

CENTRAL SCHOOL SERVICES BLOCK AND EDUCATION SERVICES GRANT

To: Cambridgeshire Schools Forum
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1.0 INTRODUCTION

- 1.1 As previously reported to Schools Forum, in the latest national funding formula proposals the Department for Education (DfE) have confirmed the creation of a central school services block which will include funding for responsibilities previously included within the Education Services Grant (ESG) and responsibilities previously funded through centrally retained Dedicated Schools Grant (DSG).
- 1.2 Alongside the central school services block local authorities will be able to request an additional contribution from maintained schools to support the removal of the general duties funding.
- 1.3 The report below provides further information in respect of the proposed mechanism for the central school services block, alongside current functions and services funded by both this block and the ESG replacement methodology.

2.0 CENTRAL SCHOOL SERVICES BLOCK

- 2.1 Based on the latest proposals the total amount of funding that will be distributed through this block for ongoing responsibilities will be calculated by adding the funding available for ESG retained duties and the centrally held DSG spent on ongoing responsibilities to create a baseline level of funding. Historic commitments will be funded at existing levels and ongoing functions converted into a per pupil allocation with weightings applied for deprivation and Area Cost Adjustment. When multiplied by overall pupil numbers and ever-6 FSM pupil numbers this will result in a revised central services school block allocation. Current understanding is that an additional amount will then be allocated to reflect current spend on Growth until such a point that a formula for the allocation of growth funding is implemented.
- 2.2 Current illustrative figures from the DfE based on 2016/17 figures are:

Section 251 Budget Line	2016/17 Baseline	Description
1.4.1 Contribution to combined budgets*	£4.312m	£3.53m – contribution to Children's Services £0.73m – Early Intervention Family Worker (previously Parental Support Advisors), £0.05m – Residual CPH Funds and EPM Contract
1.4.6 Capital expenditure from revenue (CERA)*	£1.537m	Cambridgeshire Public Services Network (CPSN) Broadband Contract
Total Spend on Historic Commitments	£5.849m	

1.4.2 School Admissions	0.405m	Can be increased with Forum approval. (change in guidance for 2017/18)
1.4.3 Servicing of Schools Forum	£0.003m	No increase in expenditure allowed – unless disapplication approved by Secretary of State (SoS)
1.4.12 Exceptions agreed by Secretary of State	£0.390m	National Copyright Licence arrangements – set by DfE
2016-17 ESG Retained Duties Funding	£1.243m	As per DfE figures
Total Spend on Ongoing Functions	£2.041m	
Total Central School Services Block Baseline	£7.891m	As per DfE figures

***Please note:** Contribution to Combined Budgets was reduced by over £0.3m in 2016/17. (Previously £4.67m). CERA was reduced by £0.08m in 2017/18 to £1.46m.

2.3 DfE Illustrative Central School Services Block allocations for 2018/19:

	2018/19 Illustrative	Description
NFF Historic Commitments Funding	£5.849m	As per DfE illustrative figures
NFF Ongoing Commitments Funding	£2.458m	As per DfE illustrative figures (pupil-led)
NFF Central School Services Block Funding	£8.308m	As per DfE illustrative figures
Cap on Gains in Year 1	-£0.367m	As per DfE illustrative figures (set at 2.4% per pupil for ongoing functions)
Revised NFF Central School Services Block Funding for 2018-19	£7.941m	As per DfE illustrative figures

- 2.4 Based on these illustrative figures there will be a slight uplift in 2018/19 of approximately £50k over and above the 2016/17 baseline levels, potentially rising to £417k in future years, subject to pupil number changes.
- 2.5 The expectation is that the £5.849m for historic commitments will unwind over time, for example because a contract has reached its end point. The DfE would therefore expect local authorities to reflect this in Section 251 returns and the Education Funding Agency (EFA) will monitor historic spend year-on-year and will challenge Local Authorities (LA's) where spend is not reducing as expected.
- 2.6 As previously highlighted the consultation document refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Clarity is required as to how this will be taken into consideration against a move towards a hard national funding formula for schools such as, if funding is moved into the Schools Block in 2018-19 is there a danger it will be "lost" when the hard funding rates are introduced from 2019-20? This is particularly pertinent when considering the future arrangements in respect of the current broadband contract to be discussed in a separate paper.
- 2.7 Decisions as how best to recycle the historic commitments funding are therefore dependent

on clarification from the DfE, but initial thinking suggests that using to support increasing pressures within the High Needs Block represents both the most appropriate targeted usage and minimises the risk of the funding being lost with the potential move to a hard funding formula.

- 2.8 **Appendix A** shows the notional usage of the current Historic Commitments for continuation into 2017/18.

Please note: With approximately £20m of savings already identified within Children's Families and Adults in 2017/18 as part of the £99.2m of savings required across the Council between 2017 and 2022 any reduction in these historic commitments in 2018/19 will result in further savings or a reduction in service. However the extent to which the individual services and functions identified in Appendix A would be impacted would be addressed a part of the Business Planning process.

- 2.9 **Members of Schools Forum are asked to comment on the section above and subject to confirmation of the final funding arrangements:**
- **Indicate their support to the principle of recycling Historic Commitment funding into the High Needs Block in 2018/19 and/or 2019/20.**
 - **Provide an indication of the level / % of Historic Commitments for Contribution to Combined Budgets they would be prepared to support continuing into 2018/19?**

3.0 EDUCATION SERVICES GRANT FUNCTIONS

- 3.1 As previously reported, in the 2015 Spending Review, the DfE announced a saving of £600 million by removing the Education Services Grant funding rate from 2017-18. Historically the ESG has been made up of two rates that funded two different groups of services:
- The retained duties rate has gone to LA's to fund services they provide to all schools, including academies.
 - The general duties rate has gone to both LA's and academies to fund services authorities provide to maintained schools but which academies must provide themselves.

As part of the LA's Business Planning process a reduction in ESG was factored into the overall levels of funding available and has therefore been managed as part of the overall savings requirement for the LA. The LA will receive transitional ESG funding from April 2017 to August 2017 with the general funding rate being removed from September 2017. This transitional funding will equate to approximately £1m (allowing for anticipated academy conversions.)

At the meeting on the 14th December 2016, Schools Forum members approved that the retained duties element (£15 per pupil) will be transferred from the DSG for all schools and £10 per pupil will be recovered from maintained schools to support the removal of the general duties funding for the 2017/18 budgets. This approval was subject to a full review of education functions being undertaken by the LA. Maintained schools will therefore see the £10 per pupil charge on a similar basis to de-delegations.

- 3.2 Based on latest estimates the LA will receive, through a combination of retained duties funding, contribution from maintained schools and transitional funding approximately £2.7m of ESG equivalent funding in 2017/18 compared to approximately £4.5m received on 2016/17.

Education Services Grant Estimates	2017/18
Estimated Retained Duties (£15 per pupil) - Applies to all Schools	£1,278,612
Estimated Education Functions - £10 per pupil - Maintained Only.	£342,088
Transitional Funding (adjusted for pre April Conversions)	£1,050,382
Estimated Total ESG/Retained Funding	£2,671,081

- 3.3 The ESG has previously been treated as a source of funding to the LA, rather than a targeted grant to CFA or specific services. This has allowed the LA to manage the overall available resources without the need to directly allocate to individual services. Following the change in the funding methodology and requests for information the attached **Appendix B** shows the current notional budgeted levels of spend for 2017/18 against the identified ESG functions.
- 3.4 This has been completed as an initial desktop exercise, apportioning Local Authority services and functions where known. As such in some instances it is not possible to accurately calculate the academy/maintained split, however the overall level of spend notionally attributed to ESG/retained functions totals £2.673m, which is in line with the available funding.
- Please note:** At the current time not all services have responded to the request for information and in some instances services have not allowed for all attributable costs including overheads. As a result we anticipate that the actual level of spend for these functions is higher than the figure shown.
- 3.5 The removal of the transitional funding from August 2017 will result in an additional pressure in 2018/19, which has already been factored into the corporate assumptions for future years. The impact on individual services and service delivery will be assessed as part of the wider business planning process.

4.0 REVIEW OF EDUCATION FUNCTIONS

- 4.1 As previously reported to Schools Forum the removal of the Education Services Grant, introduction of alternative funding streams and options for additional contributions from maintained schools has had a significant impact on the level of resource available to deliver education services within the LA. As a result some areas of review have already started, with others scheduled for the autumn term:
- Traded Services. A timetable for a review of all of the local authority's traded services is being drawn up and will commence in the autumn term.
 - Joint working with Peterborough. This work is underway, e.g. joint posts across the two authorities for Admissions and Place Planning are being recruited to, and will be continued over the coming months.
 - A wider review of the local authority's education services will commence early in the

autumn term.

5.0 NEXT STEPS

5.1 *Members of Schools Forum are asked to note the approach set out above.*

Appendix A- Historic DSG Commitments - Continuation in 2017-18

Service/Functions/Contracts	Amount £m	Description/Narrative
Early Intervention Family Workers	£0.733	Support towards Early Intervention Family Workers: Early Intervention Family Workers operate in close partnership with schools and deliver interventions to stop emerging needs escalating and requiring more intensive involvement. EIFWs deliver a mix of targeted casework and limited support including group work, delivering of parenting programmes and parent initiated support accessed at school drop-ins and surgeries. Support provided directly to schools Includes meetings with school staff without a family present, e.g. at pastoral meetings, supporting Family CAF completion and are readily accessible to both schools and parent identified issues. Resource has been allocated through formula by locality/school cluster in full consultation with Cambridgeshire Schools' Forum.
Children's Centres	£1.176	25% notional contribution towards Children's Centres & 18% notional contribution towards other Locality functions: Support for families to provide services that support local families, children and young people. Offering support and advice to parents/carers on issues such as children's challenging behaviour, establishing routines, raising self-esteem, increasing confidence and improving family relationships. Support and advice may be offered through individual targeted support including - advice and support to families who need additional help with parenting - providing young people with information and advice on education, employment, training and personal development opportunities - work with students who have behavioural problems by supporting schools - help to ensure children attend school regularly and punctually, supporting young people's inclusion in education - specialist support for young people needing help in the transition to adulthood
Localities Support - EC&F	£0.297	
Localities Support - SC&C	£0.295	
Localities Support - Hunts	£0.198	
Schools Intervention Service - Safeguarding	£0.161	Notional support to Safeguarding Service: Protection and safeguarding of children and young people by training and supporting staff in schools, colleges and early years settings. Work to raise awareness of safeguarding issues and ensure that schools and settings are able to fulfil their responsibilities under current legislation and government guidance.
Schools Partnership Service - SEN	£0.120	Notional support to SPS SEN Service: Service works with pupils and students, staff and schools to improve educational outcomes for those with SEND, to offer support from the Learning Directorate for schools in developing their strategic approach to identifying, supporting and making provision for pupils with SEN. In particular they work to ensure SENCOs have the most up to date information on National, regional and local initiatives.

Service/Functions/Contracts	Amount £m	Description/Narrative
ESLAC	£0.482	Notional support to ESLAC: Service ensures that Looked After Children have the opportunity to fulfill their educational potential. The service supports and challenges professionals involved with Cambridgeshire Looked After Children in order to ensure they receive an education that best meets their needs and allows them to achieve their potential. Also leads on the Personal Education Planning process for all Cambridgeshire Looked After Children and ensures that the Pupil Premium Plus is used effectively to improve educational outcomes
Youth Service	£0.250	Notional support towards Youth Service: Youth Support Services provide specialist and targeted services to young people in order to enable them to make an effective transition to adulthood, delivering duties in relation to NEET and attendance and work with schools and other partners to jointly plan provision. Supporting the activity in relation to NEET is the main focus for Central Youth Support Services in relation to raising the participation age (RPA). This includes co-ordination of the Post 16 On-Line Application process and the Cambridgeshire website for young people, Youthoria.
Preparing for Adulthood Additional Needs Team	£0.355	Notional support towards PAAN Team: Service provides specialist information, advice and support around Education, Employment and Training (EET) can be provided to young people aged 14 to 25 from Cambridgeshire with additional needs, who attend or have attended specialist provision both within and outside the county. The team will also offer increased support to those young people from specialist provision who are either Not in Education, Employment or Training (NEET), or who are at risk of becoming NEET.
Occupational Therapists	£0.245	Work with schools to make education more accessible. Contract to provide Occupational Therapy via SLA - ongoing arrangements with Cambridgeshire Community Services NHS Trust to employ permanent.
Contribution to Combined Budgets Total:	£4.312	

Service/Functions/Contracts	Amount £m	Description/Narrative
Broadband Contract	£1.459	CPSN is a communications network and partnership, bringing together schools, councils, emergency services and charitable bodies from across and beyond Cambridgeshire. It provides secure broadband and associated services to schools. The founding principle is one of lower costs via 'aggregation', recognising that multiple organisations purchase very similar services, and can achieve significant savings by doing so together. The CPSN partnership leverages a dedicated telecommunications framework contract and the combined buying power of the Cambridgeshire school collective, and the wider Cambridgeshire public sector, has delivered significant economies of scale, attracting aggressive pricing that could not be achieved separately. The current contract arrangements as approved by Schools Forum end in June 2018.
Capital expenditure from revenue (CERA) Total:	£1.459	