

CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS

To: Cambridgeshire Schools Forum

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From: Jonathan Lewis – Service Director: Education
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Purpose: To provide an update on the Central Services Schools Block and request approval from Schools Forum in respect of retained funding and de-delegation arrangements.

Recommendations:

- a) Members of Schools Forum are asked to approve the continued transfer of £500k from the Central Schools Service Block (CSSB) to the High Needs Block.
- b) Members of Schools Forum are asked to approve the continuation of the £733k for Early Intervention Support Workers and £3,027k for other Historic Commitments to Contribution to Combined Budgets into 2019/20.
- c) Members of Schools Forum are asked to approve the continued use of the retained duties funding (adjusted for final pupil numbers) within the CSSB to support ongoing functions.
- d) Members of Schools Forum are asked to approve the continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
- e) 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

1.0 INTRODUCTION

- 1.1 Following its introduction on 2018/19, the central school services block (CSSB) will continue and includes funding for responsibilities previously within the Education Services Grant (ESG) and responsibilities previously funded through centrally retained Dedicated Schools Grant (DSG).
- 1.2 Alongside the CSSB 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 2019/20.

1.4 The report below will therefore provide further information in respect of the:

- Mechanism for the CSSB, 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 (CSSB)

2.1 Based on the latest published illustrative figures for the CSSB Cambridgeshire will receive approximately £8,083k in 2019/20 against a 2018/19 baseline of £8,034k. Please note: The final figure to be received in 2019/20 will be adjusted based on the October 2018 census.

Illustrative CSSB Funding for 2019/20:

	2019/20 Illustrative	Description
NFF Historic Commitments Funding Baseline	£5,770k	As per DfE illustrative figures
NFF Ongoing Commitments Funding	£2,582k	As per DfE illustrative figures (pupil-led)
NFF Central School Services Block Funding	£8,352k	As per DfE illustrative figures
Cap on Gains	-£269k	As per DfE illustrative figures
Revised NFF Central School Services Block Funding for 2019-20	£8,083k	As per DfE illustrative figures

2.2 Revised 2018/19 CSSB allocation:

Budget Line	2018/19	Description
Contribution to combined budgets*	£3,812k	£3,027k – contribution to Children's Services £733k – Early Intervention Family Worker (previously Parental Support Advisors), £52k – Residual CPH Funds and Other Contracts
Capital expenditure from revenue (CERA)*	£1,458k	Cambridgeshire Public Services Network (CPSN) Broadband Contract
Total Spend on Historic Commitments	£5,270k	
School Admissions	£396k	Can be increased with Forum approval. (change in guidance for 2017/18)
Servicing of Schools Forum	£3k	No increase in expenditure allowed – unless disapplication approved by SoS
Other Items	£417k	National Copyright Licence arrangements – set by DfE

2018-19 Retained Duties Funding	£1,448k	As per DfE figures (pupil-led)
Total Ongoing Responsibilities	£2,264k	
Total 2018/19 CSSB	£7,534k	
High Needs Block	£500k	Movement to High Needs Block as approved by Schools Forum
Total 2018/19 Allocation of CSSB	£8,034k	

***Please note:** Contribution to Combined Budgets was reduced by over £350k in 2016/17 and a further £500k in 2018/19 (transferred to High Needs Block). CERA was reduced by £80k in 2017/18 to £1,458k.

- 2.3 As previously reported the expectation is that the 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 ESFA will monitor historic spend year-on-year and will challenge LA's where spend is not reducing as expected. From 2020/21, the DfE expect to start to reduce the historic commitments element of the central school services funding block where authorities' expenditure has not reduced. They do not believe it is fair to maintain significant differences in funding indefinitely between local authorities, where these differences reflect historic decisions.
- 2.4 However, it is still not clear how funding recycled into other funding blocks, such as the £500k agreed in 2018/19 will be treated in future years. i.e. If funding is moved between blocks is there a danger it will be "lost" at the point hard funding rates are introduced in future years? Or as a result of the expectation that other historic commitments will reduce?
- 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 £3,027k notionally supports a number of services within the wider People and Communities (P&C) Directorate.
- 2.6 In the context of the wider Business Planning process for the County Council, further to the £176m of savings delivered over the last 5 years, total savings of £33m are required in 2019/20. Despite numerous savings and additional income already having been identified for next year there is still a significant gap to be funded. The latest position and draft business planning proposals will be presented to CYP Committee on the 9th October and a link to the full report will be provided to members of Schools Forum.
- 2.7 The current funding model assumes that the Early Intervention Support Workers - £733k will be approved on an ongoing basis, but the £3,027k 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. Education already has identified around £1m of savings to support the overall council position.
- 2.8 As previously discussed with Schools, 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. i.e. If the funding is reduced it would not automatically result in a reduction in service for specific areas.
- 2.9 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 – SEN
- Social work capacity
- Virtual School (ESLAC)
- Youth Service
- Preparing for Adulthood Additional Needs Team
- Occupational Therapists
- Educational Psychology

- 2.10 This funding has been historically retained by the LA and never formed part of the Schools budget. Any reduction would impact on services across both maintained and academy schools. The Local Authority would have to consider increasing charges to support current activities, impacting disproportionately on those
- 2.11 As schools will be aware MLL Telecom, a leading provider of secure managed network services for the UK public sector, has been awarded the EastNet contract to deliver a new Wide Area Network (WAN) solution and centralised services to Cambridgeshire County Council and the wider community served by EastNet. The new network framework, which will be effective for six years, will replace the legacy Cambridge Public Services Network (CPSN) Partnership. MLL Telecom aims to migrate all school sites in a phased approach to ensure the transition is completed effectively with minimal service disruption by December 2019.
- 2.12 Schools Forum have previously approved the £1.45m annual revenue contribution for CPSN as part of the Central Schools Services Block (CSSB) until the end of 2019. As previously reported these arrangements are only permitted for existing contracts entered into prior to April 2013 and as such we are currently exploring mechanisms as to how this will operate in future to minimise both risk and unnecessary administration costs.
- 2.13 The current pooled arrangement provides equity across Cambridgeshire schools and we believe a continuation of such an arrangement within the new contract will not only result in a significantly improved service, but will continue to deliver value for money compared to other providers. Further information on the implementation of EastNet and associated costs will be circulated to schools as soon as they are available.

3.0 RETAINED DUTIES FUNDING

- 3.1 Since the cessation of the Education Services Grant (ESG) the duties it supported are funded by alternative mechanisms:
- The retained duties rate to fund services provided to all schools, including academies is now included in the 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 as agreed at the November 2017 Schools Forum meeting.
- 3.2 **Appendix A** shows the full list of central services that may be funded with agreement of

Schools Forum.

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 £4m+ reduction over the past 3-4 years as part of the overall business planning process.

3.4 For 2019/20 it is proposed to:

- Continue to apply the retained duties funding received as per of the CSSB to support ongoing functions.
- Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools.

<u>Retained Duties Estimates</u>	2019/20 £000
Estimated Retained Duties - Applies to all Schools*	£1,448
Estimated Education Functions - £10 per pupil - Maintained Only*	£250
Estimated Total Retained Funding	£1,698

*Final amounts will be dependent on October 2018 pupil numbers and academy conversions.

4.0 DE-DELEGATIONS

4.1 Maintained Primary representatives will be required to approve the de-delegations methodology and proposed approach for 2019-20 which apply to maintained primary schools only and cover:

1. Contingency
2. Free School Meals Eligibility
3. Insurance (Material Damage, Theft, Public Liability)
4. Maternity Cover
5. Trade Union Facilities Time

4.2 The current basis, total de-delegation for 2018/19 and proposals for 2019/20 are set out below:

	Agreed 2018/19 Basis	Est. 2018/19 Amt. £'000	Proposed 2019/20 Basis	Est. 2019/20 Amt.
Contingency	£2.10 per pupil	£69k	£2.10 per pupil	£68k
Free School Meals	£4.65 per FSM child	£14k	£4.65 per FSM child	£14k
Insurance	£19.22 per pupil	£628k	£19.22 per pupil	£619k
Maternity	£5.00 per pupil	£163k	£5.00 per pupil	£161k
Trade Union Facilities Time	£1.10 per pupil	£36k	£1.10 per pupil	£35k
TOTAL		£910k		£897k

- 4.3 Final de-delegation amounts for 2019/20 will be updated on receipt of revised data from the ESFA 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 within this section.

- 4.4 **Contingency** – No proposed change to de-delegation rate for 2019/20.
- 4.5 **Free School Meals Eligibility** – No proposed change to de-delegation rate for 2019/20.
- 4.6 **Insurance** – Awaiting final details of cost for 2019/20. Final per pupil amount will be updated to reflect any changes in overall cost.
- 4.7 **Maternity** – No proposed change to de-delegation rate for 2019/20.
- 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.

Source Documents	Location
<i>National funding formula tables for schools and high needs: 2019 to 2020</i>	https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020
<i>Schools Revenue Funding 2019 to 2020: Operational Guidance</i>	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/730636/Operational_guide_2019_to_2020.docx

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
<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) • 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) 	<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, 57) • Budgeting and accounting functions relating to maintained schools (Sch 2, 74) • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58) • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59) • 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, 60) • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61) • 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, 62) • 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, 73)

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66) • Consultation costs relating to staffing (Sch 2, 67) • Compliance with duties under Health and Safety at Work Act (Sch 2, 68) • Provision of information to or at the request of the Crown relating to schools (Sch 2, 69) • School companies (Sch 2, 70) • Functions under the Equality Act 2010 (Sch 2, 71) • Establish and maintaining computer systems, including data storage (Sch 2, 72) • Appointment of governors and payment of governor expenses (Sch 2, 73)

Table 9a: 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 	<ul style="list-style-type: none"> • Inspection of attendance registers (Sch 2,

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <ul style="list-style-type: none"> • School attendance (Sch 2, 16) • Responsibilities regarding the employment of children (Sch 2, 18) 	79)

Table 9b: 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, 77a & 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 • 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

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>may be affected (Health and Safety at Work etc. Act 1974)</p> <ul style="list-style-type: none"> • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Table 9c: 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, 53) • Provision of tuition in music, or on other music-related activities (Sch 2, 54) • Visual, creative and performing arts (Sch 2, 55) • Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56)

Table 9d: 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, 78)

Table 9e: 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

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, 75)

Table 9f: 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 9g: 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 ¹ (Sch 2, 23) 	<ul style="list-style-type: none"> No functions

Table 9h: Central services responsibilities held by local authorities (other ongoing duties)

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

Table 9i: Central services responsibilities held by local authorities (historic commitments)