



Schools Forum

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Paper

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Public

Consultation on Central Retention of Dedicated Schools Grant from April 2021

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Summary

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

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

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

All Shropshire maintained mainstream schools were consulted on the options for de-delegation and top-slicing for the 2021-22 financial year. The consultation period ran until Friday 27 November 2020.

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 2021-22.

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 2021-22 financial year. The consultation period closed on Friday 27 November 2020. 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 42 individual maintained schools (41 primary, 1 secondary). This represents 49.4% of the 85 mainstream maintained schools as at 1 December 2020 (significantly up from the response level of 19.5% in the 2020-21 consultation). Mainstream maintained schools are to be thanked for their support for the consultation process.
4. The impact in 2020-21 of the decisions taken by Schools Forum in November 2019 is summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
De-delegation (maintained primary and secondary):			
Pupil growth contingency	£95,000	£8.04	-
Maternity cover	£236,713	£19.27	£19.27
Trade union duties	£24,241	£1.93	£3.07
School improvement (primary)	£97,257	£4.11 + £572.67/school	-
School improvement (secondary)	£462	-	£0.99
Top-slice (maintained primary and secondary):			
Redundancy fund	£273,073	£22.23	£22.23
Statutory school finance	£30,000	£2.44	£2.44
Statutory human resources and health and safety	£54,050	£4.40	£4.40
Education welfare and inclusion	£141,512	£11.52	£11.52

De-delegation

5. Details of each of the areas de-delegated in 2020-21 with Schools Forum approval were included within the consultation document for 2021-22. Views were sought from Shropshire maintained schools on whether de-delegation should continue in 2020-21.

Pupil Growth Contingency (Primary Schools)

6. Schools Forum has previously agreed the de-delegation of a contingencies budget to allow additional funding to be targeted at maintained primary schools where their pupil number increased by at least 15% of their funded number on roll. Additional funding allocated from the contingency budget takes into account a school's minimum funding guarantee allocation and the additional expenditure incurred by the school as a direct result of the increased numbers.
7. The de-delegated contingency budget for 2019-20 was set at £95,000 given the raising of the threshold to 15% in 2018-19. Current monitoring of the 2019-20 de-delegated budget estimates a significant outturn underspend against this budget in 2020-21.
8. It is proposed to reduce this contingency in 2021-22, looking to reduce the contingency to around £50,000. Based on the estimated maintained pupil numbers expected in April 2021, this will reduce the unit cost from £8.35 per pupil in the current financial year to an estimated £4.36 per pupil in 2021-22.
9. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the primary pupil growth contingency are detailed within Appendix B and summarised below.

	De-delegate as in previous years	No de-delegation	Total Responses
Responses in favour	39 (97.5%)	1 (2.5%)	40*

** one school did not respond to this question*

10. **Maintained primary school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary school budgets for a pupil growth contingency for maintained primary schools in 2021-22.

Maternity

11. Schools Forum has previously agreed the de-delegation of the maternity budget. This centrally held budget funds the salary costs of any member of school staff on maternity leave, leaving the school budget liable for only the costs of the replacement employee.
12. The de-delegated budget was decreased in 2019-20 to £260,000. Current monitoring of the 2019-20 de-delegated maternity budget estimates that the allocated funds for the year will be sufficient.

13. Retaining the per pupil contribution at £19.27 would generate a maternity budget of around £232,000, based on the estimated maintained pupil numbers in April 2021. It is not anticipated that the per pupil contribution will need to be increased in 2021-22.
14. Consultation responses from Shropshire maintained schools in relation to the de-delegation of the maternity budget are detailed within Appendix B and summarised below.

	De-delegate as in previous years	Total Responses
Responses in favour	42 (100.0%)	42

15. **Maintained school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from maintained primary and secondary school budgets for a centrally managed maternity budget in 2021-22.

Trade Union Duties (referred to as facilities time)

16. Schools Forum agreed to de-delegate the trade union duties (more commonly referred to as facilities time) budget in previous years. This centrally held budget covers the costs of trade union representatives supporting their members in maintained schools.
17. The de-delegated budget was £24,241 in 2020-21. Current monitoring of the 2019-20 de-delegated trade unions duties budget estimates expenditure may exceed the allocated budget.
18. In 2021-22 it is proposed to move to a fixed budget for facilities time support to maintained schools, in order to maintain and secure a baseline of funding to guarantee the required level of support to these schools from union representatives contracted to deliver this support. This will involve moving away from the per pupil sums of £1.93 per pupil for primary and £3.07 per pupil for secondary - which has been in place for a number of years - to 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 2021-22 are set. Based on October 2020 census figures, the estimated unit cost will be £2.09 per pupil.
19. 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	41 (97.6%) <i>Primary 40 (97.6%) Secondary 1 (100.0%)</i>	1 (2.4%) <i>Primary 1 (2.4%) Secondary 0 (0.0%)</i>	42 <i>Primary 41 Secondary 1</i>

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 trade union duties budget in 2021-22.

21. Representatives from the Association Secretaries Group have produced a discussion paper regarding the provision of trade union facility time in Shropshire (see Appendix C). While this cannot be taken into consideration for the decision regarding de-delegation for 2021-22, the paper gives notice of this issue for further discussion at Schools Forum ahead of any future consultations on de-delegation.

School Improvement

22. For 2019-20 Schools Forum agreed to de-delegate £98,500 from maintained primary schools and £1,500 from maintained secondary schools to secure the ongoing statutory school improvement support through the Education Improvement Service (EIS).

23. The consultation document proposed retaining the de-delegation model for primary schools of a fixed element per site and a variable element per pupil, with the unit values held at the 2019-20 levels of £572.67 per site and £4.11 per pupil. Based on the anticipated 84 maintained primary schools in April 2021, this model will secure an estimated £95,300 school improvement budget for 2021-22.

24. As there will only be one maintained secondary school from April 2021, EIS will liaise directly with the school on the appropriate level of de-delegation to provide the necessary level of statutory support to the schools.

25. 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.

	De-delegate funding	Total Responses
Responses in favour	41 (100.0%)	41*

** one school did not respond to this question*

26. **Maintained primary school representatives** on Schools Forum are required to make a decision on whether to de-delegate funding from primary maintained schools, holding the unit values at 2020-21 levels of a fixed element of £572.67 per site and a variable element of £4.11 per pupil.

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

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

Top-slicing

30. These support areas for maintained primary and secondary schools were, prior to 2017-18, funded from the general duties element of the ESG.
31. 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 2020.

Redundancy Fund

32. The redundancy fund underwrites the costs of premature retirement and redundancy of staff in maintained schools.
33. The top-slice maintained primary and secondary per pupil rate in 2020-21 was £22.23. Holding at this per pupil rate would produce a redundancy fund of an estimated £265,800 from April 2021 based on current expectations on maintained school and pupil numbers. The levels of redundancies in 2020-21 are very low – the Covid-19 pandemic may have a significant factor influencing this. It is proposed to reduce the de-delegated fund to £200,000 in 2021-22, which would see a reduction in the unit cost per pupil to £16.73.
34. 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	Total Responses
Responses in favour	42 (100.0%)	42

35. **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 2021-22.

Statutory School Finance

36. The statutory school finance budget underwrites the costs of officer support for statutory financial functions on behalf of maintained schools.
37. 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.
38. Top-slice rates for the statutory school finance function are estimated to be £2.51 per primary and secondary maintained pupil for 2021-22 (based on October 2020 numbers on roll) and the anticipated maintained schools in April 2021.
39. 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	42 (100.0%)	42

40. **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 2021-22.

Statutory Human Resources and Health and Safety

41. The areas of support covered by the £54,050 top-sliced in 2020-21 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.
42. Given the statutory nature of the support provided through this budget, the only option presented for consultation was the continued top-slice at the same rate applied in the last four financial years of £4.40 per maintained primary and secondary pupil. This will produce a reduced total budget of an estimated £52,600.

43. 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	42 (100.0%)	42

44. **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 2021-22.

Education Access Service

45. The 2020-210 top-slice partly funds education welfare delivered through the Education Access Service (EAS). It provides maintained schools with access to all EAS support.
46. The consultation for top-slicing for EAS was based on increasing the per pupil figure by 98p to £12.50 for maintained primary and secondary schools, to reflect pay and price increases. This will produce a budget of approximately £149,500 in 2021-22.
47. Consultation responses from Shropshire maintained schools in relation to the top-slicing of the EAS budget are detailed within Appendix B and summarised below (one respondent did not tick either option).

	Top-slice funding	Total Responses
Responses in favour	42 (100.0%)	42

48. **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 2021-22.