



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

Date: 27 November 2023

**Committee:
Schools Forum**

Date: Thursday, 30 November 2023
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

Mark Rogers
Marilyn Hunt
Stephen Matthews
Reuben Thorley
Sandra Holloway
Michael Revell
Georgia Moss
Mark Cooper
Bill Dowell
Carla Whelan
Sue Lovecy

James Pearson
James Staniforth
John Hitchings
Shelly Hurdley
Sian Lines
Charles Thomas
Andrew Smith

Your Committee Officer is:

Jo Jones DSG Funding Co-Ordinator, Learning and Skills – People Directorate
Tel: 01743 254343
Email: [Jo Jones@shropshire.gov.uk](mailto:Jo.Jones@shropshire.gov.uk)

AGENDA

1 Apologies

2 Minutes and Matters Arising - 14 September 2023 (Pages 1 - 14)

Paper A attached.

3 School Funding Arrangements 2024-25 (Jo Jones) (Pages 15 - 18)

Paper B attached.

4 Consultation on the Central Retention of Dedicated Schools Grant from April 2024 (Jo Jones) (Pages 19 - 40)

Paper C attached.

5 Central School Services Block 2024-25 (Stephen Waters) (Pages 41 - 62)

Paper D attached.

6 Dedicated School Grant Monitoring 2024-25 (Stephen Waters)

Paper E, to follow.

7 Communications

8 Future meeting dates

Thursday 11 January 2024 (Provisional)	8.30 – 10.30	Microsoft (MS) Teams
Thursday 25 January 2024	8.30 – 10.30	Microsoft (MS) Teams
Thursday 14 March 2024	8.30 – 10.30	Microsoft (MS) Teams
Thursday 13 June 2024	8.30 – 10.30	Microsoft (MS) Teams

Date: 14 September 2023

Time: 8:30 a.m.

Venue: Via MS Teams

Paper

A

Public

MINUTES OF SCHOOLS FORUM HELD ON 14 SEPTEMBER 2023 – HELD VIA MS TEAMS**Present****School forum members**

Bill Dowell (Chair)
John Hitchens (Vice-Chair)
Reuben Thorley – Secondary headteacher
Andrew Smith – Independent Post 16
Mark Rogers – Primary headteacher
Sandra Holloway – Primary governor
Marilyn Hunt – Primary headteacher
Carla Whelan – Executive headteacher
James Staniforth – Post 16
Shelley Hurdley – Early Years

Members

Kirstie Hurst-Knight

Officers

David Shaw
Jo Jones
Neville Ward
Stephen Waters
Helen Owen

Observers

Roger Evans
John Boken

1. Apologies

Apologies had been received from James Pearson, Stephen Matthews, Mark Cooper and Sian Lines.

Reuben Thorley advised he would need to leave the meeting at 8.45 am.

ACTION

2. Election of Chair

Bill Dowell was re-elected unanimously as Chair.

John Hitchens was elected unanimously as Vice Chair.

The vice chair spoke on behalf of the chair and himself of the privilege in having the confidence of forum and to have been re-elected.

David Shaw raised the issue of vacancies on the Schools Forum, with the following vacancies at the moment:

- Primary Governor vacancy
- Special School vacancy
- 7 academy vacancies
- 2 non-school representation vacancies

David Shaw stated that letters will be sent to schools and Governors to encourage their attendance and membership and that the issue will be raised as an agenda item at the CEOs meeting at the beginning of October. He asked for ideas, or suggestions of colleagues that would like to join to be given to himself or Jo Jones.

Jo Jones is working through a review and check of the constitution and membership and making sure that terms of reference are in order. Where terms of office are expiring seek assurance that members intend to carry on or will be making alternative arrangements

John Hitchens suggested that people may not see the relevance of the Schools Forum and that the letter sent to schools should include a description of what the forum does and the importance of people attending meetings and putting forward views on quite significant financial issues.

David Shaw agreed with this point and stated that The Department for Education and the Education Skills Funding Agency have both updated the information around expectations for forums and that this can be shared as a pre-saved version and that whilst there will be some parts of the current role that will change there is a fundamental expectation that there are no changes

**School
Forum
Members**

JJ



ahead in early years funding and high needs block funding so there is a key role for schools forum to be playing in that space.

The Chair Joined the meeting.

3. **Minutes and Matters Arising (not covered by agenda)**

The Minutes were accepted as a true record.

4. **Dedicated School Grant Monitoring 2023-24 (Stephen Waters)**

Stephen Waters presented his report which was for information only.

- The 2023-24 forecast outturn position for the DSG is a £0.376m in year-deficit.
- This deficit needs to be added to the revised £2.181m DSG surplus carried forward from 2022-23 resulting in a cumulative DSG surplus of £1.806m to be carried forward into 2024-25.
- Early Year DSG adjustment and the 2022-23 surplus carried forward allocated for schools growth fund mean that the surplus from the DSG outturn report 2022-23 has been revised from £2.695m to £2.181m.

Early Years Block

- Shropshire's provisional Early Years Block DSG allocation for 2023-24 is £17.868m and increase of £0.729m compared to the final allocation for 2022-23
- There are no variances to budget forecast at this stage in the year relating to the large budgets for universal free entitlement for 3–4-year-olds or 2 year old entitlement - there will be a more detailed forecast after the autumn term payments have been made which will be brought back to Schools Forum in November.

High needs block

- The centrally controlled High Needs Block for 2023-24 is £28.897m. This budget excludes the place funding element of the High Needs Block totalling £9.537m and the additional high needs funding allocation is £1.644m. The total High Needs Block DSG allocation (before deductions) is £40.078m



- In 2023-24, with no 0.5% transfer from the Schools Block, the 2023-24 total High Needs Budget is £3.385m higher than the 2022-23 budget of £36.693m which did include a £0.949m transfer from the Schools Block.
- The forecast outturn position for the High Needs Block is an in-year deficit of £0.370m

High Needs Block Variances

- Top up funding for mainstream schools budget increased to £5.323m in anticipation of a higher level of growth than has been experienced, as evidence by a small underspend of £0.098m
- An underspend in the Top-up funding for special schools budget is due to Keystones not yet being at full capacity and so is more of a timing issue. There has been a 25% increase in the number of special school places made available across the state funded special schools in Shropshire.
- There is a forecast increase in expenditure of £0.187m for Post 16 FE college placements. Giving an underspend of £0.310m. The % increase in EHC plans is approximately 10% year on year. There is a higher proportion of post 16 pupils attending Independent Special Schools or independent alternative providers.
- There is an increase of 29% relative to last year's outturn figure, resulting in an overspend of £1.141m. This is higher growth than anticipated. There is an overspend relating to the Independent Special Schools budget. The Council has experienced a sharp increase in demand for Independent Special School placements. The value of, and number of contributions to complex, joint funded placements with social care and the Shropshire Clinical Commissioning Group (CCG) has increased reflecting an increase in complexity. There has been more frequent use of independent alternative providers, particularly in relation to post 16.
- A small budget pressure has been reported against SEN support services in relation to an increase in demand for those services.

Overall Position and Forward Planning

- The council's DSG financial position is relatively healthy in forecasting a cumulative surplus of £1.806m as at the end of the 2023-24 financial year.



- A forecasted in-year deficit against the High Needs Block DSH despite a £3.385m increase in total High Needs Budget reflects that expenditure continues to increase sharply year on year.
- The High Needs Block DSG 3-year forecasting exercise undertaken earlier in the year demonstrates that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations, specifically from 2024-25 and beyond.
- While the position looks healthy now, this level of carry forward may well be required to support future years spending as the increase in the High Needs Block DSG funding nationally diminishes.
- There have been a number of significant changes which will affect forecasted numbers and expenditure going forward.
- Officers will develop an updated High Needs Block DSG 3 year forecast in January 2024 to reflect these changes and update the forecast expenditure accordingly. Crucially, by January the 2024-25 provisional High Needs Block DSG allocation will be published to enable more accurate forecasting around income assumptions.

Mark Rogers commented on reports of the large number of children coming out of Early Years and into school who are being suspended and observed that this didn't seem to be reflected in the figures that had been presented, that the 10% increase in uplift post 16 is also in need further down. He suggested that the process of identification of children who need help and getting them where they need to be in terms of special schools or providing specialist help is way too slow.

David Shaw clarified that whilst it isn't necessarily in the narrative, it is observable within the figures.

Marilyn Hunt spoke of the increasing number of parents going to appeal and requesting places in the independent sector and the impact this was having on costs.

Mark Rogers observed that the rebalance described is how it is feeling on the ground. He also agreed that, in relation to the year 6 going into secondary they should have an EHCP done earlier but there are problems at preschool level where nursery schools are expecting parents to make the application or waiting for the school to do it, and this is especially problematic when a child needs to go to a special school and must be transferred.



Neville Ward commented that while early years provision for high needs children is better than it ever has been previously there are still providers who are not as confident as they need to be. Neville is working with Steve Laycock in the education Psychology team on a piece of work to look at respond and provide extra help and support to providers that need it. Neville added that numbers of children presenting at settings seem to be plateauing now and that there may be some decrease in the number of children coming through the system, the issue now is children with a slightly higher level of need are being impacted by the number of children with a significantly higher level of need already within a setting.

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Carla Whelan suggested looking at a project to support developing the professional capacity within settings, with speech and language being a key part.

Neville referred to the investment that has been made in rolling out the early talk boost and the talk boost program.

David Shaw added that we are now part of the West Midlands Change Programme and we are in conversation with NHS England at the moment for Shropshire to be included in a pilot around Early Language development. We are also exploring wider advisory support services that are available and any adaptations that can be made.

Shelley Hurdley pointed out that there are some very proactive nurseries in getting EHCPs in and that she is still seeing an increase in the number of children who are needing them.

Neville said that this may be because of parents knowing which settings are more understanding of their child's needs but the numbers over the county are decreasing.

John Boken suggested a survey of nurseries and reception to find any issues with getting EHCPs done and placement problems to enable a more informed discussion.

Mark Rogers suggested early years SENCOs who move around settings may provide a more even effect across settings.

David Shaw commented that we already have a large amount of data that is reported regularly to the SEND partnership board, and we will come back the updated three-year forecast in January, he reiterated the need for consistency across settings with work being done nationally on universal Standards and within Shropshire through the Shropshire Ordinarily Available Provision (SOAP) framework and said he would be providing an update with regards to the National Change Program which launches next Tuesday.

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5. Updated Dedicated Schools Grant (DSG) 2023-24 (Jo Jones)

Jo Jones presented her report which was for information only and included a summary of the provisional 2023-24 DSG and the latest updated 2023-24 DSG announced in July 2023.

- Schools block has been adjusted to reflect conversion of Primary School in April 2023
- Early Years Block has decreased by £412k due to the updated January 2023 census figures, this is provisional at this stage and will change once the January 2024 figures have been received.
- High Needs Block has seen adjustments relating to a reduction to the import/export adjustment by £195k, Additional funding for Special Free Schools of £615k and an increase in deductions for place funding in SEND hubs within mainstream schools.
- The Mainstream Schools Additional Grant (MSAG) 2023-24 of £6.77m sits outside the DSG.
- High Needs Additional Grant 23-24 of £1.644m is within the DSG under the High Needs Block
- In July 2023 the Teachers' pay additional grant was announced for 2023-24 to support schools with the September 2023 teachers' pay award.
 - The allocation for Shropshire mainstream schools is £2,030,297. This will be paid to the LA for maintained schools in October and directly to academies in November.
 - The allocation for Shropshire special schools is £193,180, this will be paid to the LA for passing onto schools within the guidelines provided.

Permanent Exclusion Funding

- In line with the schools operational guidance, redetermination of school budget shares to enable the reallocation of funding for permanently excluded pupils will take place for both maintained schools and academies.
- The following maximum pupil level rates, for pupils without an EHCP, will apply for the academic year commencing 1st September 2023.



- There is now a breakdown of all pupil led factors to encourage and support the increased focus on early intervention and prevention promoted nationally, through the SEND and AP improvement plan, and locally, through the Shropshire Plan, exploration into different cost recovery models used by other Local Authorities for permanently excluded pupils will commence in the Autumn term 2023.
- Following this activity, and engagement with the sector, further recommendations will be provided to Schools Forum later in the year.

6. **School Revenue Funding Update 2024-25 (Jo Jones)**

Jo Jones provided an update on the School Revenue Funding 2024/25

- In July 2023, the education & skills Funding Agency (ESFA) published schools revenue funding guidance for 2024-25 for Local authorities and schools forums.
- For 2024-25 in Shropshire the primary unit of funding (PUF) is £5,273 (increase of £313) per pupil and secondary unit of funding (SUF) is £6,375 (increase of £404) per pupil. These will be used to calculate the schools block allocation for 2024-25 using the October 2023 census.
- In 2024-25 the following changes will be implemented.
 - LA's must use the new national formulaic approach to split sites – for Shropshire, more funding will have to be allocated under this approach than in previous years with the local formula.
 - LA's must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation.
 - LA's will be funded for falling rolls as well as growth.
- This will be a big change to Shropshire as previous years we have used the growth fund to cover other costs, including the transfer of 0.5% to High Needs Block and funding schools in line with the NFF.



- With these changes we may not be able to fund schools in line with the NFF for 2024-25 and some aspects may require adjustment.
- The following key elements of the schools NFF have been confirmed by the Government in 2024-25
 - The 2023-24 mainstream schools additional grant (MSAG) has been rolled into the NFF by adding the relevant amounts into the baselines and increasing the factor values for 2024-25 by the amounts apportioned in 2023-24.
 - The NFF values have increased for the following factors (on top of increase for MSAG) by 2.4% for basic entitlement, low prior attainment, FSM6, IDACI, EAL, mobility, sparsity and lump sum. FSM has increased by 1.6% and minimum per pupil levels have increased by 2.4%
- The minimum per pupil funding levels will be set at £4,655 for primary schools and £6,050, for secondary schools. This represents the rolling in of the MSAG and at least a further 2.4% increase per pupil.
- Local authorities will be able to set the minimum funding guarantee (MFG) also known as the funding floor, between 0.0% and 0.5%.
- Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. A disapplication will be required for transfers above 0.5%, or any amount without schools forum approval.
- In 2023-24 funding was not transferred due to existing DSG High Needs Block surplus being carried forward and there was no funding remaining in the Schools Block Growth Fund, where previous transfers had been funded from.
- Updated guidance regarding the notional SEN budget for mainstream schools has been published to help LA's review their calculations and help schools understand what the notional SEN budget is for.

High Needs Funding Arrangements 2024-25

The latest guidance confirms the following aspects of the High Needs national funding formula for 2024-25:



- The national increase in high needs funding from 2023-24, will be £440 million, or 4.3%.
- The funding floor will be set at 3% (compared to 5% in 2023-24)- this ensures that all local authorities' allocations per head of population will increase by a minimum percentage compared to the baseline.
- The gains cap will be set at 5% (compared to 7% in 2023-24) – the limit on gains per head of the population compared to the baseline, which means that local authorities can see an increase of up to 5% before their gains are capped.
- The MFG for maintained special schools and special academies to be operated by local authorities for 2024 to 2025 must be at least 0% and the local authority should consider setting the minimum increase within a range of 0% to 0.5%. This is for top-up payments. This is the equivalent to the MFG for mainstream schools.

Central School Services Funding Arrangements 2024-25

- The NFF for the central school services block (CSSB) of the DSG provides funding for local authorities to carry out central functions on behalf of compulsory school age pupils in maintained schools and academies.
- Funding for ongoing responsibilities in 2024-25: local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is of 2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.51%
- Funding for historic commitments continues to be reduced in 2024-25 by 20% from local authorities' 2023-24 allocations. As in 2023-24, historic commitments funding will be protected from dropping below the total value of the ongoing prudential borrowing or termination of employment costs, based on evidence received by the department. This protection will be applied in the DSG and so will not be shown in the NFF allocations.

The chair asked when schools will be likely to get any detail of adjustments that will be required in order to fund schools in line with the NFF.

Jo Jones stated that there will be more idea of the figures by the December meeting and that figures from last year's census will be used to model what the costs may be.



The chair inquired whether the date of the November meeting would be acceptable considering when information will be available.

Jo Jones replied that there should be a good idea of the figures by then.

Marilyn Hunt asked whether the national formula needs to be used and whether there were implications should that not be used in 2024/25

Jo Jones replied that a local formula is still being used but that it is being tightened every year in order to eventually comply with the NFF. In previous years the NFF has been followed but with the new changes there is now uncertainty about how this will work.

David Shaw added that following advice from the ESFA, funding may look different this year and they wanted to flag this to colleagues, but that figures will be as close to the NFF as possible.

Mark Rogers enquired about where the pressure is coming from in terms of schools making claims and what is driving the growth.

Jo Jones replied that a lot of Growth funding was going to year 6 to year 7 transition, and from The Bowbrook School. The growth funding has decreased but there has also been a bigger need for it. Jo added that there will be new rules in 2024/25 that we are not yet aware of but that it is assumed that growth funding will only be able to be used for growth.

Mark Rogers questioned how the funding regarding excluded children will work.

David Shaw replied that it is based entirely on the individual characteristics of the excluded child, this will be pro rata and not dependent on the size of the school, in line with the ESFA guidance.

7. Early Years and Childcare Funding Update (Neville Ward)

Neville Ward provided an update to the Early Years and Childcare paper presented in June,

An adjustment to that paper is that this is now a consultative paper and does not need a vote by the forum.

- We have confirmation of the increases in EY funding wef 1/9/23.
- Funding for the 3- and 4-year-old entitlement- an increase of 33p per hour per child from £4.87 to £5.20 phpc.



- Funding for the 2-year-old entitlement – an increase of £1.56 phpc from £5.63 to £7.19 phpc
- We intend to pass on the increased funding to providers through the following method:
 - An increase in the funding rate for the 3- and 4-year-old entitlement of 31phpc from £4.44phpc to £4.75phpc
 - An increase in the funding rate for the 2-year-old entitlement of £1.51phpc from £5.29 to £6.90 phpc.

School Forum noted that the funding has been passported to providers as required by central government.

The Chair asked Shelly Hurdley for her thoughts on the update. Shelly Hurdley expressed her concern that there is already a lack of capacity and asked where extra placements will be coming from once the additional funding comes in.

Neville agreed that there will be increased pressure and demand and said that providers are being spoken to about providing extra places, but there is no extra funding to provide these places. Neville added that there is further impact from the difficulties providers are having in recruiting and retaining staff and that it would help if the right amount of money was available to be able to pay people the appropriate salary for their knowledge, expertise and responsibilities but that is not forthcoming.

Shelly Hurdley echoed Neville's thoughts on the difficulties in recruitment and thanked him for raising the issue.

8. Communications

- The chair confirmed that lobbying continues regarding issues in early years and special needs and stated that the membership of f40 is serving us well, praising the terrific job they are doing year on year.
- The chair reiterated the need to fill the forum vacancies.

Future Meeting Dates:

9.



Thursday 26 October 2023
Thursday 30 November 2023
Thursday 11 January 2024 (Provisional)
Thursday 14 March 2024
Thursday 13 June 2024

The meeting closed at 9:50 am.



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Agenda Item 3 Schools Forum	Paper
Date: 30 November 2023	B
Time: 8:30 a.m.	
Venue: Via Microsoft (MS) Teams	
	Public

School Funding Arrangements 2024-25

Responsible Officer Jo Jones

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Tel: 01743 254343

Summary

Details of the Government's recent funding announcements for 2024-25 for schools, including high needs and early years, were provided to Schools Forum in September 2023.

This report details specific local funding arrangements from April 2024 for consideration and agreement by Schools Forum in relation to:

- the potential transfer of funding between blocks, and
- the approach to be taken should the Schools Block allocation for 2024-25 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 2024 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 some local flexibility on the basis for distributing funding to schools through the National funding formula in 2024-25. It remains the Government's intention to fund all schools nationally via the NFF in the future.
3. Following consultation with Shropshire schools and Schools Forum, Shropshire's local formula for distributing the Schools Block to individual schools and academies has mirrored the NFF since 2018-19.



- Schools Forum members are asked to consider and agree specific arrangements for 2024-25 as detailed within this report. Shropshire Council's Cabinet will make a final decision on the school funding arrangements for 2024-25 in February 2023.

Update to the schools NFF for 2024-2025

- Further to the School Revenue Funding Update (Paper D) presented at the previous Schools Forum meeting on 14th September 2023, the DfE announced on 6th October that they had uncovered an error in the initial calculations of the NFF. Specifically, there was an error processing forecast pupil numbers, which means that the overall cost of the core schools budget would be 0.62% greater than allocated. The errors did not affect the other blocks of funding, only the NFF was affected. Within the LA all modelling work that had been actioned to this point was now incorrect and needed to be completed again with the updated factor values issued.
- The revised unit values across the NFF factors are an average of just under -1% lower. The actual primary unit of funding (PUF) and secondary unit of funding (SUF) which will be used to calculate each local authority's schools block allocation has also been reduced by -0.93% and -0.96% respectively. The revised figures are £5,224 per pupil (previously £5,273) and £6,314 per pupil (previously £6,375), respectively. As a comparison, in 2023-24 Shropshire's PUF was £4,960 and SUF was £5,971.

Transfer of Funding between Blocks

- The Schools Block remains ringfenced in 2024-25 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
- In previous financial years (apart from 2023-24 due to affordability), Shropshire Schools Forum approved a transfer up to 0.5% of the Schools Block to the High Needs Block to support the growing pressures on the high needs budget. Agreement was given 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 were transferred to the High Needs Block in previous years.
- For 2024-25 due to increased cost pressures within the High Needs funding it is our intention to transfer up to 0.5% of the Schools Block budget into the High Needs Block.



10. Until the October 2023 school census data is run through the NFF for 2024-25 for individual schools it is not possible to confirm if there will be any Schools Block balance remaining in next financial year. October 2023 census data will be made available to the local authority in mid-December and work will take place through January 2024 to calculate individual school budget shares for 2024-25 mirroring the NFF factor values.
11. Modelling work undertaken by the LA using October 22 census data shows there is a possibility of a £200k balance available to transfer to the high needs block. However, once we get the updated October 23 census data this could change due to the number of pupils who might be eligible for the different factors.
12. **Schools Forum is asked to agree the recommendation to transfer any remaining balance, up to 0.5% of the Schools Block, into the High Needs Block after fully funding individual schools in line with the NFF.**

Affordability of the Funding Formula

13. 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 2024-25 PUF is £5,224 and SUF is £6,314. These units of funding will be multiplied by the total October 2023 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.
14. Until the local formula is run for each individual school in Shropshire based on their October 2023 census data, it will not be known whether the overall cost will be affordable from within the 2024-25 Schools Block allocation. The LA have been modelling the affordability based on the October 22 census data and the new PUF/SUF rates. The modelling is showing that following the NFF should be affordable, and all schools will hopefully be funded in line with the latest NFF factors. However, once we have the October 2023 census data and the new characteristics across the funding factors this could change. For example, the October 23 data will reflect the high Year 6 to Year 7 transfer we saw in September 2023, who are funded at higher rates.
15. 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.
16. The minimum per pupil funding level (MPPL) formula factor is set at a mandatory level and cannot be amended. As in 2023-24 the minimum funding guarantee (MFG) for 2024-25 has a range of 0.0% to 0.5%. In the case of affordability, a reduction to the



MFG would still be possible but modelling figures show that Shropshire will only fund around £10k in MFG so this would have little effect.

17. Modelling on reducing the basic entitlement factor to free up £500k of funding shows we would need to reduce the amount by 0.4%, a reduction of £14.25 per pupil in Primary and £20.09 per pupil in KS3 and £22.64 pupil in KS4. This would see reductions in schools budgets from -£313 to -£28,395 (compared to fully funding NFF), with 21 schools seeing no reduction as they are topped up to the minimum per pupil funding levels. This reduction is proportionate across schools as it is a direct reduction to a per pupil factor that all schools are entitled to.
18. We have also been modelling the impact of using the cap and scale factors to ensure affordability. The cap is set at the same percentage as the MFG (0.5%) and then we can enter a scaling percentage that caps the gain on school budgets and frees up funding ensuring affordability. Capping and scaling cannot take a school below the minimum per pupil funding levels and cannot be applied to new and growing schools.
19. The modelling shows to free up £500k of funding, the capping and scaling would see reductions in budgets from -£133 to -£25,000 (compared to fully funding NFF), 21 schools would have no reduction as they are subject to MPPL. The schools that have gained under the new more generous split site factor in 2024-25 are some of the ones with the higher reduction amounts.
20. **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 discuss and agree whether to cap gains or reduce basic entitlement (AWPU) within allowable limits, to ensure affordability.**



Schools Forum	Paper
Date: 30 November 2023	C
Time: 8:30 a.m.	
Venue: Virtual Microsoft (MS) Teams	Public

Consultation on Central Retention of Dedicated Schools Grant from April 2024

Responsible Officer Jo Jones

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Tel: 01743 254343

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 2024-25 financial year. The consultation period ran until Wednesday 22 November 2023.

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 2024-25.

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 2024-25 financial year. The consultation period closed on Wednesday 22 November 2023. 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 39 individual maintained schools (38 primary, 1 secondary). This only represents 48% of the 82 mainstream maintained schools as at 30 November 2023 (a reduction from the response level of 52% in the 2023-24 consultation).
4. The impact in 2023-24 of the decisions taken by Schools Forum in December 2022 is summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
De-delegation (maintained primary and secondary):			
Pupil growth contingency	£35,000	£3.03	-
Maternity cover	£250,000	£20.71	£20.71
Trade union duties	£25,000	£2.07	
School improvement	£143,074	£6.17 plus £859 per school	£0.99
Top slice (maintained primary and secondary):			
Redundancy fund	£150,000	£12.43	£12.43
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£53,104	£4.40	£4.40
Education welfare and inclusion	£167,759	£13.90	£13.90

Academy conversions

5. There are currently twelve maintained primary schools with a planned conversion date before 1st April 2024. It is therefore important this year to understand the effect this would have on the per pupil rates for de-delegation and top slicing, should these academisations proceed by the 1st of April 2024. It is hard to calculate the reduction each area may see in costs if these conversions go ahead, and we have therefore kept the costs at what we



believe is needed for the current number of maintained schools. It is hopeful that these costs will reduce in year and then reductions can be made for the following year on the per pupil costs. We have included an estimated per pupil cost based on the number of pupils currently and the anticipated number of pupils if the planned academy conversions all take place by the 1st of April 2024.

6. The per pupil amounts are input into the Authority Proforma Tool (APT) in January 2024 and all maintained schools that are converting from January 2024 onwards will need to be included in the de-delegation and top slice.

De-delegation

7. Details of each of the areas de-delegated in 2023-24 with Schools Forum approval were included within the consultation document for 2024-25. Views were sought from Shropshire mainstream maintained schools on whether de-delegation should continue in 2024-25.

Pupil Growth Contingency (Primary Schools)

8. 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.
9. The de-delegated contingency budget for 2023-24 was set at £35,000. Current monitoring of the de-delegated budget shows an overspend against this budget in 2023-24.
10. It is proposed to increase this contingency in 2024-25 to £50,000. Based on the estimated maintained pupil numbers expected in April 2024, this will increase the unit cost from £3.03 per pupil in the current financial year to an estimated £4.40 per pupil in 2024-25 increasing to a possible £5.47 if all planned academy conversions go ahead.
11. 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	30 (79%)	8 (21%)	38

12. **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 2024-25.

Maternity

13. 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.
14. The de-delegated budget in 2023-24 was £250,000. Current monitoring of the 2023-24 de-delegated maternity budget estimates that the allocated funds for the year indicate that the budget will have a small underspend.
15. Shared parental leave (SPL) was introduced in 2015 to allow both parents to share the 52 weeks of leave available after the birth or adoption of a child. Shropshire has seen a relatively low take up of this right in the previous few years, however, there has been an increase in number of school staff taking Shared parental leave in 2023-24.
16. The cost of “Shared parental leave” is to be borne by the Schools Maternity Pay pot, but the financial impact of any increase in take up is not yet fully understood. There is a further financial burden to schools when the teacher has periods of normal pay (school holidays) however the school would also still be paying an additional post covering the maternity absence.
17. Schools Forum are asked to discuss the implications of this and whether part or full costs associated with shared parental leave should be met by the maternity de-delegation funding.
18. The consultation proposed maintaining the de-delegated maternity budget at £250,000, which would see the per pupil contribution increase from £20.71 to an estimated £21.02 based on forecast maintained pupil numbers in April 2024, possibly increasing to £25.89 per pupil if all planned academy conversions proceed.
19. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the maternity budget are detailed within Appendix B and summarised below.



	De-delegate as in previous years	Total Responses
Responses in favour	34 (87%)	39

20. **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 2024-25.

21. **Maintained school representatives** on Schools Forum are required to make a decision as to whether the Maternity budget will cover the 'full pay' element of shared parental leave in 2024-25

Trade Union Duties (referred to as facilities time)

22. 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.
23. In 2024-25 the fixed budget of £25,000 for facilities time support, will mean an estimated per pupil cost of £2.10 or £2.59 if all planned academy conversions proceed.
24. 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.

	De-delegate as in previous years	Fully delegate with no de-delegation	Total Responses
Responses in favour	36 (92%)	3 (8%)	39

25. **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 2024-25.

School Improvement

26. For 2023-24, Schools Forum agreed to de-delegate £142,561 from maintained primary schools and £514 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 School Improvement Monitoring and Brokering Grant (SIMBG) was also removed completely from 2023-24.

- 27. 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.
- 28. The amount will be increased by 5% compared to 2023-24 to reflect the impact of inflation and pay awards on delivery costs.
- 29. On current pupil numbers we would de-delegate funding from primary maintained schools at a fixed element of £902 per site and a variable element of £6.48 per pupil. De-delegation for the remaining secondary maintained school will be £1.04 per pupil. If planned academy conversions go ahead these numbers may increase to a fixed element of £1030 per site and a variable element of £8.25 per pupil in the primary maintained schools.
- 30. 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.

	Yes	No	Total Responses
Responses in favour	34 (87%)	5 (13%)	39

31. **Maintained school representatives** on Schools Forum are required to make a decision to continue to de-delegate funding from primary maintained schools for a centrally managed school improvement budget in 2024-25.

Top slicing

- 32. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
- 33. 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 2024.

Redundancy Fund

- 34. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
- 35. The top-slice maintained primary and secondary per pupil rate in 2023-24 was £150,000. The costs of redundancy can vary significantly dependent on the grade of staff and length of service. The budget of £150k is likely to be on target. The amount was reduced last year and with expected cost pressures for maintained schools due to cost of living and inflationary pressures, it is anticipated that the level of top slice for redundancies in 2024-25 will remain the same.
- 36. It is anticipated that the per pupil rate will be approximately £12.61 on current pupil number or £15.53 per if all planned academy conversions go ahead.
- 37. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the redundancy budget are detailed within Appendix B and summarised below.

	Top-slice funding	No top-slice	Total Responses
Responses in favour	36 (92%)	3 (8%)	39

38. **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 2024-25.

Statutory School Finance

- 39. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
- 40. 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.
- 41. Top-slice rates for the statutory school finance function are estimated to be £2.52 per primary and secondary maintained pupil for 2024-25 based on current pupil numbers or £3.11 if all planned academy conversions go ahead.



42. 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.

	Top-slice funding	Total Responses
Responses in favour	38 (97%)	39

43. **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 2024-25.

Statutory Human Resources and Health and Safety

44. The areas of support covered by the £53,104 top-sliced in 2023-24 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.
45. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top slice. The rate applied in the last seven financial years has been held at £4.40 per maintained primary and secondary pupil.
46. However, the unit cost per pupil top-sliced in 2024-25 will be increased by 19% to the current pupil value which would increase the top-slice from £4.40 to £5.24 per pupil. This could increase to £6.45 per pupil if all planned academy conversions go ahead. This increase reflects that the per pupil value has not increased for several years and the impact of inflation and pay awards on delivery costs.
47. 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.

	Top-slice funding	Total Responses
Responses in favour	38 (97%)	39

48. **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 2024-25.



Education Access Service

49. The 2024-25 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
50. The consultation for top slicing for EAS was based on increasing the per pupil figure by 9% to reflect the impact of inflation and pay awards on delivery costs to £15.15 for maintained primary and secondary schools, to reflect pay and price increases. This could increase to £18.66 if all planned academy conversions go ahead.
51. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the EAS budget are detailed within Appendix B and summarised below.

	Top-slice funding	No top-slice	Total responses
Responses in favour	31 (79%)	8 (21%)	39

52. **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 2024-25.



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Consultation on Central Retention of Dedicated Schools Grant From April 2024

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, 2024-25. Schools Forum is committed to consulting with maintained schools ahead of a Forum meeting on 30 November 2023, at which decisions on the de-delegation and top slicing of DSG from April 2024 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 2023-24 of the decisions taken by Schools Forum in December 2022 are summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
De-delegation (maintained primary and secondary):			
Pupil growth contingency	£35,000	£3.03	-
Maternity cover	£250,000	£20.71	£20.71
Trade union duties	£25,000	£2.07	£2.07
School improvement (primary)	£142,561	£6.17 + £859/school	-
School improvement (secondary)	£514	-	£0.99
Top slice (maintained primary and secondary):			
Redundancy fund	£150,000	£12.43	£12.43
Statutory school finance	£30,000	£2.49	£2.49
Statutory human resources and health and safety	£53,104	£4.40	£4.40
Education welfare and inclusion	£167,759	£13.90	£13.90

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 2024-25. 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 30 November 2023. **The consultation will run until Wednesday 22 November 2023.**

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 2024.**

Planned Academy conversions

There are currently twelve maintained primary schools with a planned conversion date before 1st April 2024. It is therefore important this year to understand the effect this would have on the per pupil rates for de-delegation and top slicing, should these academisations proceed by the 1st April 2024. It is hard to calculate the reduction each area may see in costs, if these conversions go ahead, and we have therefore kept the costs at what we believe is needed for the current number of maintained schools. It is hopeful that these costs will reduce in year and then reductions can be made for the following year on the per pupil costs. We have included an estimated per pupil cost based on the number of pupils currently and the anticipated number of pupils if the planned academy conversions all take place by the 1st April 2024.

De-delegation

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 2015-16.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Pupil growth	£160,000	£159,770	£320,230	£150,170	£100,000	£95,000	£50,000	£30,000	£35,000
Maternity cover	£334,000	£321,570	£499,260	£410,000	£260,000	£236,713	£228,947	£270,000	£250,000
Insurance	£24,450	£23,280	£22,760	£0	£0	£0	£0	£0	£0
Trade union duties	£53,180	£50,400	£50,020	£43,600	£27,772	£24,241	£25,000	£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 2024 and so schools would have to absorb cost pressures until the increased pupil numbers worked through from the school census in October 2024, which would result in an increased delegated budget from April 2025. 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.

In 2023-24 this budget has overspent, and we therefore suggest an increase in the fund from £35,000 to £50,000.

Pupil growth contingency – options for 2024-25:

- a. De-delegate funding from primary maintained schools as in previous years, with per pupil sums determined by the outturn position in 2023-24 i.e., an overspend or underspend will affect the per pupil rate in 2024-25. It is anticipated that a projected overspend may require an increase in the fund to £50,000 and therefore a per pupil amount of £4.40 in 2024-25 on current pupil numbers or £5.47 if planned academy conversions proceed.
- 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 2024.

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 2024, 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.

Shared parental leave (SPL) was introduced in 2015 to allow both parents to share the 52 weeks of leave available after the birth or adoption of a child. Shropshire has seen a relatively low take up of this right in the previous few years, however, there has been an increase in number of school staff taking Shared parental leave in 2023-24. The cost of "Shared parental leave" is borne by the Schools Maternity Pay pot, but the financial impact of any increase in take up is not yet fully understood. This is something that will need to be monitored going forward.

Current projections indicate that the de-delegated budget of £250,000 for maternity cover will be underspent by £5.5k. This means that the per pupil rates in 2024-25 are likely to be £21.02 in 2023-24 on current pupil numbers or £25.89 if planned academy conversions proceed.

Maternity cover - options for 2024-25:

- a. De-delegate funding from maintained schools as in previous years, with per pupil sums determined by outturn position in 2023-24 –as only a small underspend is currently forecast the per pupil rate in 2024-25 is expected to be £21.02 on current pupil numbers or £25.89 if planned academy conversions proceed.
- 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 2024.

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 were 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 three years, 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 2024-25 are set.

Trade union duties - options for 2024-25:

- 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 2024-25 are set. This is likely to be £2.10 per pupil (on current pupil numbers) or £2.59 if planned academy conversions proceed.
- 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

The funding for school improvement provides access to a range of services including:

- Routine visits by school improvement advisers. The frequency of these is determined by need as specified in Shropshire’s School Performance Monitoring (SPM) policy. Schools in need of low support may only receive an annual visit but schools in need of medium or high support may receive a minimum 6 or 9 visits.
- Ad-hoc support and visits to provide advice on emerging issues including complaints, staffing issues etc.
- Ofsted support
- Headteacher recruitment support etc

For 2023-24, Schools Forum agreed to de-delegate £142,561 from maintained primary schools and £514 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 School Improvement Monitoring and Brokering Grant (SIMBG) was also removed completely from 2023-24.

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.

The amount will be increased by 5% compared to 2023-24 to reflect the impact of inflation and pay awards on delivery costs.

School Improvement – option for 2024-25

On current pupil numbers we would de-delegate funding from primary maintained schools at a fixed element of £902 per site and a variable element of £6.48 per pupil. De-delegation for the remaining secondary maintained school will be £1.04 per pupil. This is an increase of 5% on 2023-24 due to pay award and inflation.

If planned academy conversions go ahead these numbers may increase to a fixed element of £1030 per site and a variable element of £8.25 per pupil in the primary maintained schools.

Top slicing

This section looks at each of the support areas for which funding has been top sliced from maintained schools in the financial year 2023-24. 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 2024.

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 2023-24 the contribution was £12.43 per pupil in maintained schools.

A decision not to top-slice funding from April 2024 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. The budget for 2023-24 of £150k is likely to be on target. The amount was reduced last year and with expected cost pressures for maintained schools due to cost of living and inflationary pressures, it is anticipated that the level of top slice for redundancies in 2024-25 will remain the same.

Redundancy fund - options for 2024-25:

- a. Top-slice funding from maintained schools as in 2023-24. It is anticipated that the per pupil rate will be approximately £12.61 on current pupil number or £15.53 per if all planned academy conversions go ahead.
- 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 2024.

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. This also includes completion of the APT and outturn budgets.

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 2024-25:

Top-slice funding of £30,000 from maintained schools, as in 2023-24, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2024-25 are set. This would be approximately £2.52 per pupil based on current pupil numbers or £3.11 if all planned academy conversions go ahead.

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 £53,104 top-sliced in 2023-24 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 2024-25 will be increased by 19% to the current pupil value which would increase the top-slice from £4.40 to £5.24 per pupil. This increase reflects that the per pupil value has not increased for a number of years and the impact of inflation and pay awards on delivery costs.

Statutory human resources and health and safety - option for 2024-25:

Top-slice funding of approximately £5.24 per pupil from maintained schools based on current pupil levels or £6.45 per pupil if all planned academy conversions go ahead.

8. Education Access Service

The top-slice in 2023-24 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 2024. 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 2024-25 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 £13.90 to £15.15. This 9% increase reflects impact of inflation and pay awards on delivery costs.

Education Access Service - options for 2024-25:

- a. Top-slice funding from maintained schools will need to increase 2024-25 to reflect increased pay and price pressures. It is anticipated that the current rate of £13.90 per pupil in 2023-24 will need to increase to £15.15 per pupil in 2024-25 based on current pupil numbers or £18.66 if all planned academy conversions go ahead.
- b. Fully delegate funding and responsibility to maintained schools, presenting buy-back arrangements through service delivery agreements from April 2024 for those seeking to secure ongoing education welfare and inclusion support for the areas currently covered by the top-slice.

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	
				Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Primary Schools																			
1	Selattyn Primary School	93		1		1		1		1		1		1		1			
2	St Andrew's Primary School, Shifnal	363			1	1		1		1		1		1		1			
3	Buntingsdale Primary School	67		1		1		1		1		1		1		1			
4	Criftins CE Primary School	100		1		1		1		1		1		1		1			
5	Cockshutt CE Primary School	56		1		1		1		1		1		1		1			
6	Broseley CE Primary School	233		1		1		1		1		1		1		1			
7	Whittington CE Primary School	227		1		1		1		1		1		1		1			
8	St Laurence CE Primary School	202		1		1			1		1		1		1		1		
9	Bicton CE Primary School	138		1		1		1		1		1		1		1			
10	Brown Clee Primary School	117		1		1		1		1		1		1		1			
11	Highley Primary School	255			1	1		1			1		1		1		1		
12	St Mary's CE Primary School, Albrighton	194		1		1		1		1		1		1		1			
13	Belvidere Primary School	235		1		1			1		1		1		1		1		
14	Minsterley Primary School	136		1		1		1		1		1		1		1			
15	Oxon CE Primary School	427			1	1		1		1		1		1			1		
16	St John's Catholic Primary School	194		1		1		1		1		1		1		1			
17	Trinity CE Primary School	153		1		1		1		1		1		1		1			
18	Cheswardine Primary School	44			1	1		1			1		1				1		
19	Rushbury CE Primary School	47		1			1	1		1		1		1		1			
20	Hinckley Primary School	114		1		1			1			1		1			1		
21	Gobowen Primary School	195		1		1		1		1		1		1		1			
22	Christ Church CE Primary School	133		1		1		1		1		1		1		1			
23	Norton in Hales CE Primary School	82		1		1		1		1		1		1		1			
24	Pontesbury CE Primary School	215		1		1		1		1		1		1		1			
25	Weston Rhyn Primary School	166		1		1		1		1		1		1		1			
26	Norbury CE Primary School	58		1		1		1		1		1		1		1			
27	Chirbury CE Primary School	64		1		1		1		1		1		1		1			
28	Stiperstones CE Primary School	23		1		1		1		1		1		1		1			
29	Kinnerley CE Primary School	77			1		1		1		1		1				1		
30	St Andrew's CE Primary School, Nesscliffe	67			1		1		1		1		1				1		
31	West Felton CE Primary School	126			1		1		1		1		1				1		
32	Weston Lullingfields CE Primary School	32			1		1		1		1		1				1		
33	Woore CE Primary School	69		1		1		1		1		1		1		1			
34	Trefonen CE Primary School	148		1		1		1		1		1		1		1			
35	St Thomas & St Anne CE Primary School	92		1		1		1		1		1		1		1			
36	Stoke on Tern Primary School	117		1		1		1		1		1		1		1			
37	Moreton Say CE Primary School	77		1		1		1		1		1		1		1			
38	Adderley CE Primary School	29		1		1		1		1		1		1		1			
TOTALS		5165		30	8	33	5	35	3	33	5	35	3	37	1	37	1	30	8
Secondary School																			
1	The Community College, Bishops Castle	519		n/a	n/a	1		1		1		1		1		1		1	
TOTALS		519		n/a	n/a	1	0	1	0	1	0	1	0	1	0	1	0	1	0
OVERALL TOTALS		5684		30	8	34	5	36	3	34	5	36	3	38	1	38	1	31	8
Percentage of Yes/No				79%	21%	87%	13%	92%	8%	87%	13%	92%	8%	97%	3%	97%	3%	79%	21%

Shropshire Maintained Schools	82
% response from Schools	48%
Shropshire Maintained NOR (Oct 22)	11893
% response in pupils	48%

Notes

We are joining an academy in the spring term 2024 through the sponsored route but I have answered based on what I would have chosen if the choice was mine to make.

Please provide clarity throughout the year in relation to academy conversions and the impact this has on de-delegation and final charges for 24-25. Thank you.

Not sure my answers should be fully considered as we will have converted to an academy by the time this is in place.

Hinstock will academise before these are put in place so I'm not sure my answers should be counted.

As one of the schools planning to academise, I felt uncomfortable expressing my view but have had the reminders to return form and as I have always voted 'yes' to de-delegation as a maintained school previously, so I have expressed views in line with other years.

Shropshire Hills Federation is fully committed to working closely with the LA to provide the best education possible for our children and we believe that the services above that you currently provide for us are an essential part of this. Thank you.

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Many thanks for all of the support provided. This is essential for smaller schools.

Schools Forum	Item	Page
Date: 30 November 2023		
Time: 8:30 am	Public	D
Venue: Virtual via Microsoft (MS) Teams		

CENTRAL SCHOOL SERVICES BLOCK 2024-25

Responsible Officer Stephen Waters
e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

Summary

1. In July 2023, the Education and Skills Funding Agency (ESFA) issued their technical note on the Central School Services Block (CSSB) and provisional CSSB allocations for 2024-25. Final allocations are updated for October 2023 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 2024-25, the ESFA intend to reduce the historic commitments funding by 20% compared to their 2019-20 baseline, meaning next year will be the fifth 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 2024-25 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 2024-25 provisional allocation. Consequently, the historic commitments element of Shropshire's 2024-25 CSSB allocation has been reduced by £210,336 to £841,344.
10. Schools Forum consider and approve 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 2023-24, Shropshire Council's CSSB allocation totalled £2,378,385. The contributions levels or allocations for ongoing responsibilities plus the contributions for historic commitments were approved by Schools Forum on 1st December 2022 in "Paper D – Central School Service Blocks 2023-24" (based on a provisional allocation of £2,369,406).



	2023-24 Allocation
Historic Commitments	
Termination of employment costs	£756,330
Prudential borrowing	£295,350
Sub Total Historic Commitments	£1,051,680
Ongoing Responsibilities	
Schools admissions	£266,860
Servicing of Schools Forum	£10,000
Other items (Copyright Licensing Agency fee)	£264,530
Former retained duties ESG	£785,315
Sub Total Ongoing Responsibilities	£1,326,705
Total Central Spend	£2,378,385

Shropshire's Provisional Central Schools Services Block Allocation 2024-25

18. In July 2023, the Department for Education issued provisional 2024-25 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 £1,051,680 historic commitments 2023-24 value in the table above has been subject to a 20% cut equal to £210,366 in determining the 2024-25 provisional historic commitments allocation of £841,344.
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 2024-25 but a formal decision is still awaited at the time of this paper being published.
21. The ongoing responsibilities value of £1,326,705 for 2023-24 has been run through the national funding formula to arrive at a provisional 2024-25 allocation for ongoing responsibilities of £1,385,167. This represents an increase of 4.4% on the ongoing responsibilities value. The provisional total CSSB allocation for 2024-25 is £2,226,511.



	2023-24 Allocation	Provisional Total 2024-25 CSSB NFF Funding	Provisional % Change to CSSB Funding in 2023-24
Historic commitments	£1,051,680	£841,344	20% reduction in line with ESFA's previously stated policy to withdraw this funding over time
Ongoing responsibilities	£1,326,705	£1,385,167	4.4%
Total Central Spend	£2,378,385	£2,226,511	-6.4%

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.

Termination of Employment Costs

23. 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.

24. 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.

25. For 2023-24, the recommended DSG level of £582,169 was approved in the Schools Forum Paper dated 2nd December 2021. This was on the basis that the submission of evidence to the ESFA to protect this value was unsuccessful. Thankfully the evidence was approved and the figure was protected at £756,330.

26. For 2024-25, it is proposed that the £210,336 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 £756,330 level from 2023-24 by £210,336 to £545,994. 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 £756,330 in 2024-25.

Recommendation 2 - Maintained and academy school representatives agree to contribute £545,994 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 £210,336 compared to 2023-24.

Prudential Borrowing Costs

27. The prudential borrowing costs budget heading covers expenditure incurred in the repayment of loans.
28. Shropshire Council has ongoing annual revenue costs of £295,350 for funding prudential borrowing relating to the Monkmoor Campus Project approved in 2006-07.
29. 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.
30. 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.
31. 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.
32. As this is an ongoing cost commitment of £295,350 until 2035-36, it is not appropriate to target any of the £210,336 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

33. 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 4.4% compared to 2023-24.

Schools Admissions

34. 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.

35. 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.

36. In addition, an extended chargeable service is offered to academies which provides support in meeting the legal responsibilities of an admission authority.

37. 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 2023-24 initial budget allocation for the Schools Admissions team was £271,600, however the budget was revised to £266,860 during the 2023-24 budget setting process once further detail was known. An increased budget allocation of £282,330 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 £282,330 for the provision of a School Admissions Team.

Servicing of Schools Forum

38. 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.



39. The 2023-24 budget allocation for the Servicing of Schools Forum was £10,000, and will be held at this level in 2024-25.

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

Copyright Licenses

40. 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).

41. 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.

42. The 2023-24 initial budget allocation for the annual copyright licensing invoice was set at £241,450, however the actual cost for 2023-24 has been confirmed as £264,530. The reason for the larger than typical increase of 13% in 2023-24 was the inclusion of an additional £20,860 Public Video Screening License (Variation) figure. For 2024-25 it is anticipated that the annual charge will increase again due to inflation, so a proposed budget allocation for 2024-25 is £276,700. This is based on a 4.6% inflationary increase applied to the 2023-24 value of £264,530 which mirrors the Consumer Price Index (CPI) % increase for October 2023.



Financial Year	2021-22 Actual Cost (£)	2022-23 Actual Cost (£)	2023-24 Actual Cost (£)	2024-25 Proposed Allocation (£)
Value	227,090	234,160	264,530	276,700
% Increase		3.1%	13.0%	4.6%

Recommendation 6 - Maintained and academy school representatives agree to the increased charge of £276,700 for the annual copyright licensing fees.

Ongoing Responsibilities that Local Authorities Hold for all Schools

43. 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.
44. Details of these retained ongoing duties are provided in Appendix B (Column 1).
45. £785,315 was included in Shropshire's CSSB 2023-24 allocation to cover these duties.
46. 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 C details how the Council apportions this £816,137 to cover these ongoing retained duties. £816,137 is the value available within the ongoing responsibilities allocation of £1,385,167 once the items above have been allocated.
47. 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 £816,137 allocation.

Recommendation 7 - Maintained and academy school representatives agree to continue to contribute £816,137 to ongoing responsibilities that the local authority provides for maintained schools and academies as per the detail of these costs outlined in Appendix C.

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



	2023-24 Allocation	2024-25 Proposed Allocation if appeal successful	2024-25 Proposed Allocation if appeal unsuccessful
Historic Commitments			
Termination of employment costs	£756,330	£756,330	£545,994
Prudential borrowing	£295,350	£295,350	£295,350
Sub Total Historic Commitments	£1,051,680	£1,051,680	£841,344
Ongoing Responsibilities			
Schools admissions	£266,860	£282,330	£282,330
Servicing of Schools Forum	£10,000	£10,000	£10,000
Other Items (Copyright Licensing Agency fee)	£264,530	£276,700	£276,700
Former retained duties ESG	£785,315	£816,137	£816,137
Sub Total Ongoing Responsibilities	£1,326,705	£1,385,167	£1,385,167
Total Allocation	£2,378,385	£2,436,847	£2,226,511



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Appendix C

Schools forum approvals for centrally held funding

1. A number of the services that are covered by funding that is held centrally are subject to a limitation of no new commitments or increases in expenditure from 2017 to 2018.

- 1.1. This limit does not now apply to admissions or the servicing of schools forums.
- 1.2. Schools forum approval is required each year to confirm the amounts on each line.
- 1.3. The following table sets out the level of approval required for each service and for funding of brought forward deficits.

2. When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

Centrally retained service (Where Applicable in Shropshire and decision required today in bold)	Approval required
<ul style="list-style-type: none">• high needs block provision• central licences negotiated by the Secretary of State	Schools forum approval is not required (although they should be consulted)
<ul style="list-style-type: none">• funding to enable all schools to meet the infant class size requirement• back pay for equal pay claims• remission of boarding fees at maintained schools and academies• places in independent schools for non-SEN pupils• admissions	Schools forum approval is required on a line-by-line basis

Centrally retained service (Where Applicable in Shropshire and decision required today in bold)	Approval required
<ul style="list-style-type: none"> • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only) 	
<ul style="list-style-type: none"> • central early years block provision • any movement of funding out of the schools block • any deficit from the previous funding period that reduces the amount of the schools budget • any brought forward deficit on de-delegated services which is to be met by the overall schools budget 	Schools forum approval is required
<ul style="list-style-type: none"> • capital expenditure funded from revenue <ul style="list-style-type: none"> • projects must have been planned and decided on prior to 	Schools forum approval is required 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.

Centrally retained service (Where Applicable in Shropshire and decision required today in bold)	Approval required
<p>April 2013; no new projects can be charged</p> <ul style="list-style-type: none"> • details of the remaining costs should be presented • contribution to combined budgets <ul style="list-style-type: none"> • where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs <ul style="list-style-type: none"> • costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged • prudential borrowing costs <ul style="list-style-type: none"> • the commitment must have been approved prior to April 2013 • details of the remaining costs should be presented 	<p>Read establishing local authority DSG baselines for more information.</p>

Centrally retained service (Where Applicable in Shropshire and decision required today in bold)	Approval required
<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	<p>Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools</p>

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

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

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"> • 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) • Consultation costs relating to staffing (Sch 2, 66) • Compliance with duties under Health and Safety at Work Act (Sch 2, 67) • Provision of information to or at the request of the Crown relating to schools (Sch 2, 68) • School companies (Sch 2, 69) • Functions under the Equality Act 2010 (Sch 2, 70) • Establish and maintaining computer systems, including data storage (Sch 2, 71) • Appointment of governors and payment of governor expenses (Sch 2, 72)

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

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

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

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

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

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"> No functions 	<ul style="list-style-type: none"> Monitoring of National Curriculum assessments (Sch 2, 74)

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"> No functions 	<ul style="list-style-type: none"> This is now covered in the high needs section of the regulations and does not require schools forum approval

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"> • Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval • Admissions (Sch 2, 9) • Places in independent schools for non-SEN pupils (Sch 2, 10) • Remission of boarding fees at maintained schools and academies (Sch 2, 11) • Servicing of schools forums (Sch 2, 12) • Back-pay for equal pay claims (Sch 2, 13) • 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)¹ 	<ul style="list-style-type: none"> • No functions

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

¹Funding 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">• Capital expenditure funded from revenue (Sch 2, 1)• Prudential borrowing costs (Sch 2, 2(a))• Termination of employment costs (Sch 2, 2(b))• Contribution to combined budgets (Sch 2, 2(c))	<ul style="list-style-type: none">• No functions