

SCHOOLS FORUM

SUBJECT	Centrally Retained and De-delegated Expenditure 2024-25
DATE	21 st November 2023
REPORT OF	Liz Brummer, Strategic Finance Lead

PURPOSE OF THE REPORT

DfE regulations require Schools Forum to vote on the proposed recommendations of the Local Authority in respect of a number of centrally retained expenditure and delegated expenditure decisions as part of the funding formula for 2024/25. This report provides information to assist eligible members in the voting process.

RECOMMENDATIONS

It is recommended that Schools Forum:

- Vote on each item of expenditure under consideration as detailed later in the report.

BACKGROUND

The Fairer Funding for Schools Reforms introduced in 2013/14 required funding in respect of certain services to be delegated to schools in the first instant. An option is permitted for this funding to be returned (de-delegated) to Councils by the maintained schools (should the maintained reps vote to agree to this) for the services to be provided by the Council.

In addition, there are certain items of expenditure that the Council can retain centrally through a top slice of DSG, however the Schools Forum as a whole must vote to approve this on a line-by-line basis. The expenditure on these generally must not exceed the original 2013-14 budget amounts, however the Schools Revenue Funding 2022 to 2023 Operational Guide states that with the approval of the Schools Forum amounts in respect of Admissions and the servicing of the Schools Forum could be increased. This is the continuation of an approval that was first granted as part of the 2018-19 formula funding. The decision on both centrally retained expenditure and any de-delegated expenditure is an annual decision.

In respect of those services where expenditure can be de-delegated back to the Council, School Forum members who represent maintained schools are required to vote, again on a line-by-line basis whether they wish this de-delegation to take place. Whilst voting is by sector only one vote per line is now required as a result that there are now only maintained primary schools within the borough.

The changes introduced in 2017-18 in respect of the Education Services Grant (ESG) retained rate have been retained in 2023-24 and voting is required on these items

VOTING

Appendix A includes relevant sections of the Operational Guidance which details the full list of expenditure affected for information.

The specific items that require consideration by the Schools Forum are as follows:

Centrally Retained Expenditure	
Admissions	£217,559
Servicing of Schools Forum	£6,300
Termination of Employment Costs.	£434,000
This is a historic commitment, and a 20% reduction by ESFA has been proposed giving a revised value of £347,200. An appeal has been submitted.	
ESG Retained Rate	£262,080

Schools Forum are advised that for 2024-25, as in previous years the costs in respect of Admissions have not been increased. Given increasing costs this amount will be subject to a costing review in the next financial year and a request for an increase may be made for 2025-26

In respect of the on-going responsibilities historic termination costs then the ESFA latest allocation information has indicated that there will be a £87k reduction in the CSSB Block in 2024-25. We are currently in contact with the ESFA to see if previous future years protections relating to the historic terminations will be applied again to 2024-25.

Items of Expenditure that can be de-delegated back to the Authority

It should be noted that these amounts are best estimates based on the information known at this time. These require confirmation from the Education & Skills Funding Agency (ESFA) and will be further reduced if there are further in year academy conversions:

Schools in Financial Difficulties Contingency/Other	£25,949
Free School Meals Eligibility	£5,210
Behaviour Support Services	£0
Service reconfigured with effect 1 st September 2023	
TU Facilities Time	£5,457

4. THE VOTE

Centrally Retained Expenditure

In respect of those expenditure items that the Council can retain centrally it proposes to do so. To do this it requires Schools Forum to approve such proposals on a line-by-line basis at the amount stated.

To assist with this process an explanation of what is involved in respect of each item of expenditure is detailed in Appendix B, and for those duties connected with the ESG in Appendix C.

Eligible Forum members are therefore asked to approve whether they support the central retention of funds for the following:

- **Admissions - £217,559**

And again, whether they approve the central retention of funds for:

- **Servicing of Schools Forum - £6,300**

And again, whether they approve the central retention of funds for:

- **Termination of Employment Costs - £347,200 (to part fund pre 1998 pension payments), currently protection of £86,800 is being received.**

And whether they approve the contribution to responsibilities that local authorities hold for all schools, that is the retained rate for the ESG can be centrally retained

- **ESG retained rate funding - £262,080**

And finally whether they approve the 5% of 3 and 4 year old and 2 year old funding that local authorities are permitted to retain under the EYNFF operational guidance to fund the central early years activities. Based upon our current allocation this is £525,373.

- **5% Early Years centrally retained approx. - £525,373.**

Expenditure which must be initially delegated but which can then be de-delegated

In respect of those items that are initially delegated to school budgets but which can be de-delegated back to the Council then the Council proposes that such de-delegation takes place.

As such de-delegations would be from maintained schools only, academies receive this element of funding direct from the ESFA as part of their budget share, then only Schools Forum maintained school reps can vote on this. Voting on this also has to be on a line by line basis.

Where the Local Authority has decided to recommend de-delegation then if members decide not to de-delegate the funding in respect of these activities then the funding for these activities would be built into their new funding and they will need to pay for any

such service direct from their own budgets. If they do decide to de-delegate then funding for these services will be retained and provided centrally.

Eligible Forum members in respect of the primary sector are therefore asked to vote whether they wish to de-delegate the following item of expenditure:

- **Schools in financial difficulties/other contingency - £25,949**

And again whether the primary sector representatives wish to de-delegate the following item of expenditure:

- **Free school meals eligibility - £5,210**

And again whether the primary sector representatives wish to de-delegate the following item of expenditure:

- **TU facilities time- £5,457**

Other matters

Whilst this is not a voting matter Schools Forum are requested to note that the Council takes advantage of the scheme where the Secretary of State for Education purchases licences centrally on behalf of all schools (academy and maintained) in the borough and recharges this cost to the DSG allocation. This cost amounts to approximately £136k.

Licences covered under this arrangement include The Copyright Agency Licence, The School Printed Music Licence, The Newspaper Licensing Agency, The Public Video Screening Licence, The Motion Picture Licence, The Performing Right Society, The Phonographic Performance Licence, The Mechanical Copyright Protection and the Christian Copyright Licence. Further information is detailed at Appendix D.

Appendix A

It is still permissible for services to be retained centrally with certain approval. Authorities will need to obtain School Forum approval to retain central funding for all of these services. The position is best demonstrated in a table format, the information being taken from the ESFA Schools Revenue Funding 2024-25 Operational Guide – October 2023

Centrally Retained Service	Approval Required
High needs block provision	Schools Forum approval is not required (although they should be consulted)
Central licences negotiated by the Secretary of State	
Funding of brought forward deficits	
Funding to enable all schools to meet the infant class size requirement	Schools Forum approval is required on a line-by-line basis
Back pay for equal pay claims	
Remission of boarding fees at maintained schools and academies	
Places in independent schools for non-SEN pupils	
Admissions	
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)	
Any movement of funding out of the schools block	Schools Forum approval is required
Central early years block provision	

Capital expenditure funded from revenue

- projects must have been planned and decided on prior to April 2013; no new projects can be charged
- details of the remaining costs should be presented

Contribution to combined budgets

- 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

- costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged

Prudential borrowing costs

- the commitment must have been approved prior to April 2013
- details of the remaining costs should be presented

SEN transport where the Schools Forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment)

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

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.

Schools Forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools

Description of Services

Centrally Retained Expenditure

Admissions

Funding to be retained to enable the local authority to fulfil its statutory duties in respect of school admissions for both maintained schools and academies in line with the School Admissions Code and associated legislation. This includes:

General Duties:

- Determination of its duties in light of local circumstance and in accordance with guidance issued by the Department for Education and the Secretary of State
- Promotion of Fair Access to educational opportunity for all children and young people.
- Formulation, consultation, determination and publication of:
 - its own admission arrangements and associated coordinated schemes for each year for all maintained schools and academies within the area;
 - the authority's school term dates for those schools for which it is the admission authority; and
- Publication of the admission arrangements for all maintained schools and academies in the area.
- Offer advice and guidance on legislative requirements and policies and procedures in respect of all aspects of school admissions to those schools for which it is the admission authority.
- Provision of impartial and independent advice to parents/carers on school admissions and school admission appeals.
- Maintaining and updating the local authority's catchment areas maps and lists.
- Keeping the local authority's website up to date with all admission policies, relevant information, links to school/academy sites, DfE etc.

Phased primary and secondary coordination for maintained schools and academies:

- Having an on-line application service available.
- Collect, administer, monitor, chase up and coordinate all applications ensuring that all applicants receive their highest available preference.
- Allocate and formally notify all applicants of the outcome of their application.
- Co-ordinate beyond the National and local offer dates to ensure available places are reallocated effectively.
- Inform all unsuccessful applicants of their right of an independent appeal.

Phased primary and secondary coordination for maintained schools:

- Identify, confirm and rank all preferences which are LAC, SEN, sibling, catchment, distance, belief etc in line with the published arrangements.

In year coordination for maintained schools and academies:

- Provide a Common Application Form for parents/carers to apply for all schools/academies in the area.

- Provide all parents/carers of the availability of school places at any one time within the local area.
- Have a Fair Access Protocol and appropriate processes in place.

In year coordination for maintained schools:

- Collect, administer, monitor, chase up and coordinate applications ensuring that all applicants receive their highest available preference
- Allocate and formally notify all applicants of the outcome of their application.
- Inform all unsuccessful applicants of their right of an independent appeal.

Servicing of Schools Forum

Funding to be retained in respect of meeting school's forum expenditure costs. In the distant past this funding has been used to meet not only Schools Forum costs but working party costs and the costs of one-off projects / pieces of work.

Termination of Employment Costs

Funding to be retained to contribute to the pension costs of a number of pre 1998 retirees. The total spend on this area is £1.8M, the DSG contribution funds £0.4M

Delegated expenditure

Schools in financial difficulties contingency

Funding retained to provide a contingency In respect of any maintained schools who experience both temporary and extreme financial difficulties. This contingency protects the financial position of the maintained schools and should prevent calls on their budgets. If the decision to de-delegate is not made and a school(s) got into financial difficulties, then to balance the DSG the Council would need to seek any shortfall off the remaining maintained schools.

Free school meals eligibility

Funding covers the cost of Free School meals officer responsible for assessing eligibility for Free School Meals. Eligibility is based on receipt of certain qualifying benefits or having income less than a set amount. The officer works in conjunction with the Housing Benefits service, and information is collected once by the service in order to process both Free School Meals and Housing Benefits.

Following the introduction of universal free school meals for infant school children the service continues to collect information relating to children who would have received free meals, in order to calculate the pupil premium and ensure that the correct levels of funding are achieved.

If the decision to de-delegate is not made, schools will need to ensure that they have procedures in place for parents to apply for free school meals, collect evidence of income, assess entitlement, deal with changes in eligibility when the financial circumstances of the parent changes and reconcile the number of meals awarded.

Infant schools will need to ensure that they have procedures in place to identify children who would previously have qualified for free school meals as above.

TU facilities time

Funding to be retained to enable access to Council employed trade union representatives from UNISON and UNITE and local branch representatives from NASUWT and NUT to resolve employee relations and organisational change matters at an earlier stage thus minimizing cost and delays. Local trade union representatives will be available to attend meetings with individuals and groups of staff at your school if the monies are de-delegated.

If schools were not to de-delegate the monies, the only trade union representatives would be regional officers who are not often available at short notice or at certain times of the day/week due to other commitments across many authority boundaries. Therefore, this could add to the delay of resolving staffing matters which may have resultant costs for the school such as extended sickness, precautionary suspension, investigations and hearings.

Description of Services

Education Services Grant

Below is a tabulised format of information from the Schools Revenue Funding 2024 to 2025 – Operational Guide October 2023 which shows the split of services between the two groups of duties, retained duties for all schools and general duties for maintained schools.

From 2017-18, the general duties rate ended and funding previously allocated through the ESG retained duties rate (£15) was transferred into the schools block. Local authorities will be able to fund central services previously funded within the retained duties rate (for all schools), with the agreement of schools forum. They will be able to fund services previously funded within the general duties rate (for maintained schools only) from maintained school budgets shares with the agreement of maintained school members of the schools forum.

The split of services between the two groups is shown below. References are to the relevant schedules in the Schools and Early Years Finance (England) Regulations 2020.

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>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 59)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 75)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 60)</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, 61)</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, 62)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 63)</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, 64)</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 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, 65)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 78)</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, 67); determination of conditions of service for non-teaching staff (Sch 2, 67); appointment or dismissal of employee functions (Sch 2, 68)</p> <p>Consultation costs relating to staffing (Sch 2, 69)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 70)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 71)</p> <p>School companies (Sch 2, 72)</p> <p>Functions under the Equality Act 2010 (Sch 2, 73)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 74)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 75)</p>
---	--

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, 81)</p>

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, 79a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <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 <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>

Central Support Services

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>No functions</p>	<p>Clothing grants (Sch 2, 55)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 56)</p> <p>Visual, creative and performing arts (Sch 2, 57)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 58)</p> <p>Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:</p> <ul style="list-style-type: none"> • expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of

	<p>maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it's the local authority's duty to do so, ensuring payments are made in respect of taxation, national insurance, and superannuation contributions</p> <ul style="list-style-type: none"> • expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services • expenditure in relation to the investigation and resolution of complaints expenditure on legal services
--	---

Premature Retirement and Redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 80)

Monitoring National Curriculum Assessments

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	Monitoring of National Curriculum assessments (Sch 2, 77)

Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	This is now covered in the high needs section of the regulations and does not require schools forum approval

School Improvement

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	

	Expenditure related to core school improvement activities of local authorities with respect to maintained schools (Schedule 2, 54)
--	--

Other Ongoing Duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</p> <p>Admissions (Sch 2, 9)</p> <p>Places in independent schools for non-SEN pupils (Sch 2, 10)</p> <p>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</p> <p>Servicing of schools forums (Sch 2, 12)</p> <p>Back-pay for equal pay claims (Sch 2, 13)</p> <p>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)</p>	No Functions

Historic Commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Capital expenditure funded from revenue (Sch 2, 1)</p> <p>Prudential borrowing costs (Sch 2, 2(a))</p> <p>Termination of employment costs (Sch 2, 2(b))</p> <p>Contribution to combined budgets (Sch 2, 2(c))</p>	No Functions

Central Copyright Licences

The Department for Education (DfE) buys copyright licences for all state-funded primary and secondary schools in England – covering schools for almost all their copyright requirements.

Educational establishments covered by the DfE scheme:

- local-authority-maintained schools (including maintained nurseries)
- academies
- free schools
- special schools (these are schools for children with special educational needs or disabilities)
- non-maintained special schools
- pupil referral units (these provide education for children who can't attend a mainstream school)

Educational establishments not covered by the DfE scheme:

- sixth-form colleges
- local-authority-maintained schools that provide only for 16- to 19-year-olds
- academies that provide only for 16- to 19-year-olds
- independent fee-paying schools

Licences covered by the central arrangement are:

- Copyright Licensing Agency, for copying text and still images from most books, journals and magazines plus a range of digital publications
- Printed Music Licencing Ltd, for copying and arranging from printed music publications. The Copyright Licensing Agency administers this licence
- NLA Media Access, for copying from newspapers and magazines. The Copyright Licensing Agency administers this licence and has information on copying from print and digital newspapers
- Educational Recording Agency, for recording and use of radio and television programmes and clips, including catch-up services like BBC iPlayer, for educational use. The Centre for Education & Finance Management administers this licence and operates a helpdesk for schools providing information about the licence
- Performing Right Society Ltd, for musical performances. The Centre for Education and Finance Management administers this licence
- Phonographic Performance Ltd, for playing recorded music. The Centre for Education and Finance Management administers this licence
- The Mechanical Copyright Protection Society, for making CDs and DVDs containing copyright music. The Centre for Education and Finance Management administers this licence
- Filmbankmedia and Motion Picture Licensing Company for showing films
- Christian Copyright Licensing International for copying and projecting hymns and other Christian music

All education establishments are responsible for ensuring that they are covered for any relevant activity and that the terms and conditions of the licences are adhered to by their staff. If you require a copy of your licence or have any queries regarding what activity is covered please contact the copyright management organisation above.