

**CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS**

*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 (LAs) will be able to request an additional contribution from maintained schools to support the removal of the general duties funding.
- 1.3 Finally the ability to de-delegate from maintained primary schools will continue into 2018/19.
- 1.4 The report below will therefore provide further information in respect of the:
- Mechanism for the central school services block, and contribution to combined budgets.
  - Ongoing functions previously funded by the ESG.
  - Proposed de-delegations for maintained primary schools.

**2.0 CENTRAL SCHOOL SERVICES BLOCK**

- 2.1 Based on the latest published illustrative figures for the Central School Services Block (CSSB) Cambridgeshire will receive approximately £8,004k in 2018/19 against a 2017/18 baseline of £7,949k. Please note: The final figure to be received will be adjusted based on the October 2017 census.

Illustrative CSSB Funding for 2018/19:

	<b>2018/19 Illustrative</b>	<b>Description</b>
<b>NFF Historic Commitments Funding</b>	<b>£5,770k</b>	As per DfE illustrative figures
<b>NFF Ongoing Commitments Funding</b>	<b>£2,454k</b>	As per DfE illustrative figures (pupil-led)
<b>NFF Central School Services Block Funding</b>	<b>£8,309k</b>	As per DfE illustrative figures
<b>Cap on Gains in Year 1</b>	<b>-£306k</b>	As per DfE illustrative figures
<b>Revised NFF Central School Services Block Funding for 2018-19</b>	<b>£8,004k</b>	As per DfE illustrative figures

2.2 Revised 2017/18 CSSB baseline:

<b>Section 251 Budget Line</b>	<b>2017/18 Baseline</b>	<b>Description</b>
1.4.1 Contribution to combined budgets*	<b>£4,312k</b>	£3,527k – contribution to Children’s Services £733k – Early Intervention Family Worker (previously Parental Support Advisors), £52k – Residual CPH Funds and Other Contracts
1.4.6 Capital expenditure from revenue (CERA)*	<b>£1,458k</b>	Cambridgeshire Public Services Network (CPSN) Broadband Contract
<b>Total Spend on Historic Commitments</b>	<b>£5,770k</b>	
1.4.2 School Admissions	<b>£396k</b>	Can be increased with Forum approval. (change in guidance for 2017/18)
1.4.3 Servicing of Schools Forum	<b>£3k</b>	No increase in expenditure allowed – unless disapplication approved by the Secretary of State
1.4.12 Exceptions agreed by Secretary of State	<b>£400k</b>	National Copyright Licence arrangements – set by DfE
2017-18 ESG Retained Duties Funding	<b>£1,279k</b>	Based on £15 per pupil
Other Adjustments	<b>£100k</b>	One-off rates adjustments
<b>Total Ongoing Functions Baseline</b>	<b>£2,179k</b>	
<b>Total Central School Services Block Baseline</b>	<b>£7,949k</b>	As per DfE figures

\*Please note: Contribution to Combined Budgets was reduced by over £350k in 2016/17. (Previously £4,670k). CERA was reduced by £80k in 2017/18 to £1,458k.

- 2.3 As previously reported the expectation is that the £5.770m 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 and Skills Funding Agency (ESFA) will monitor historic spend year-on-year and will challenge LA’s where spend is not reducing as expected.
- 2.4 However, it is still not clear how funding recycled into other funding blocks would be treated with a move towards a hard national funding formula for schools. For example, 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 in future years?
- 2.5 Currently £733k of the contribution to combined budgets supports the Early Intervention Family Workers as approved by Schools Forum. £52k supports residual Primary funding arrangements and other contractual arrangements and the remaining £3,527k notionally supports a number of services within the wider People and Communities (P&C) – formerly Children’s Families and Adults (CFA) Directorate.
- 2.6 In the context of the wider Business Planning process for the County Council, total savings

of £37.2m are required in 2018/19, and a total of £85m across the next 5 years. Despite over £25m of savings and £6m of additional income already having been identified for next year there is still a gap of over £5.5m to be funded. The latest position and draft business planning proposals were presented to the Children and Young People (CYP) Committee on 10 October 2017 and the full report can be viewed at:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/631/Committee/4/SelectedTab/Documents/Default.aspx> (Agenda item 7)

- 2.7 The current funding model assumes that the Early Intervention Support Workers - £733k will be approved on an ongoing basis, but the £3,579k is at risk and therefore if Schools Forum were **not** to approve the continued usage further savings would need to be found to offset the overall pressure.
- 2.8 Forum have previously requested a list of functions/services which would be impacted if the contribution to combined budgets was not approved in totality or reduced from current levels. However, other than for the Early Intervention Support Workers, due to the way in which the Business Planning process is undertaken and the contribution to combined budgets notionally allocated there is not a direct relationship between a reduction in funding and a potential reduction in service. For example, if the funding is reduced it would not automatically result in a reduction in service for specific areas.
- 2.9 As the scope for traditional efficiencies diminishes the approach to Business Planning has focussed on a range of more fundamental changes to the way the organisation works across a number of key themes:
- Income and Commercialisation
  - Strategic Partnerships
  - Demand Management
  - Commissioning
  - Modernisation
- 2.10 This has resulted in the majority of current proposals for delivery being transformational in nature and any further savings required are likely to focus on areas such as:
- Early Help District Deliver Service - North
  - Early Help District Deliver Service - South
  - Schools Intervention Service - Safeguarding
  - Schools Partnership Service – Special Educational Needs (SEN)
  - Virtual School (ESLAC)
  - Youth Service
  - Preparing for Adulthood Additional Needs Team
  - Occupational Therapists

Equally there are a number of Outcome Focussed Reviews (OFRs) being undertaken on a number of other key services such as traded services to schools.

- 2.11 **Members of Schools Forum are asked to comment on the section above and approve the continuation of the £733k for Early Intervention Support Workers and £3,579k for other Historic Commitments to Contribution to Combined Budgets into 2018/19.**

### 3.0 EDUCATION SERVICES GRANT FUNCTIONS

3.1 As previously reported the Education Services Grant (ESG) has now ceased and the duties it supported funded by alternative mechanisms:

- The retained duties rate to fund services provided to all schools, including academies - £15 per pupil agreed at the December 2016 Schools Forum meeting. Now included in the Central School Services Block (CSSB) Ongoing Commitments funding as set out in 2.1 above.
- The general duties rate for services authorities provide to maintained schools but which academies must provide themselves - £10 per maintained pupil at the December 2016 Schools Forum meeting.

3.2 Appendix A shows the full list of central services that may be funded with agreement of Schools Forum. At the previous meeting of Schools Forum a list of these functions/services totalling approximately £2.7m was presented, and as part of the overall review of Education functions within the LA work is ongoing to develop these proposals further.

3.3 Following the cessation of the one-off transitional funding the overall reduction in ESG equivalent funding has been factored into the overall funding model. The LA has managed the £3.5m-£4m reduction over the past 3 years, including £1m from 2017/18 as part of the overall business planning process and therefore does not propose increasing the retained duties funding for 2018/19.

3.4 For 2018/19 it is proposed to:

- Continue to apply the £1,279k (or equivalent once the final figure has been adjusted for pupil numbers) now in the CSSB to support retained duties.
- Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools.

<b><u>Retained Duties Estimates</u></b>	<b>2018/19 £000</b>
<b>Estimated Retained Duties (£15 per pupil) - Applies to all Schools*</b>	£1,279
<b>Estimated Education Functions - £10 per pupil - Maintained Only*</b>	£285
<b>Estimated Total Retained Funding</b>	<b>£1,564</b>

\*Final amounts will be dependent on October 2017 pupil numbers and academy conversions.

3.5 **Members of Schools Forum are asked to approve the following ongoing arrangements for 2018/19:**

- **The continued use of the £1,279k (adjusted for final pupil numbers) within the CSSB to support ongoing retained duties.**
- **The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.**

### 4.0 DE-DELEGATIONS

4.1 Maintained Primary representatives will be required to approve the de-delegations

methodology and proposed approach for 2018-19 which apply to maintained primary schools only and cover:

1. Contingency
2. Cambridgeshire Race Equality Advisory Service (CREDS)
3. Free School Meals Eligibility
4. Insurance (Material Damage, Theft, Public Liability)
5. Maternity Cover
6. Trade Union Facilities Time

**4.1** The current basis, total de-delegation for 2016/17 and proposals for 2017/18 are set out below:

	<b>Agreed 2017/18 Basis</b>	<b>Est. 2017/18 Amt. £'000</b>	<b>Proposed 2018/19 Basis</b>	<b>Est. 2018/19 Amt.</b>
<b>Contingency</b>	£2.10 per pupil	£74k	£2.10 per pupil	
<b>Cambridgeshire Race Equality and Advisory Service (CREDS)</b>	£12 per pupil and £142.50 per EAL	£681k	TBC	
<b>Free School Meals</b>	£4.65 per FSM child	£16k	£4.65 per FSM child	
<b>Insurance</b>	£18.20 per pupil	£711k	£18.20 per pupil	
<b>Maternity</b>	£5.00 per pupil	£177k	£5.00 per pupil	
<b>Trade Union Facilities Time</b>	£1.10 per pupil	£39k	£1.10 per pupil	
<b>TOTAL</b>		<b>£1,698k</b>		

**4.2** Final de-delegation amounts for 2018/19 will be updated on receipt of revised data from the DfE and presented at the January meeting of Schools Forum. Please note: Although final amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out below.

**4.3** **Contingency** – No proposed change to de-delegation rate for 2018/19.

**4.4** **CREDS** – Plans are currently being developed for a fully traded service for all schools. If implemented this will result in no requirement for future de-delegation arrangements. However, if a fully traded model is introduced it is likely to mean that some maintained schools will have to pay more if they continue with their current level of provision, and equally there may be some services that CREDS will no longer be able to provide due to reduced economies of scale. Further discussions will be held with the Cambridgeshire Primary Heads group (CPH), and more detailed proposals presented at the December meeting of Schools Forum.

**4.5** **Free School Meals Eligibility** – No proposed change to de-delegation rate for 2018/19.

**4.6** **Insurance** – Awaiting final details of cost for 2018/19. Final per pupil amount will be updated to reflect any changes in overall cost.

- 4.7 **Maternity** – It is proposed to continue at the reduced rate of £5.00 per pupil for 2018/19. (Previously £5.90 per pupil in 2016/17). The pay-out amounts would remain the same.
- 4.8 **Trade Union Facilities Time** – This de-delegation provides approximately half of the funding used to provide payments for the 6 county secretaries either to schools where union secretaries are taking time off for duties, or payments directly to union secretaries where they are no longer working directly for schools (i.e. they are retired). The viability of this funding arrangement is dependent on the continued buy-in from a large proportion of academies. It is proposed to keep this de-delegation amount the same as in previous years.
- 4.9 **Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:**
- **Contingency**
  - **Free School Meals Eligibility**
  - **Insurance**
  - **Maternity**
  - **Trade Union Facilities Time**

## 5.0 **NEXT STEPS**

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

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

### Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Director of children's services and personal staff for director (Sch 2, 15a)</p> <p>Planning for the education service as a whole (Sch 2, 15b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</p> <p>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</p> <p>Formulation and review of local authority schools funding formula (Sch 2, 15d)</p> <p>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)</p> <p>Consultation costs relating to non-staffing issues (Sch 2, 19)</p> <p>Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</p>	<p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 58)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</p> <p>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)</p> <p>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)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</p> <p>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)</p> <p>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)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</p> <p>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</p>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 72)</p>

**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
<p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p>	<p>Inspection of attendance registers (Sch 2, 78)</p>

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

#### Asset management

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



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

**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
No functions	<p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>