</b>			
Pupil growth contingency	£30,000	£2.60	-
Maternity cover	£270,000	£22.42	£22.42
Trade union duties	£25,000	£2.08	£2.08
School improvement (primary)	£94,920	£4.11 + £572.67/school	-
School improvement (secondary)	£507	-	£0.99
<b>Top-slice (maintained primary and secondary):</b>			
Redundancy fund	£200,000	£16.61	£16.61
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£52,985	£4.40	£4.40
Education welfare and inclusion	£156,546	£13.00	£13.00

## De-delegation

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5. Details of each of the areas de-delegated in 2022-23 with Schools Forum approval were included within the consultation document for 2023-24. Views were sought from Shropshire mainstream maintained schools on whether de-delegation should continue in 2023-24.

### Pupil Growth Contingency (Primary Schools)

6. Schools Forum has previously agreed the de-delegation of a contingencies budget to allow additional funding to be targeted at maintained primary schools where their pupil number increased by at least 15% of their funded number on roll. Additional funding allocated from the contingency budget takes into account a school's minimum funding guarantee allocation and the additional expenditure incurred by the school as a direct result of the increased numbers.
7. The de-delegated contingency budget for 2022-23 was set at £30,000. Current monitoring of the de-delegated budget indicates a modest projected overspend against this budget in 2022-23.
8. It is proposed to increase this contingency in 2023-24 to £35,000. Based on the estimated maintained pupil numbers expected in April 2023, this will increase the unit cost from £2.60 per pupil in the current financial year to an estimated £3.02 per pupil in 2023-24.
9. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the primary pupil growth contingency are detailed within Appendix B and summarised below.

	De-delegate as in previous years	No de-delegation	Total Responses
Responses in favour	38 (88.4%)	5 (11.6%)	43

10. **Maintained primary school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary school budgets for a pupil growth contingency for maintained primary schools in 2023-24.

### Maternity

11. Schools Forum has previously agreed the de-delegation of the maternity budget. This centrally held budget funds the salary costs of any member of school staff on maternity leave, leaving the school budget liable for only the costs of the replacement employee.
12. The de-delegated budget in 2022-23 was £270,000. Current monitoring of the 2022-23 de-delegated maternity budget estimates that the allocated funds for the year indicate that the budget will underspend.

13. The consultation proposed decreasing the de-delegated maternity budget to £250,000, which would decrease the per pupil contribution from £22.42 to an estimated £20.69 based on forecast maintained pupil numbers in April 2023.
14. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the maternity budget are detailed within Appendix B and summarised below.

	<b>De-delegate as in previous years</b>	<b>Total Responses</b>
Responses in favour	44 (100.0%)	44

15. **Maintained school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary and secondary school budgets for a centrally managed maternity budget in 2023-24.

#### **Trade Union Duties (referred to as facilities time)**

16. Schools Forum agreed to de-delegate the trade union duties (more commonly referred to as facilities time) budget in previous years. This centrally held budget covers the costs of trade union representatives supporting their members in maintained schools.
17. In 2022-23 the fixed budget of £25,000 for facilities time support, based on October 2021 census figures and the expected number of maintained schools in April 2023, will retain an estimated per pupil unit cost of £2.07.
18. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the trade union duties budget are detailed within Appendix B and summarised below.

	<b>De-delegate as in previous years</b>	<b>Fully delegate with no de-delegation</b>	<b>Total Responses</b>
Responses in favour	42 (95.5%) <i>Primary 41</i> <i>Secondary 1</i>	2 (4.5%) <i>Primary 2</i> <i>Secondary 0</i>	44 <i>Primary 43</i> <i>Secondary 1</i>

19. **Maintained school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary and secondary school budgets for a centrally managed trade union duties budget in 2023-24.

## School Improvement

20. For 2022-23 Schools Forum agreed to de-delegate £94,920 from maintained primary schools and £507 from maintained secondary schools to secure the ongoing statutory school improvement support through the Education Improvement Service (EIS).
21. The consultation document proposed three options for retaining the de-delegation model for primary schools:
- Maintain the 2022-23 fixed element of £572.67 per site and variable element of £4.11 per pupil, supplemented with £100,000 from council retained funding. Based on the anticipated 83 maintained primary schools in April 2023, this model will secure a further £95,105 school improvement budget, but with a reduced service from April 2023.
  - Maintain the 2022-23 fixed element of £572.67 per site and variable element of £4.11 per pupil, supplemented with £150,000 from council retained funding. Based on the anticipated 83 maintained primary schools in April 2023, this model will secure a further £95,105 school improvement budget but protect the service until April 2024.
  - Increase the fixed element to £859.00 and variable element to £6.17 per pupil for primary schools, and the secondary school pupil unit charge to £1.49. This would generate an estimated sum of £142,715. This will be supplemented by £105,000 of retained funding, maintaining the current service with the expectation of no reduction in service until at least April 2025.
22. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the school improvement support budget are detailed within Appendix B and summarised below.

	Option a.	Option b.	Option c.	Total Responses
Responses in favour	17 (38.6%)	11 (25.0%)	16 (36.4%)	44

23. **Maintained school representatives** on Schools Forum are required to make a decision on which of the three options to de-delegate funding from primary maintained schools for a centrally managed school improvement budget in 2023-24.

## **Free School Meal Eligibility, Public Duties, Library and Museums Strategic Management and Fidelity Insurance**

24. Schools Forum has previously agreed not to de-delegate the administration of free school meal eligibility. This service is offered to schools on a traded basis by the local authority.
25. In addition, Schools Forum has previously agreed not to de-delegate the public duties, the library and museum services strategic management or fidelity insurance budgets. Schools are therefore currently responsible for meeting these costs from within their individual delegated budgets.
26. This report recommends these arrangements continue.

### **Top-slicing**

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27. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
28. With the removal of the general duties element of the ESG to local authorities in September 2017, Schools Forum determined that from 2017-18 onwards, funding would be top-sliced from individual school budgets and retained centrally in order to provide continuity of provision for maintained schools. This was based on the understanding and commitment to fully consult with schools on what would happen in each subsequent year, hence the consultation on top-slicing from April 2023.

### **Redundancy Fund**

29. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
30. The top-slice maintained primary and secondary per pupil rate in 2022-23 was £16.61. A review of the number and cost of redundancies over the 2021-22 financial year, and the 2022-23 financial year to date, indicates that there have been fewer redundancies and therefore less expenditure compared with previous years. It is therefore proposed to reduce the de-delegated fund to £150,000 in 2023-24, which would see an estimated unit cost per pupil of £12.41.
31. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the redundancy budget are detailed within Appendix B and summarised below.

	<b>Top-slice funding</b>	<b>No top-slice</b>	<b>Total Responses</b>
Responses in favour	42 (95.5%)	2 (4.5%)	44

32. **Maintained school representatives** on Schools Forum are required to make a decision on whether to top-slice a centrally held redundancy budget from maintained primary and secondary school budgets in 2023-24.

### **Statutory School Finance**

33. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
34. This is an area in which it is difficult to present an option for schools to assume delegated responsibility or to offer an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided.
35. Top-slice rates for the statutory school finance function are estimated to be £2.48 per primary and secondary maintained pupil for 2023-24 based on the anticipated maintained schools in April 2023.
36. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the statutory school finance budget are detailed within Appendix B and summarised below. Note that one school did not respond to this survey question.

	<b>Top-slice funding</b>	<b>Total Responses</b>
Responses in favour	43 (100.0%)	43

37. **Maintained school representatives** on Schools Forum are required to make a decision on whether to top-slice a centrally held statutory school finance budget from maintained primary and secondary school budgets in 2023-24.

### **Statutory Human Resources and Health and Safety**

38. The areas of support covered by the £52,985 top-sliced in 2022-23 include health and safety, occupational health, recruitment, payroll and contracts, as well as HR advice. A proportion of this centrally retained funding underwrites the costs of the statutory functions outlined in the Recruitment, Payroll and Contracts Service Level Agreement (SLA). In addition, a significant proportion of this centrally retained funding underwrites the Health and Safety and Occupational Health SLA.
39. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top-slice at the same rate applied in the last six financial years of £4.40 per maintained primary and secondary pupil. This will produce a total budget of an estimated £53,174.

40. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the statutory HR and health and safety budget are detailed within Appendix A and summarised below.

	<b>Top-slice funding</b>	<b>Total Responses</b>
Responses in favour	44 (100.0%)	44

41. **Maintained school representatives** on Schools Forum are required to make a decision on whether to top-slice a centrally held statutory HR and health and safety budget from maintained primary and secondary school budgets in 2023-24.

### **Education Access Service**

42. The 2023-24 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
43. The consultation for top-slicing for EAS was based on increasing the per pupil figure by 90p to £13.90 for maintained primary and secondary schools, to reflect pay and price increases. This will produce a budget of approximately £167,980 in 2023-24.
44. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the EAS budget are detailed within Appendix B and summarised below.

	<b>Top-slice funding</b>	<b>No top-slice</b>	<b>Total responses</b>
Responses in favour	38 (86.4%)	6 (13.6%)	44

45. **Maintained school representatives** on Schools Forum are required to make a decision on whether to top-slice a centrally held budget for EAS from maintained primary and secondary school budgets or to fully delegate and offer buy-back arrangements in 2023-24.



# Consultation on Central Retention of Dedicated Schools Grant From April 2023

## Introduction

On behalf of Shropshire Schools Forum, the views of maintained schools are being sought on the central retention of Dedicated Schools Grant (DSG) in the next financial year, 2023-24. Schools Forum is committed to consulting with maintained schools ahead of a Forum meeting on 1 December 2022, at which decisions on the de-delegation and top-slicing of DSG from April 2023 will be taken.

## Background

Schools Forum is a legally constituted advisory and consultative group, made up of representatives from the maintained, academy and wider education sectors, who work with the local authority on issues related to school funding. One of their key areas of work is in relation to the school funding formula and the retention of a small part of the overall DSG to underwrite the costs of services, centrally managed by the local authority on behalf of maintained schools, given the economies of scale and value for money for schools this can realise.

The Government's school revenue budget settlement guidelines allow local authorities, following consultation with the maintained schools' community and with Schools Forum approval, to centrally retain DSG through de-delegation and top-slicing. These retention methods are as follows:

- De-delegation – centrally held budgets within the Schools Block of DSG can be de-delegated from maintained schools by the sector representatives on Schools Forum, with decisions taken on an annual basis.
- Top-slicing – in December 2016 the Government's school revenue settlement allowed local authorities to retain some of their Schools Block of DSG to carry out statutory duties for maintained schools, previously funded through general duties Education Services Grant (ESG), which was removed in September 2017.

The impact in 2022-23 of the decisions taken by Schools Forum in December 2021 are summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
<b>De-delegation (maintained primary and secondary):</b>			
Pupil growth contingency	£30,000	£2.60	-
Maternity cover	£270,000	£22.42	£22.42
Trade union duties	£25,000	£2.08	£2.08
School improvement (primary)	£94,920	£4.11 + £572.67/school	-
School improvement (secondary)	£507	-	£0.99
<b>Top-slice (maintained primary and secondary):</b>			
Redundancy fund	£200,000	£16.61	£16.61
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£52,985	£4.40	£4.40
Education welfare and inclusion	£156,546	£13.00	£13.00

This consultation document will examine each of the areas for which delegated funds are taken from maintained schools and seek views on a number of options for how to proceed on each in 2023-24. A simple return has been produced for collecting feedback from schools, which will be collated and inform the report that will be produced for the decision-making meeting of Schools Forum on 1 December 2022. **The consultation will run until Friday 25 November 2022.**

It is important to understand that Schools Forum has the choice, for each budget area, between de-delegating/top-slicing or not. This means that **any decisions taken will impact on all maintained schools from April 2023.**

## De-delegation

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This section looks at each of the support areas for which funding can be de-delegated from maintained schools. Historically, reports have been taken to the late autumn term meetings of Schools Forum to secure formal decisions for the following financial year. The table below summarises these decisions since 2014-15.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Pupil growth	£87,680	£160,000	£159,770	£320,230	£150,170	£100,000	£95,000	£50,000	£30,000
Maternity cover	£429,190	£334,000	£321,570	£499,260	£410,000	£260,000	£236,713	£228,947	£270,000
Insurance	£24,450	£24,450	£23,280	£22,760	£0	£0	£0	£0	£0
Trade union duties	£60,160	£53,180	£50,400	£50,020	£43,600	£27,772	£24,241	£25,000	£25,000

An important consideration when looking at whether a budget should be de-delegated, is the impact on schools resulting from delegation, because **with delegation comes responsibility**. This means that the responsibility for the delegated budget line – for example, paying for staff maternity cover – transfers to the school and any costs have to be met from the school's delegated budget. The de-delegated funds have therefore provided something of an insurance policy for schools against one-off hits to their budget, which can have a significant impact on schools with tight budgets and modest contingencies.

### 1. Pupil growth contingency – primary only

A contingencies budget de-delegated from maintained primary schools to allow additional funding to be targeted at schools where pupil numbers increase by at least 15% of their funded number on roll. Controls limit allocations to actual additional costs incurred by a school as a direct result of increased pupil numbers.

A key consideration is delegated responsibility. In this case, by not de-delegating, there would be no contingency for pupil growth from April 2023 and so schools would have to absorb cost pressures until the increased pupil numbers worked through from the school census in October 2023, which would result in an increased delegated budget from April 2024. In most cases, given the forecast data provided to schools each year by the local authority on pupil numbers, schools should be alert to such growth and be able to budget plan for the lagged funding. Such growth in pupil numbers will tend to impact from the beginning of an academic year, with the Reception intake, which means that the lagged funding generally follows two terms later.

**Pupil growth contingency - options for 2023-24:**

- a. De-delegate funding from primary maintained schools as in previous years, with per pupil sums determined by the outturn position in 2022-23 i.e. an overspend or underspend will affect the per pupil rate in 2023-24. It is anticipated that a modest projected overspend may require a small increase in the £2.60 per pupil in 2022-23.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding pupil growth from their individual delegated budgets from April 2023.

**2. Maternity cover**

Funds the salary costs of any member of school staff on maternity leave in the maintained primary and secondary sector, meaning the schools are only liable for the costs of the replacement employee.

A decision not to de-delegate this budget from April 2023, would mean that maintained schools would be responsible for meeting all maternity pay costs of school staff from their individual delegated budgets. Schools would be able to access commercially available products/policies, some combining maternity cover with sickness cover. The experience of academies is mixed – some are sourcing cover arrangements from the marketplace, while others are carrying the risk of meeting any maternity costs from their own budgets.

These options would be available to maintained schools if the decision is taken not to de-delegate funding for maternity cover. Schools would need to carefully consider the flexibility and 'headroom' within their budget (including reserves), as well as the age profile of their female staff. In financial planning terms this can be challenging, given the difficulty of predicting the need for maternity leave.

Current projections indicate that the de-delegated budget of £270,000 for maternity cover will be underspent on 2022-23. This means that the per pupil rates in 2023-24 are likely to decrease from the current level of £22.42 in 2022-23.

**Maternity cover - options for 2023-24:**

- a. De-delegate funding from maintained schools as in previous years, with per pupil sums determined by outturn position in 2022-23 – as an underspend is currently forecast the per pupil rate in 2023-24 is expected to decrease from the current £22.42.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding maternity cover from their individual delegated budgets from April 2023.

**3. Trade union duties (referred to as facilities time)**

This funding is de-delegated for the costs of trade union representatives supporting their members in maintained schools through what is commonly referred to as facilities time. The funding provides cover for, among other things: carrying out trade union duties, attending union training, undertaking health and safety functions, and accompanying members attending hearings, for example disciplinary or grievance. There is strong lobbying each year from the professional associations for these funds to be de-delegated.

Each union is required to attend a termly meeting with the local authority, called the Association Secretary Group. The membership of this group includes the local union representative from each recognised trade union and representatives from the Council's human resources advisory team. This meeting is the mechanism which allows collective consultation and negotiation between the local authority on behalf of schools and the trade unions on behalf of their members. All human resources policies and procedures are consulted and agreed at these meetings. Schools would be required to consult with trade unions and their own staff if this was removed. The group also discusses other employment relations issues and maintains a positive dialogue between schools and unions which in turn supports positive employee/employer relationships.

If local trade union representatives were not funded via the facilities time, maintained schools would be able to consider using their delegated funding to secure local arrangements with the trade unions, in particular by pooling funding with other maintained schools and academies. This could lead to a fragmentation of the current arrangements across the school sector. Alternatively, it would mean each school would have to allocate funding for facilities time for all unions represented in their school and may lead to schools dealing with regional trade union representatives with little or no local knowledge. It is the view of the local authority that this would not be as effective and efficient an arrangement as that which could be secured through continuation of de-delegation.

One of the options is to continue to operate a fixed budget for facilities time support to maintained schools, as has been the case in the last two year, which maintains and secures a baseline of funding to guarantee the required level of support to these schools from union representatives contracted to deliver this support. The budget has been set at a fixed de-delegated total of £25,000, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2023-24 are set.

**Trade union duties - options for 2023-24:**

- a. De-delegate funding of £25,000 from maintained schools, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2023-24 are set.
- b. Fully delegate funding and responsibility to maintained schools, meaning that local arrangements for facilities time would need to be secured by individual schools and/or groups of schools in collaboration with trade unions.

#### **4. School improvement**

For 2022-23, Schools Forum agreed to de-delegate £94,920 from maintained primary schools and £507 from maintained secondary schools to secure ongoing statutory school improvement support for the year through the Education Improvement Service (EIS). This was necessary given the Government's removal of funding for school improvement from the two elements of ESG funding, for retained duties and general duties. The de-delegation is, in part, offset by the allocation of a School Improvement Monitoring and Brokering Grant (SIMBG) for local authorities.

The SIMBG was reduced by 50% in 2022-23 and will be removed completely from 2023-24. The rationale for the removal of the SIMBG, as outlined in the original consultation document on this development, was to bring the funding arrangements for Local Authority school improvement activity closer into line with those in the academy sector. The value of the SIMBG was approximately £317,000 and this is predominantly used to fund the work of school improvement advisers.

Changes to how the service works have already been implemented in 2022-23. These changes include ceasing visits to academies which in turn has reduced the spending on associate staff and meant the service has not fully replaced a school improvement adviser upon retirement this summer. The removal of the SIMBG means that future change is inevitable as the statutory school improvement and monitoring functions will need to be covered entirely through de-delegation of funds from maintained schools.

The Local Authority has retained funds from the SIMBG totalling approximately £200,000 by 1 April 2023, which can be used to offset some of the loss of the grant in the short-term. The views of schools are sought to inform how we manage the complete removal of the SIMBG and transition to school improvement and monitoring functions funded entirely by de-delegation. After cost savings, the current cost of school improvement advisers and associates for 2022-23 was approximately £240,000. This includes the salaries and oncosts of 2.4 FTE school improvement advisers and the use of a number of associate headteachers.

Three de-delegation options for 2023-24 are being presented to maintained schools for consultation. Each will secure the provision of school improvement services for maintained schools for 2023-24 but each option will have different implications for the use of the retained SIMBG and the level of service provided.

For the last three years the de-delegation from primary maintained schools was completed on a fixed/variable basis, with a fixed sum of £572.67 per site and a variable element of £4.11 per primary pupil, underwriting approximately 30% of the costs of the school improvement service. The impact of this option is that larger schools retain more of their delegated funds, while more funding would be recovered from smaller schools, but is potentially more appropriate based on the support each maintained school receives. The number of maintained schools in April 2023 is currently forecast to be 83 primary schools. For secondary schools there will only be one maintained secondary school from 1 April 2023. In previous years there has been variable contribution of £0.99 per pupil.

#### **Option a.**

Maintain the fixed sum of £572.67 per site and £4.11 per pupil for primary schools and £0.99 per secondary school pupil. Use approximately £100,000 of retained funding to supplement the service. This option would result in the service ceasing the use of associates from April 2023 and the loss of a part-time school improvement adviser from July 2023. This would lead to a reduced service but no further changes would be expected until April 2025.

#### **Option b.**

Maintain the fixed sum of £572.67 per site and £4.11 per pupil for primary schools and £0.99 per secondary school pupil. Use approximately £150,000 of retained funding to supplement the service in order to maintain the level of service offered at present. This option would result in significant reductions in service from April 2024 which may result in the loss of 1 full time school improvement adviser as well as the loss of a part-time school improvement adviser and the cessation of the use of associates. The reduction in the team's size will result in some schools receiving fewer visits by school improvement advisers and more schools just receiving an annual visit. It will also mean that it is likely that school improvement advisers are less likely to be able to attend Ofsted inspections.

### Option c.

Increase the fixed sum to £859.00, the primary pupil unit charge to £6.17 and the secondary school pupil unit charge to £1.49. This would generate an additional £45,000. For this option £105,000 of retained funding will be used to supplement this and maintain the current service with the expectation of no reduction in service until at least April 2025.

This is an area of support in which it is difficult to present an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support, but at a reduced unit cost.

#### **School improvement - option for 2023-24:**

- a. De-delegate funding from primary maintained schools, holding the unit values at 2022-23 levels of a fixed element of £572.67 per site and a variable element of £4.11 per pupil. De-delegation for the remaining secondary maintained school will be based on a per pupil unit value of £0.99. Use approximately £100,000 from retained funding. There would be a reduced service from Spring 2023 but no further changes until April 2025.
- b. De-delegate funding from primary maintained schools, holding the unit values at 2022-23 levels of a fixed element of £572.67 per site and a variable element of £4.11 per pupil. De-delegation for the remaining secondary maintained school will be based on a per pupil unit value of £0.99. Use approximately £150,000 from retained funding. This would maintain the current level of service but would require further service reductions from April 2024.
- c. De-delegate funding from primary maintained schools but increase the fixed element to £859.00 per site and variable element to £6.17 per pupil. De-delegation for the remaining secondary maintained school to increase to £1.49 per pupil. These increases would result in an additional £45,000 from schools, which would be matched by £105,000 from retained funding and mean no reduction in service until at least April 2025.

## Top-slicing

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This section looks at each of the support areas for which funding has been top-sliced from maintained schools in the financial year 2022-23. These support areas were previously funded from general duties ESG and so, in the knowledge that this grant funding was being removed by the Government in September 2017, Schools Forum determined that - for the last four financial years – funding would be centrally retained in order to provide continuity of provision for maintained schools. This was based on the understanding and commitment to fully consult with schools on what would happen in each subsequent year, hence this consultation on top-slicing from April 2023.

### 5. Redundancy fund

This fund underwrites the costs of premature retirement and redundancy of staff in maintained schools. Schools Forum supported the principle of retaining a central fund for redundancy costs in maintained schools in previous years. In 2022-23 the contribution was £16.61 per pupil in maintained schools.

A decision not to top-slice funding from April 2023 would mean that individual maintained schools would be liable for meeting any redundancy costs from their delegated budget. This would present a potential financial risk and significant challenge for schools struggling to manage their budgets in year and with low levels of school balances to draw upon. Schools in the academy sector already face these financial challenges and so have to plan carefully and in a timely manner to manage such costs.

The costs of redundancy can vary significantly dependent on the grade of staff and length of service. A review of the number and cost of redundancies over the 2021-22 financial year, and the 2022-23 financial year to date, indicates that there have been fewer redundancies and therefore less expenditure compared with previous years. While there are expected to be cost pressures for maintained schools due to cost of living and inflationary pressures, it is anticipated that there will be scope to reduce the level of top-slice for redundancies in 2023-24.

#### **Redundancy fund - options for 2023-24:**

- a. Top-slice funding from maintained schools as in 2022-23, with per pupil sums determined by outturn position in 2022-23 i.e. an overspend or underspend in 2022-23 will affect the per pupil rate in 2023-24. It is anticipated that there will be scope to reduce the 2022-23 rate of £16.61 per pupil funding level next year.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding all redundancy costs from their delegated budget from April 2023.

### 6. Statutory school finance

This centrally retained funding underwrites the costs of officer support for statutory financial functions on behalf of maintained schools, including: the monitoring and control of school balances; advice and support to schools in financial difficulties; challenge to schools who are not exercising appropriate financial controls, and appraising and approving licensed budget deficits. With 83 maintained schools in Shropshire from April 2023, the workload in this area is significant.

This is an area in which it is difficult to present an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support.

**Statutory school finance - option for 2023-24:**

Top-slice funding of £30,000 from maintained schools, as in 2022-23, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2023-24 are set.

## **7. Statutory human resources and health and safety**

A number of statutory and regulatory functions in the area of human resources and occupational health and safety were previously funded through general duties ESG. This is primarily because the local authority is the employer of staff in maintained schools, with the exception of voluntary aided schools, who directly employ their own staff. While maintained schools can secure advisory support through annual service level agreements, the costs of the functions previously funded through the general duties ESG are not costed into these agreements.

The areas of support covered by the £52,985 top-sliced in 2022-23 include health and safety, occupational health, recruitment, payroll and contracts, as well as HR advice.

A proportion of this centrally retained funding underwrites the costs of the statutory functions outlined in the Recruitment, Payroll and Contracts Service Level Agreement (SLA).

In addition, a significant proportion of this centrally retained funding underwrites the Health and Safety and Occupational Health SLAs. Such funding is required in order for the local authority to comply with its duties as the employer under the Health and Safety at Work etc. Act 1974 and the relevant statutory provisions. It is the view of the local authority that compliance with the above legislation cannot reasonably be achieved through tasks delegated to the governing bodies of schools. The centrally identified funding includes expenditure incurred by the local authority in monitoring the performance of such tasks by governing bodies and, where necessary, giving them advice.

It should be noted that the local authority has a statutory responsibility for approximately 4,000 school employees, including centrally employed supply teachers.

The local authority view is that the above areas are difficult to present as an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support. However, the unit cost per pupil top-sliced in 2023-24 will be held at the same per pupil value as the last 6 years ie £4.40 per pupil.

**Statutory human resources and health and safety - option for 2023-24:**

Top-slice funding of £4.40 per pupil from maintained schools (no increase therefore on 2022-23 per pupil rate).



## 8. Education Access Service

The top-slice in 2022-23 is partly funding education welfare, delivered through the Education Access Service (EAS). The service also receives grant funding from retained duties ESG (which the local authority continues to receive and is separate from the general duties ESG, which ceased in September 2017), as well as income from trading with academies.

The top-slice provides maintained schools with access to all EAS support including education welfare, attendance and inclusion/exclusion officers, child employment services and performance licensing.

The main alternative to top-slicing maintained school budgets is to move to a fully traded service from April 2023. Work has been undertaken to develop a traded offer to schools that will ensure the continuity of service and maintains effective working with schools on securing improved attendance, safeguarding pupils and raising attainment.

The proposed EAS service delivery agreement model has been based on a daily rate built around the time required in maintained schools for strategic intervention and casework. For the separate service delivery agreement for inclusion services, a standard rate will be applied for maintained primary schools. A bespoke package can be offered to meet the individual requirements of the remaining maintained secondary and special schools. The two service delivery agreements will give maintained schools access to the full range of advice and support offered by EAS.

There are risks to maintained schools of not opting into a traded arrangement. They would need to be confident that they have the skills and underpinning knowledge they require within their own setting, or where they can secure this support from elsewhere and at what cost.

The top-slice for 2023-24 will need to increase to reflect the impact of inflation and pay awards on delivery costs. It is currently estimated that per pupil unit costs will need to increase from £13.00 to £13.90.

### **Education Access Service - options for 2023-24:**

- a. Top-slice funding from maintained schools will need to increase 2023-24 to reflect increased pay and price pressures. It is anticipated that the current rate of £13.00 per pupil in 2022-23 will need to increase to £13.90 per pupil in 2023-24 – the final figure will be dependent on maintained pupil numbers.
- b. Fully delegate funding and responsibility to maintained schools, presenting buy-back arrangements through service delivery agreements from April 2023 for those seeking to secure ongoing education welfare and inclusion support for the areas currently covered by the top-slice.

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School	NOR	De-delegation									Top slicing						
		Pupil growth contingency (primary)		Maternity cover		Trade Union duties		School Improvement			Redundancy		Statutory school finance	Statutory HR (H&S)	Education Access Service		
		A	B	A	B	A	B	A	B	C	A	B			A	B	
<b>Primary Schools</b>																	
1	St Laurence CE Primary, Ludlow	206	1		1			1			1			1	1	1	
2	Long Mountain CE Primary	98	1		1		1		1		1		1	1	1		
3	Morda CE Primary	115	1		1		1			1	1		1	1	1		
4	Gobowen Primary	194	1		1		1		1		1		1	1	1		
5	Trinity CE Primary	156	1		1		1			1	1		1	1	1		
6	Oxon CE Primary	419	1		1		1			1	1		1	1	1		
7	Hodnet Primary	177	1		1		1		1		1		1	1		1	
8	Norton-in-Hales CE Primary	83	1		1		1		1		1		1	1	1		
9	Buntingsdale Primary	76	1		1		1			1	1		1	1	1		
10	Bicton CE Primary	137	1		1		1			1	1		1	1	1		
11	Chirbury CE Primary [Shropshire Hills Federation]	72	1		1		1			1	1		1	1	1		
12	Norbury Primary [Shropshire Hills Federation]	61	1		1		1			1	1		1	1	1		
13	Stiperstones CE Primary [Shropshire Hills Federation]	28	1		1		1			1	1		1	1	1		
14	Beckbury CE Primary [Trinity Federation]	52		1	1		1			1	1		1	1	1		
15	Worfield Endowed CE Primary [Trinity Federation]	151		1	1		1			1	1		1	1	1		
16	St Mary's Bluecoat CE Primary [Trinity Federation]	193		1	1		1			1	1		1	1	1		
17	Bomere Heath CE Primary	126	1		1		1		1		1		1	1	1		
18	St John the Baptist CE Primary	76	1		1		1		1		1		1	1	1		
19	Cockshutt CE Primary	58	1		1		1		1		1		1	1	1		
20	Criftton CE Primary	98	1		1		1		1		1		1	1	1		
21	Sheriff Hales Primary	82	1		1		1		1		1		1	1	1		
22	St Leonards CE Primary	81	1		1		1		1		1		1	1	1		
23	Albrighton Primary	252	1		1		1		1		1		1	1			1
24	Onny CE Primary	77	1		1		1		1		1		1	1	1		
25	Lydbury CE Primary	40	1		1		1		1		1		1	1	1		
26	Shrewsbury Cathedral Catholic Primary	158		1	1			1	1			1	1	1	1		
27	Longden CE Primary	130	1		1		1			1	1		1	1	1		
28	Christ Church CE Primary	121	1		1		1			1	1		1	1	1		
29	Claverley CE Primary	107	1		1		1		1		1		1	1	1		
30	Rushbury CE Primary	46	1		1		1			1		1	1	1	1		
31	Brockton CE Primary	66	1		1		1		1		1		1	1	1		
32	Church Preen CE Primary	45	1		1		1		1		1		1	1	1		
33	Wistanstow CE Primary	71	1		1		1		1		1		1	1	1		
34	Woore Primary	63	1		1		1		1		1		1	1	1		
35	Adderley CE Primary	30	1		1		1			1	1		1	1	1		
36	Moreton Say CE Primary	78	1		1		1			1	1		1	1	1		
37	Our Lady & St Oswalds Catholic Primary	130	1		1		1		1		1		1	1	1		
38	Kinnerley CE Primary	79	1		1		1		1		1		1	1		1	
39	St Andrew's CE Primary, Nesscliffe	68	1		1		1		1		1		1	1		1	
40	West Felton CE Primary	131	1		1		1		1		1		1	1		1	
41	Weston Lullingfield CE Primary	28	1		1		1		1		1		1	1		1	
42	St Giles CE Primary	313	1		1		1		1		1		1	1	1		
43	St Thomas & St Anne's CE Primary	91		1	1		1		1		1		1	1	1		
<b>TOTALS</b>		<b>4863</b>	<b>38</b>	<b>5</b>	<b>43</b>	<b>0</b>	<b>41</b>	<b>2</b>	<b>16</b>	<b>11</b>	<b>16</b>	<b>41</b>	<b>2</b>	<b>42</b>	<b>43</b>	<b>37</b>	<b>6</b>
<b>Secondary School</b>																	
1	The Community College, Bishops Castle	510	n/a	n/a	1		1		1			1		1	1	1	
<b>TOTALS</b>		<b>510</b>	<b>n/a</b>	<b>n/a</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
43	<b>OVERALL TOTALS</b>	<b>5373</b>	<b>38</b>	<b>5</b>	<b>44</b>	<b>0</b>	<b>42</b>	<b>2</b>	<b>17</b>	<b>11</b>	<b>16</b>	<b>42</b>	<b>2</b>	<b>43</b>	<b>44</b>	<b>38</b>	<b>6</b>

Notes

Critical to maintain school improvement services.

Are all Shropshire academies contributing to trade union duties?

School improvement - happy to increase next year - wait until budget announcements.

School improvement - I value the support provided at present, so I am reluctant to support an option that sees this reduced. I definitely wouldn't support a scenario where the SIA would not be available to attend during an Ofsted inspection.

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Year after year, I have seen a reduction in the service provided. We no longer have a designated GRT teacher. The support from welfare has diminished significantly so as we do much more of this ourselves now, I think it more beneficial for funding to be delegated to schools to buy in to services that they require.

As a county with small schools, we need to have a contingency fund – I know how essential it has been in my school where we have now accessed contingency funding three times in my headship as school has doubled in size and it has been really essential to managing the cost implications of growth.

 <b>Shropshire Council</b>	<b>Schools Forum</b>	<u>Item</u>	<u>Paper</u>
	Date: 1 December 2022 Time: 8:30 am Venue: Virtual via Microsoft (MS) Teams	Public	<b>D</b>

## CENTRAL SCHOOL SERVICES BLOCK 2023-24

**Responsible Officer** Stephen Waters  
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### Summary

1. In July 2022, the Education and Skills Funding Agency (ESFA) issued their technical note on the Central School Services Block (CSSB) and provisional CSSB allocations for 2023-24. Final allocations are updated for October 2022 census data.
2. The purpose of the CSSB is to provide funding to local authorities to carry out central functions on behalf of pupils in state-funded maintained schools and academies.
3. The funding is split into funding for historic commitments and funding for ongoing responsibilities.
4. For those centrally retained services categorised as historic commitments, Schools Forum approval is required on a line-by-line basis and the budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into.
5. For 2023-24, the ESFA intend to reduce the historic commitments funding by 20% compared to their 2019-20 baseline, meaning next year will be the fourth year of such reductions. This reduction is in line with ESFA's previously stated policy to withdraw this funding over time.
6. The CSSB technical note issued by the ESFA states that "historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing or termination of employment costs, based on evidence received by the department". The appropriate evidence has been submitted but no formal decision has been made as yet by the ESFA to confirm whether the funding will be protected.

7. For ongoing responsibilities, Schools Forum approval is required on a line-by-line basis and the budget can increase from year to year.
8. This report therefore presents a number of proposals on the retention of Dedicated Schools Grant (DSG) in 2023-24 to fund these statutory duties for which formal Schools Forum approval is required.

## **Recommendation**

9. Schools Forum notes that the historic commitments value within Shropshire's CSSB funding allocation has been subjected to a 20% cut in funding by the ESFA in its 2023-24 provisional allocation. Consequently, the historic commitments element of Shropshire's 2023-24 CSSB allocation has been reduced by £219,380 to £877,520.
10. Schools Forum consider and approve to the proposals presented in this report.

## **REPORT**

### **Background**

11. In 2018-19, Schools Block funding, for the first time, included the new Central School Services Block, determined by a separate national funding formula.
12. The purpose of the CSSB is to provide funding to local authorities to carry out central functions on behalf of pupils in state-funded maintained schools and academies.
13. The CSSB funding is split into funding for historic commitments and funding for ongoing responsibilities.
14. CSSB historic commitments funding for each local authority is equal to their 2017-18 baseline value submitted to the ESFA in April 2017 and confirmed by the ESFA in August 2017. These historic commitments are subject to a limitation of new commitments or increases in expenditure.
15. The funding for ongoing responsibilities comprised funding previously allocated through the retained duties element of the Education Services Grant (ESG) at a rate of £15 per pupil, plus funding for ongoing central functions such as schools admissions and the servicing of Schools Forum.
16. The CSSB national funding formula allocated funding to local authorities for ongoing responsibilities uses a pupil-led formula to establish a CSSB ongoing responsibilities rate per pupil. This is multiplied by the Schools Block pupil count from the latest census to arrive at each local authority's final allocation.

### **Shropshire's Central Schools Services Block Allocation 2023-24**

17. In 2022-23, Shropshire Council's CSSB allocation totalled £2,388,189. The contributions levels or allocations for ongoing responsibilities plus the contributions for historic commitments were approved by Schools Forum on 2nd December 2021 in "Paper D – Central School Service Blocks 2022-23" (based on a provisional allocation of £2,380,075).

	<b>2022-23 Allocation</b>
<b>Historic Commitments</b>	
Contribution to combined budgets	£45,220
Termination of employment costs	£756,329
Prudential borrowing	£295,350
<b>Sub Total Historic Commitments</b>	<b>£1,096,899</b>
<b>Ongoing Responsibilities</b>	
Schools admissions	£253,270
Servicing of Schools Forum	£10,000
Other items (Copyright Licensing Agency fee)	£233,440
Former retained duties ESG	£786,466
<b>Sub Total Ongoing Responsibilities</b>	<b>£1,283,176</b>
<b>Total Central Spend</b>	<b>£2,380,075</b>

### **Shropshire's Provisional Central Schools Services Block Allocation 2023-24**

18. In July 2022, the Department for Education issued provisional 2023-24 allocations for the CSSB. The technical note published states that "in 2023- 2024, for those local authorities that receive it, historic commitments funding has been reduced by 20%".
19. For Shropshire Council this means that the £1,096,900 historic commitments 2022-23 value in the table above has been subject to a 20% cut equal to £219,380 in determining the 2023-24 provisional historic commitments allocation of £877,520.
20. The CSSB technical note issued by the ESFA states that "historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing or termination of employment costs, based on evidence received by the department". Officers have submitted evidence to the ESFA to show that the value of ongoing prudential borrowing and termination of employment costs is far greater than the level at which the historic commitments funding will be reduced to provisionally in 2023-24 but a formal decision is still awaited at the time of this paper being published.

21. The ongoing responsibilities value of £1,291,289 for 2022-23 has been run through the national funding formula to arrive at a provisional 2023-24 allocation for ongoing responsibilities of £1,317,727. This represents an increase of 2.0% on the ongoing responsibilities value. The provisional total CSSB allocation for 2023-24 is £2,195,247.

	<b>2022-23 Allocation</b>	<b>Provisional Total 2023-24 CSSB NFF Funding</b>	<b>Provisional % Change to CSSB Funding in 2023-24</b>
Historic commitments	£1,096,900	£877,520	20% reduction in line with ESFA's previously stated policy to withdraw this funding over time
Ongoing responsibilities	£1,291,289	£1,317,727	2.0%
<b>Total Central Spend</b>	<b>£2,388,189</b>	<b>£2,195,147</b>	-

### **Historic Commitments Approval**

22. As outlined in Appendix A, historic commitments require Schools Forum approval on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into. To enable Schools Forum members to make a more informed decision to continue to approve funding the following paragraphs give more detail regarding what services are funded and any ongoing commitments.

### **Contribution to Combined Budgets**

23. Contribution to combined budgets is expenditure that has traditionally been retained from the Central Schools Services Block for maintained schools and academies to fund a contribution from the schools budget to services which would otherwise be funded from other sources.
24. The ESFA carried out a DSG baselining exercise to determine the baseline level of all historic commitments including contribution to combined budgets funding that is deemed eligible for Shropshire Council under the condition that Schools Forum agreed to fund these costs prior to April 2013. To assist the ESFA with this exercise, Shropshire Council officers submitted evidence to the ESFA of these historic commitments. The result of this baselining exercise was the confirmation by the ESFA of a contribution to combined budgets value of £852,110.
25. "Contribution to combined budgets" funding was the budget area under historic commitments with the greatest degree of controllable expenditure and one of the largest of the 3 budgets area accounting for £852,110 of the £2,142,380 baseline funding. As such, it was determined that a sensible approach would be to target the majority of the reduction in historic commitments funding over time against this



area. In 2022-23 the “Contribution to combined budgets” funding had been reduced to £45,220.

26. Appendix C sets out how the remaining £45,220 of contribution to combined budgets funding was allocated in 2022-23.
27. Regardless of whether the appeal to the ESFA to protect the value of ongoing prudential borrowing and termination of employment costs is successful, there is no longer sufficient historic commitments funding remaining in 2023-24 to fund any contribution to combined budgets expenditure. It is proposed that £45,220 of the £219,380 reduction in funding is allocated against this area in 2023-24.
28. Appendix C sets out where the £45,220 reduction in funding will impact. £10,640 of this funding reduction will relate to the “schools” contribution towards the multi-agency, Shropshire Safeguarding Community Partnership (SSCP) while the remaining £34,580 funds a schools’ rates/rents provision which ensured that schools’ budgets only funds the budgeted rates costs and not any unexpected costs in relation to business rates.
29. Council officers will identify alternative sources of funding for these 2 items of expenditure going forward.

**Recommendation 1** - Maintained and academy school representatives agree that there will be a £45,220 reduction and therefore £0 contribution to combined budgets in 2023-24 as per the detail of these costs outlined in Appendix C.

### **Termination of Employment Costs**

30. This budget covers the ongoing termination costs for ex-Shropshire Council school staff. This historic pension commitment will eventually to be reduced to nil, but over many years.
31. The DSG baselining exercise carried out of by the ESFA established a baseline cost for termination of employment costs of £994,920. The total cost of these ongoing pension commitments is significantly higher than £994,920 with the Council also making a sizeable contribution. £994,920 is the maximum contribution permitted from centrally retained DSG on the basis that this budget line cannot increase in value compared to previous years and this was the level of contribution set in 2017-18.
32. For 2022-23, the recommended DSG level of £756,329 was approved in the Schools Forum Paper dated 2<sup>nd</sup> December 2021. This was on the basis that the total termination of employment costs falls marginally year on year and Council base budget of £193,110 was built in to replace the majority of the £207,335 reduction applied to this funding level.
33. For 2023-24, it is proposed that the remainder of the £219,380 reduction in funding is set against this area in the event that the appeal to the ESFA to protect the value

of ongoing prudential borrowing and termination of employment costs is not successful. In this instance it is proposed to reduce the £756,329 level from 2022-23 by £174,160 to £582,169. If the appeal to the ESFA to protect value of ongoing prudential borrowing and termination of employment costs is successful the value of "Termination of employment costs" will remain at the same level of £756,329 in 2023-24.

**Recommendation 2** - Maintained and academy school representatives agree to contribute £582,169 to fund a portion of these ongoing pension commitments in the event that the appeal to the ESFA to protect the value of ongoing prudential borrowing and termination of employment costs is not successful, a reduction of £174,160 compared to 2023-24.

### **Prudential Borrowing Costs**

34. The prudential borrowing costs budget heading covers expenditure incurred in the repayment of loans.
35. Shropshire Council has ongoing annual revenue costs of £295,350 for funding prudential borrowing relating to the Monkmoor Campus Project approved in 2006-07.
36. The rationale behind the project was to expand Severndale School to ensure that all Shropshire special needs pupils can be considered for a place in Severndale before a more expensive out of county place is deemed necessary. The delivery of this project delivered revenue savings against costs funded within the High Needs Block of DSG where placements are funded at expensive out of county, independent special schools.
37. Due to available financing from other areas of the schools capital programme on a cash flow basis the borrowing was not applied until 2010-11, with the first borrowing costs in 2010-11 and will thus be incurred until 2035-36.
38. Shropshire Council was required to evidence these costs to the ESFA as part of the DSG baselining exercise. A capital budget report for 2006-07, which approved the prudential borrowing together with the capital project appraisal form was submitted to the ESFA and the figure of £295,350 was approved as part of the Shropshire's baseline.
39. As this is an ongoing cost commitment of £295,350 until 2035-36, it is not appropriate to target any of the £274,225 reduction in historic commitments DSG funding to this budget line.

**Recommendation 3** - Maintained and academy school representatives agree to continue to contribute £295,350 to fund the ongoing revenue costs of funding prudential borrowing for the Monkmoor Campus Project.

### **Ongoing Responsibilities Approval**

40. As outlined in Appendix A, funding for ongoing central functions previously retained from the School Block also require Schools Forum approval on a line-by-line basis. In contrast to the historic commitments discussed above, the ongoing central functions of school admissions, servicing of Schools Forum, copyright licensing and ongoing responsibilities formerly funded by retained duties ESG, are not subject to the limitation of no new commitments or increases in expenditure, or any % reduction in funding. This portion of the CCSB funding allocation has increased by 2.0% compared to 2022-23.
41. In the 2021-22 DSG allocations, additional pension funding for centrally employed teachers was rolled into the ongoing responsibilities element of the CSSB per pupil funding. For the 2023-24 CSSB this additional funding is now included in the baseline per pupil funding for ongoing responsibilities.

### **Schools Admissions**

42. Shropshire Council employs a School Admissions team to provide a comprehensive administrative service for the allocation of school places within statutory requirements through compliance with the School Admissions Code published by the Department for Education in 2014.
43. The Schools Admissions Team's core service includes:
  - Exchange of application data with other local authorities
  - Production of the annual Parents' Guide
  - Input/import of application details
  - Submission of electronic transfer file to schools
  - Production of offer letters to parents on behalf of admission authority
  - Administration of review process/ offers refused
  - Maintenance of transfer group waiting list.
44. In addition, an extended chargeable service is offered to academies which provides support in meeting the legal responsibilities of an admission authority.
45. To discharge these statutory duties, local authorities are expected to retain some central DSG funding to fund the costs of the Schools Admissions Team. The 2022-23 initial budget allocation for the Schools Admissions team was £253,270, however the budget for 2022-23 was revised to £262,000 during the 2022-23 budget setting process once further detail was known. An increased budget allocation of £271,600 is required for 2023-24. This increase of £9,600 would be met from the overall increase in CSSB allocation.

**Recommendation 4** - Maintained and academy school representatives agree to the increased charge of £271,600 for the provision of a School Admissions Team.

### **Servicing of Schools Forum**

46. The servicing of Schools Forum expenditure line covers all expenditure incurred in connection with the local authority's functions of running the Forum as defined under section 47A of the 1998 Education Act.
47. The 2022-23 budget allocation for the Servicing of Schools Forum was £10,000, and will be held at this level in 2023-24.

**Recommendation 5** - Maintained and academy school representatives agree to the budget of £10,000 for the servicing of Schools Forum.

### Copyright Licenses

48. As set out in the 2017-18 DSG Technical Note published by the Department for Education on 20 December 2016, the Department agreed with the following agencies to purchase a single national licence managed centrally for all state-funded schools in England:
- Copyright Licensing Agency (CLA)
  - Education Recording Agency (ERA)
  - Filmbank Distributors Ltd. (for the PVSL)
  - Motion Picture Licensing Company (MPLC)
  - Newspaper Licensing Authority (NLA)
  - Schools Printed Music Licence (SPML)
  - Christian Copyright Licensing International (CCLI)
  - Mechanical Copyright Protection Society (MCPS);
  - Performing Rights Society (PRS), and
  - Phonographic Performance Limited (PPL).
49. This means that local authorities and schools do not have to negotiate individual licences. The Department for Education pays the cost, including VAT, to the agencies and provides this as a service to local authorities, at a charge. Local authorities can reclaim VAT on the charge. These arrangements cover academies as well as maintained schools and local authorities can hold this money centrally, rather than include it in school budgets.
50. The 2022-23 initial budget allocation for the annual copyright licensing invoice was set at £233,440, however the actual cost for 2022-23 has been confirmed as £234,160. For 2023-24 it is anticipated that the annual charge will increase again due to inflation, so a proposed budget allocation for 2023-24 is £241,450. This is based on a 3.1% inflationary increase applied to the 2022-23 value of £234,160 which mirrors the % increase in actual cost in 2022-23.

Financial Year	2020-21 Actual Cost	2021-22 Actual Cost	2022-23 Actual Cost	2023-24 Proposed Allocation
Value	220,910	227,090	234,160	241,450
% Increase		2.8%	3.1%	3.1%

**Recommendation 6** - Maintained and academy school representatives agree to the increased charge of £241,450 for the annual copyright licensing fees.

### Ongoing Responsibilities that Local Authorities Hold for all Schools

51. The CSSB funds local authorities for the statutory duties they hold for both maintained schools and academies which was previously allocated through the retained duties element of the ESG.
52. Details of these retained ongoing duties are provided in Appendix B (Column 1).
53. £785,130 was included in Shropshire’s CSSB 2022-23 allocation to cover these duties.
54. Schools Forum is required to agree to the central retention of retained duties ESG and to enable Schools Forum members to make a more informed decision to continue to approve funding, Appendix D details how the Council apportions this £794,677 to cover these ongoing retained duties. £794,677 is the value available within the ongoing responsibilities allocation of £1,317,727 once the items above have been allocated.
55. It is important to note that in some cases the total cost of providing the statutory functions listed would be greater than the illustrative budget allocation. In these cases the Council subsidises the additional costs above and beyond the £794,677 allocation.

**Recommendation 7** - Maintained and academy school representatives agree to continue to contribute £794,677 to ongoing responsibilities that the local authority provides for maintained schools and academies as per the detail of these costs outlined in Appendix D.

56. The final table below illustrates what the proposed CSSB budget allocations above would be if all recommendations are approved.

	<b>2022-23 Allocation</b>	<b>2023-24 Proposed Allocation if appeal successful</b>	<b>2023-24 Proposed Allocation if appeal unsuccessful</b>
<b>Historic Commitments</b>			
Contribution to combined budgets	£45,220	£0	£0
Termination of employment costs	£756,329	£756,329	£582,169
Prudential borrowing	£295,350	£295,350	£295,350
<b>Sub Total Historic Commitments</b>	<b>£1,096,899</b>	<b>£1,051,679</b>	<b>£877,519</b>

<b>Ongoing Responsibilities</b>			
Schools admissions	£262,000	£271,600	£271,600
Servicing of Schools Forum	£10,000	£10,000	£10,000
Other Items (Copyright Licensing Agency fee)	£234,160	£241,450	£241,450
Former retained duties ESG	£785,130	£794,677	£794,677
<b>Sub Total Ongoing Responsibilities</b>	<b>£1,291,289</b>	<b>£1,317,727</b>	<b>£1,317,727</b>
<b>Provisional 2022-23 CSSB Allocation</b>	<b>£2,388,189</b>	<b>£2,369,406</b>	<b>£2,195,247</b>

## Appendix B

### Central services that may be funded with agreement of schools forums

1. The split of services between responsibilities local authorities hold for all schools, and those that relate to maintained schools only are shown in tables below.
  - 1.1. Responsibilities held by local authorities for all schools (shown in the first column) are funded from the central schools services block, with the agreement of schools forums.
  - 1.2. Responsibilities held by local authorities for maintained schools only (shown in the second column) are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.
  - 1.3. We've included references to the relevant schedules in the current [schools and early years finance \(England\) regulations 2017](#).

#### Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"><li>• Director of children's services and personal staff for director (Sch 2, 15a)</li><li>• Planning for the education service as a whole (Sch 2, 15b)</li><li>• Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</li><li>• Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</li></ul>	<ul style="list-style-type: none"><li>• Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</li><li>• Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</li><li>• Functions relating to the financing of maintained schools (Sch 2, 58)</li><li>• Authorisation and monitoring of expenditure in respect of schools which do not have delegated</li></ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• Formulation and review of local authority schools funding formula (Sch 2, 15d)</li> <li>• 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 2, 15e)</li> <li>• Consultation costs relating to non-staffing issues (Sch 2, 19)</li> <li>• Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</li> <li>• Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</li> <li>• Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</li> </ul>	<p>budgets, and related financial administration (Sch 2, 57)</p> <ul style="list-style-type: none"> <li>• Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</li> <li>• 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 2, 59)</li> <li>• Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</li> <li>• 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 2, 61)</li> <li>• 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 2, 62)</li> <li>• Retrospective membership of pension schemes where it would not be appropriate to expect a</li> </ul>



Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>school to meet the cost (Sch 2, 75)</p> <ul style="list-style-type: none"> <li>• HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</li> <li>• Consultation costs relating to staffing (Sch 2, 66)</li> <li>• Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</li> <li>• Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</li> <li>• School companies (Sch 2, 69)</li> <li>• Functions under the Equality Act 2010 (Sch 2, 70)</li> <li>• Establish and maintaining computer systems, including data storage (Sch 2, 71)</li> <li>• Appointment of governors and payment of governor expenses (Sch 2, 72)</li> </ul>

**Table 8a: Central services responsibilities held by local authorities (statutory and regulatory duties)**

## Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</li> <li>• School attendance (Sch 2, 16)</li> <li>• Responsibilities regarding the employment of children (Sch 2, 18)</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection of attendance registers (Sch 2, 78)</li> </ul>

**Table 8b: Central services responsibilities held by local authorities (education welfare)**

## Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• 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 2, 14a)</li> <li>• General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</li> </ul>	<ul style="list-style-type: none"> <li>• General landlord duties for all maintained schools (Sch 2, 76a &amp; b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:             <ul style="list-style-type: none"> <li>• appropriate facilities for pupils and staff (including medical and accommodation)</li> <li>• the ability to sustain appropriate loads</li> <li>• reasonable weather resistance</li> <li>• safe escape routes</li> </ul> </li> </ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> <li>• appropriate acoustic levels</li> <li>• lighting, heating and ventilation which meets the required standards</li> <li>• adequate water supplies and drainage</li> <li>• playing fields of the appropriate standards</li> <li>• General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)</li> <li>• Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</li> </ul>

**Table 8c: Central services responsibilities held by local authorities (asset management)**

### Central support services

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• No functions</li> </ul>	<ul style="list-style-type: none"> <li>• Clothing grants (Sch 2, 52)</li> <li>• Provision of tuition in music, or on other music-related activities (Sch 2, 53)</li> <li>• Visual, creative and performing arts (Sch 2, 54)</li> <li>• Outdoor education centres (but not centres mainly for the</li> </ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	provision of organised games, swimming or athletics) (Sch 2, 55)

**Table 8d: Central services responsibilities held by local authorities (central support services)**

### Premature retirement and redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>No functions</li> </ul>	<ul style="list-style-type: none"> <li>Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)</li> </ul>

**Table 8e: Central services responsibilities held by local authorities (premature retirement and redundancy)**

### Monitoring national curriculum assessment

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>No functions</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of National Curriculum assessments (Sch 2, 74)</li> </ul>

**Table 8f: Central services responsibilities held by local authorities (monitoring national curriculum assessment)**

### Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>No functions</li> </ul>	<ul style="list-style-type: none"> <li>This is now covered in the high needs section of the regulations and does not require schools forum approval</li> </ul>

**Table 8g: Central services responsibilities held by local authorities (therapies)**

## Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</li> <li>• Admissions (Sch 2, 9)</li> <li>• Places in independent schools for non-SEN pupils (Sch 2, 10)</li> <li>• Remission of boarding fees at maintained schools and academies (Sch 2, 11)</li> <li>• Servicing of schools forums (Sch 2, 12)</li> <li>• Back-pay for equal pay claims (Sch 2, 13)</li> <li>• Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018 to 2019 regulations)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• No functions</li> </ul>

**Table 8h: Central services responsibilities held by local authorities (other ongoing duties)**

<sup>1</sup>Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

## Historic commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"><li>• Capital expenditure funded from revenue (Sch 2, 1)</li><li>• Prudential borrowing costs (Sch 2, 2(a))</li><li>• Termination of employment costs (Sch 2, 2(b))</li><li>• Contribution to combined budgets (Sch 2, 2(c))</li></ul>	<ul style="list-style-type: none"><li>• No functions</li></ul>

APPENDIX C

Historic Commitments under the Budget Heading "Contribution to Combined Budgets" as agreed by Schools Forum prior to 1 April 2013 and evidenced by ESFA as meeting this criteria during local authority DSG baselining exercise

Cost Heading	Summarised version of what Budget Funds	Benefits to the Schools	2022-23 Allocation	2023-24 proposed reduction in DSG Funding	Proposed 2023-24 Allocation
Safeguarding Board Contribution	The SSCB delivers an extensive training package which includes learning briefing on CSE and thresholds. The Board also delivers GCP2 training (Graded Care Profile) and provide dedicated training for school staff only to enable this to meet the needs of the teaching agenda and timetable. The Board also works very closely with Education Improvement and co deliver designated Safeguarding lead training.	Any training offered by the Board is free of charge and any course can be accessed schools. This ensures that schools can access training and are provided up to date safeguarding information that is consistent. Training messages are aligned to the Board priorities and all resources can be accessed by schools; this is further enhanced by the co delivery of courses and sharing of information with Education Improvement. Courses have also been specifically organised for teaching/school staff re GCP2 at the request of schools to enable schools to chose an appropriate time and to work with relevant colleagues. Other training events allow schools to book on and learn in a multi agency environment thus sharing best practice, update to date knowledge with partners and to be aware of emerging themes and issues.	£10,640	-£10,640	£0
Rates Provision - Contingency for Overspend	Rates Provision - Schools only pay the Budgeted not the Actual	Ensures that Schools' Budgets only funds the budgeted Rates costs and that any unexpected costs are funded from the Rates Provision	£34,580	-£34,580	£0
	<b>TOTAL CONTRIBUTION TO COMBINED BUDGETS</b>		<b>£45,220</b>	<b>-£45,220</b>	<b>£0</b>

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**Appendix D**

Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of Schools Forum)	How much does it cost Shropshire per year to provide it?	
<b><u>Statutory and Regulatory duties</u></b>		
Director of Children’s Services and personal staff for director (Sch 1, 20a)	£122,970	
Planning for the education service as a whole (Sch 1, 20b)	£205,690	
Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 1, 20d)	£71,630	
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)	£124,030	
<b><u>Education Welfare Services</u></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><u>Asset Management</u></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)	£195,707	
General landlord duties for all buildings owned by the local authority, including those leased to academies		
<b>Additional pension funding for centrally employed teachers</b>	£74,650	
<b>TOTAL</b>	<b>£794,677</b>	

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## Schools Forum

Date: 1 December 2022  
Time: 8.30 am to 10.30 am

Venue: Virtual via Microsoft  
(MS) Teams

Item

Public

Paper

**E**

## EARLY YEARS PROVISION IN SHROPSHIRE

**Responsible Officer** Neville Ward  
e-mail: [Neville.ward@shropshire.gov.uk](mailto:Neville.ward@shropshire.gov.uk)

Tel: (01743) 254552

### Decision Required

None – Information only.

### Summary

1.1 This paper is for information and discussion and summarises the current position in relation to Early Years provision in Shropshire.

### Background

2.1 Summary of statutory duties relating to early years:

- childcare duty to secure prescribed early years provision free of charge
- to require local authorities to ensure there is childcare available to enable parents to take up or remain in work or to undertake education or training to assist them in obtaining work
- to ensure local authorities undertake an assessment to childcare provision in their area to enable them to meet their duty to secure sufficient childcare for working parents
- to provide information, advice and training to childcare providers, and prospective providers to ensure that local authorities give local childcare providers and would-be providers in their area the necessary support to help deliver sustainable affordable and high-quality childcare
- general duty to improve the well-being of children under five and reduce inequalities, placing a duty on local authorities to improve the outcomes of all children under 5 and close the gaps between groups with the poorest outcomes and the rest by ensuring early years' services are accessible to all families.

- 2.2 A summary of the current early years provision in Shropshire is as follows:
- 106 group based childcare providers – nurseries, playgroups, pre-schools
  - 130 childminders
  - 20 registered out of school clubs
  - 75 primary and infant schools offering some form of nursery/childcare provision.

Compared to other local authority areas we have a higher proportion of private and voluntary provision than most areas.

The number of childminders has reduced significantly in the past 10 years – this is in line with national trends.

The number of group-based providers remains fairly constant, and we have seen the opening of a number of large (in Shropshire terms) new settings in recent years. The pandemic has had little impact on the overall number of childcare places across the county as a whole.

- 2.3 The current free entitlements for parents are:

- 570 hours of free early years provision each year for disadvantaged 2 year olds
- 570 hours of free early years provision each year for all 3 and 4 year olds
- an ‘extended’ 570 hours of free provision each year for 3 and 4 year olds from ‘working families’
- EYPP for those children meeting FSM eligibility criteria
- Disability Access Fund for those children in receipt of Disability Living Allowance.

The universal entitlement was increased from 475 hours to 570 hours around 15 years ago and, at the same time, providers were encouraged to offer parents as much flexibility as possible in terms of how they access the entitlement.

The 2 year old offer began around 10 years ago and the ‘extended’ three and four year old offer is now in its fourth year.

## Report

- 3.1 Current funding rates to providers:

- 2 year old provision funded at £5.23 per hour per child
- 3 and 4 year old provision funded at £4.19 per hour per child
- additional 60p per hour per child for those children eligible for EY pupil premium
- Disability Access Fund of £900 per academic year
- Additional funding agreed for those SEN children in need of extra support to access their entitlement.

We remain in the group of lowest funded local authority areas in the country. Indications are that rates will increase by only around 2% to 3% in 2022/23.

### 3.2 Current pressures on providers:

- recruitment and retention
- funding – hourly rates are not in line with increasing costs etc
- growing numbers of children presenting with developmental delay
- increase in thresholds and demand for access to specialist support services.

Providers across the country are highlighting recruitment as a major concern. High numbers of practitioners have left the sector over the past three years and rates of new people looking to begin a career in the sector have not picked up since the pandemic. Poor rates of pay and working conditions are generally the factors mentioned. It is clear that childcare is not a fashionable career choice for young people.

The majority of professional services are seeing increased demand and/or issues with recruitment which affects access to services at the moment. As a result childcare providers are having to take on a greater role in supporting children with higher levels of developmental delay until such time as they can be referred in to specialist services. This role also extends to offering higher levels of family support in relation to other areas affecting children and families at the moment.

### 3.3 Our main areas of work:

- CPD provision
- safeguarding training, advice and guidance
- 'business support'
- emergency intervention for those settings failing Ofsted inspection
- assessment of need for SEN children and provision of support to settings
- close working with colleagues in health to offer support to children and families.

We continue to offer a wide range of CPD across familiar and emerging areas of work. We charge for some provision now and are also no longer offering free or subsidised courses in area such as First Aid and Food Hygiene

We are also offering higher levels of support to settings to help meet the needs of those children with SEN which again reflects the pressures on specialist services.

We work closer than ever with health to offer support around areas such as oral hygiene and completion of 2 year old developmental checks for children.

3.4 Current quality of settings:

- 97% of group based settings are good or outstanding
- 95% of childminders good or outstanding
- 90% of eligible 2 year olds accessing some part of their free entitlement

Despite the challenges the overall quality of provision in the county is good and compares well to other local authority areas.