



**Brighton & Hove
City Council**

**Schools Forum
Monday 8 October 2018
4.00 pm – 6.00 pm
G91 Hove Town Hall**

AGENDA

Chair: Peter Freeman

Item	Time	Duration	Subject	Lead(s)
1.	4.00	15 mins	Welcome, apologies and election of Chair. Items for any other business to be stated	Jo Lyons
2.	4.15	10 mins	Minutes of last meeting (18 June 2018) and matters arising (minutes attached) including information about the Teachers' Pay Award	Peter Freeman
3.	4.25	5 mins	Minutes of the last SBWG meeting (24 September 2018) (minutes attached)	Ashley Harrold
4.	4.30	5 mins	DSG 2018/19	Andy Moore
5.	4.35	10 mins	Charges for Academy conversion costs	Richard Barker
6.	4.45	30 mins	Schools Block Funding Formula 2019/20	Steve Williams
7.	5.15	10 mins	BHISS (verbal update)	Georgina Clarke-Green
8.	5.25	15 mins	DSG 2019/20	Louise Hoten
9.	5.40	10 mins	ESG report 2019/20	Andy Moore
10.	5.50	5 mins	AOB Dates for 2019 – 16 January, 18 March, 24 June, 7 October, 9 December	Peter Freeman
			Next Meeting: Monday 10 December 2018 4.00 – 6.00 pm Room G90 Hove Town Hall	



Brighton & Hove Schools' Forum
DRAFT Notes of the meeting held on Monday 25 June 2018
Committee Room 3, Brighton Town Hall

Present:

School Members

Ashley Harrold (AH) (Vice Chair, chairing in Peter Freeman's absence) Headteacher,
Blatchington Mill School

Early Years and Primary Schools

Damien Jordan (DJ) Headteacher, Fairlight Primary School
Julie Plumstead (JP) Headteacher, Tarnerland Nursery School
Emma Lake (EL) Executive Head, Hangleton Primary School
Viv Warren (VW) Early Years Representative
Tad Matus (TM) Governor, St Joseph's Primary School

Special Schools

Mitch Egan (ME) Chair of Finance Committee, Downs View School (attending in place of
JS)
Rachel Burstow (RBu) Headteacher, Hillside School (attending in place of GA who had stepped
down)

Secondary Schools

Academies

Bob Speight (BS) Principal, BACA (representing Rob Reed, Executive Principal, Aldridge
Education)

PRU

Louise Cook (LC) Headteacher, Year 11 Connected Hub, PRU

Non-School Members

Roopal Patel (RP) PVI Early Years Representative
Paul Shellard (PS) Teacher Unions Representative
Mandy Watson (MW) Chichester Anglican Diocese
Rachel Kershaw (RK) Acting Headteacher, Cottesmore St Mary's Catholic Primary School,
Representative of the Roman Catholic Diocese

Observers

Sarah Booker-Lewis (SB-L) Local democracy reporter, Brighton & Hove News
Oli Sharp (OS) Parent Rep, Middle Street Primary

Local Authority

Jo Lyons (JL) Assistant Director, Education & Skills
Regan Delf (RD) Assistant Director, Health SEN & Disabilities
Louise Hoten (LH) Head of Finance, Health, Adults, Families, Children and Learning Finance
Richard Barker (RB) Head of School Organisation Education & Skills
Andy Moore (AM) Principal Accountant, Health, Adults, Families,
Children and Learning Finance
Steve Williams (SW) Accountant, Health, Adults, Families, Children and Learning Finance
Chris Lambert (CL) Clerk to Forum

Apologies:

Peter Freeman (PF) (Chair)
 Stephen Berry (SB)
 Rob Reed (RR)
 James Kilmartin (JK)
 Derek Swindells (DS)
 Jill Sawyer (JS)

Governor, Coombe Rd Primary School
 Governor, Patcham High School
 Executive Principal, Aldridge Education
 Headteacher, Cardinal Newman Catholic School
 Governor, Dorothy Stringer School
 Governor, Downs View School

No.	Item	Action
1.	Welcome and apologies	
1.1	This was RK's last meeting. AH thanked RK for her work on the forum.	
2.	Minutes of last meetings (15 January 2018) and matters arising	
2.1	Accuracy of the January minutes was agreed.	
2.2	Item 2.4: Central Services Schools Block, services for the academies. RB to confirm that this has been completed.	RB
2.3	Item 3.2: There was a request for further details relating to the budget allocations (and savings) in the report and David Kuenssberg agreed to share an additional table of budget changes by team for the last 2 years. LH circulated as required.	
2.4	Item 4.15: RB confirmed that he took the draft DSG 2018 – 19 Report to the SBWG, to inform the final version that will be submitted to Schools Forum.	
2.5	Item 6.7: RB to follow up the recruitment of a post-16 representative on the Forum. RB continues to pursue a post 16 rep. between the colleges for September.	
2.6	CL / RB to re-circulate the Work Plan with the minutes.	CL / RB
3.	Minutes of the last SBWG meeting (14 May 2018)	
3.1	Item 2: AM to follow up HR payment query regarding living wage for contractors with procurement.	AM
3.2	Item 4: RB to circulate the recent letter from David Kuenssberg (Executive Director Finance and Resources and Pinaki Ghoshal (Executive Director Families, Children and Learning) regarding the end of year position for school budgets to the Forum.	RB
3.3	Item 5: DFE analysis is expected to be published shortly, AM to update SBWG and Forum in due course.	AM
3.4	Item 6: £15m Basic Need funding. For the benefit of the Schools Forum, RB gave clarification on the process of allocating Basic Need funding including the initial proposals being considered by committee which led to further discussions with all secondary schools. A further report with revised proposals will potentially be considered by the CYPs Committee in September and the Policy Resources & Growth Committee in October.	

3.5	Item 7: BHISS traded service. This will be discussed in today's meeting in Item 7.	
4.	Dedicated Schools Grant (DSG) Outturn report 2017/18	
4.1	AM provided background to the report that had been produced.	
4.2	AM drew attention to the movement in balances between phases on page 2 and the final balances of those schools that were overspent.	
4.3	As detailed on page 3, there has been a decrease in the numbers of schools with overspends from 18 in 2016-17 to 15 in 2017-18.	
4.4	The number of schools with balances greater than the national thresholds have increased; there were 2 schools in 2016-17 and 7 schools in 2017-18.	
4.5	As detailed on page 4, the central DSG was underspent and AM explained the reasons for this whilst noting that taking account of the fact that there are delayed payments for Early Years ,the DSG was overspent by approximately £200k.	
5.	Scheme for Financing Schools	
5.1	AM gave background to the published paper and explained, in relation to the national change in guidance, how some LAs had converted deficits to loans. This had an impact when a school converted to academy status. EL asked about the use of loans in B&H. AM explained that the LA has only provided loans in relation to capital works. Approximately 8 schools have received these.	
5.2	The proposed new dates by when budget plans needed to be submitted was discussed. It was recommended that dates are brought forward from June to February and April. It was thought this may help schools in their budget planning, and also assist the LA to supporting schools, by allowing earlier decisions about licensed deficits.	
5.3	EL asked if schools will have their budgets earlier to facilitate the earlier date? AM confirmed Budgets will be given on the 1 st of Feb, which will still enable schools to have draft budgets prepared for the 22 nd of Feb. It was acknowledged that this may be a short turnaround and despite assurances that we would ensure advice would be given to clerks and governing bodies, it was concluded that the view of school business managers was sought and to bring this matter back to the October meeting.	AM
6	High Needs Block 2018/19	
6.1	SW introduced the item and explained that the LA determines how the funding block of £24.35m is allocated.	
6.2	ME noted that that the growth in 2017-18 of mainstream top-up is alarming.	
6.3	EL asked why special schools' budget has increased so much and SW confirmed this was due to additional funding for therapeutic provision.	
6.4	RD added that the reorganisation of the special schools was generating a £700k	

	saving through consolidation.	
7.	BHISS	
7.1	RD introduced the item and confirmed that a report on the future delivery of the service is still being prepared. It must be drafted in alignment with any staff discussions which are on-going and it is anticipated that the offer will not be proposed to start until September 2019. Details will be discussed with Headteachers in the autumn term, with final proposals agreed by the New Year and a traded offer starting in September 2019.	
7.2	It was requested that Headteachers and the Forum receive a detailed paper at the earliest opportunity.	
7.3	It was noted that the proposals would have a bearing on the decisions taken at the October meeting and the impact on buying in or opting out of an SLA and the associated timescales needed to be taken into consideration. A recent legal challenge to the provision of SEN was discussed and RD reiterated that the requirements detailed in an EHCP will be available to the school educating that child.	
7.4	RD confirmed that no request for the current funding of £199k will be made at October's meeting.	
8.	Analysis and explanation of Services funded by CSSB	
8.1	RB introduced the paper and sought feedback on the details provided. It was commented that the report was useful and clear. It was requested that further consideration was given to detailing what tasks undertaken by services are statutory and which are core provision	
9.	AOB	
8.1	School Meals - RB confirmed that we are in the procurement process for Primary and Special and further details will be available when the contract has been awarded. This was expected to be within two weeks.	
<p>Next Meeting: Monday 8 October, 4 – 6pm (G91, Hove Town Hall) room available from 3:30 for pre meet</p> <p>Future dates: 10 December (G90, Hove Town Hall)</p> <p>2019: provisional dates: Wednesday 16 January, Committee Room 1, Brighton Town Hall 18 March, Committee Rooms 2 and 3, Brighton Town Hall 24 June, G91 Hove Town Hall 7 October, (G91 Hove Town Hall) 9 December, (tbc G91 Hove Town Hall)</p>		

Brighton & Hove City Council

Meeting: Schools Forum

Date: 8 October 2018

Report of: Head of Health, Adults, Families, Children and Learning Finance

Subject: DSG 2018/19

Wards Affected: All

1 Purpose of the report

1.1 To update the Schools Forum on the DSG for 2018/19.

2 Recommendations

2.1 To note the updated DSG for 2018/19 of £174.953m (before Academy recoupment of £12.587m), which has reduced by £0.027m from the previously notified £174.980m. This relates to a reduction in the High Needs Block (HNB) of £0.117m and an increase in the Early Years Block (EYB) of £0.090m.

3 Overall DSG 2018/19

3.1 This table provides a summary of the 2018/19 DSG allocation as announced by DfE in July 2018.

3.2 The funding for 3 & 4 year olds has been increased by £0.191m due to January 2018 pupil numbers (a decrease in universal funding provision offset by an increase in extended hours provision), the funding for two year olds has reduced by £0.106m and early years pupil premium has increased by £0.005m.

	Schools Block	Central Services Schools Block	High Needs Block	Early Years Block	Total 2018/19
	£k	£k	£k	£k	£k
Schools Block – Exception One	1,222	0	0	0	1,222
Schools Block – Growth Fund	428	0	0	0	428
CSSB – Exception Two	0	1,311	69	6	1,386
CSSB – Exception Three	0	570	33	10	613
CSSB – Copyright Licenses	0	143	0	0	143
CSSB – Statutory Duties	0	470	0	0	470
	1,650	2,494	102	16	4,262
Funding available in HNB & EYB	0	0	24,148	15,249	39,397
Post de-delegation funding to schools	131,294	0	0	0	131,294
Total Blocks (to be applied)	132,944	2,494	24,250	15,265	174,953
DfE Blocks (estimated)	132,876	2,680	24,148	15,249	174,953
Difference	68	(186)	102	16	0
A. Exceptions DfE have in the CSSB rather than the HNB or EYB	0	(118)	102	16	0
B. Continued Support to the outcomes of Secondary Commission delegated to schools in 2018/19	68	(68)	0	0	0

3.3 The overall summary of the 2018/19 DSG including the adjustments for Academy recoupment is shown in the table below:

	Schools	Central Services Schools	High Needs	Early Years	Total DSG
Total DSG – as above	132.944	2.494	24.250	15.265	174.953
Initial split of 2018/19 DSG (%)	75.98	1.43	13.86	8.73	100.00
Adjustments:					
Academy Recoupment – BACA (£m)	(3.939)	0.000	0.000	0.000	(3.939)
Academy Recoupment – PACA (£m)	(2.834)	0.000	0.000	0.000	(2.834)
Academy Recoupment – City Academy Whitehawk (£m)	(1.796)	0.000	0.000	0.000	(1.796)
Free School Recoupment – Kings School (£m)	(2.510)	0.000	0.000	0.000	(2.510)
Free School Recoupment – Bilingual Free School (£m)	(1.508)	0.000	0.000	0.000	(1.508)
Total Academy Recoupment	(12.587)	0.000	0.000	0.000	(12.587)
Updated split of 2018/19 DSG – October 18 Forum (£m)	120.357	2.494	24.250	15.265	162.366
Updated split of 2018/19 DSG (%)	74.12	1.54	14.94	9.40	100.00

Academies and free schools for 2018/19 – recoupment academies are BACA, PACA, & City Academy Whitehawk (CAW) and free school recoupment are Kings School and Bilingual Free School.

Brighton & Hove City Council

Meeting: Schools Forum
Date: 8 October 2018
Report of: Head of School Organisation
Subject: Charging for Academy conversions
Wards Affected: All

1. Purpose of the report

- 1.1 To consult with the schools forum with regard to the Council introducing a charge for schools converting to academy status.

2. Recommendations

- 2.1 To note the proposed charge of £12,000 per school that converts to an academy.

3. Information / Background

- 3.1 The Council has a duty to support schools through the academy conversion process, a failure or delay to support schools to convert presents a risk to the Council in fulfilling this duty. In certain circumstances, when a decision to convert to academy status is in relation to poor school performance, there would be a risk to securing school improvement quickly as until the process is complete there are restrictions on the changes that can be implemented within the school by the new academy.
- 3.2 A number of Councils charge schools for the process of academy conversion. This charge contributes to the costs incurred by the Council for the work required to convert a school, this includes: the production and negotiation of legal documents including liaison with the Trust's solicitor, agreement of property and lease issues, the time of HR staff to provide advice and support on the TUPE process, the time and support of finance colleagues to close the local authority accounts. A list of the charges made by other Councils is provided at Appendix 1.
- 3.3 Every school that converts to an academy receives a grant of £25,000 from the Department for Education (DfE) to fund the costs of the conversion process. An element of this funding could be used to pay any charges that the Council sets.
- 3.4 Work conducted in the summer of 2018 estimated the costs incurred by the Council in supporting academy conversions to be in the region of £12,000.
- 3.5 As detailed in Appendix 1 other Councils charge between £4,000 and £10,000. Any income received from a charge would help contribute to the costs incurred by services for the academy conversion process.
- 3.6 It is proposed that the charge for academy conversions is implemented for any school that submits an academy order after December 2018.

Appendix 1

Examples of Charges made by other Councils for Academy Conversions

- Staffordshire - £6k from 1/4/17
- Portsmouth – levy capped at £5k introduced 2013
- Swindon – capped at £5k
- Norfolk – capped at £5k
- Medway – capped at £5k
- Somerset - £6,800 from 9/16 (subject to review)
- Coventry - £6,750 from 1/4/17
- Leicester – capped at £5K
- West Sussex – flat charge of £6k from September 2018 (previously a complicated calculation)
- Oxfordshire – voluntary contribution of £6k
- Bracknell Forest – Primary £8k and Secondary £10k from 2017
- Wokingham - £5k
- Oldham - £4.5K – £6.5K.
- East Sussex – SMT have agreed in principal to charge, however we don't have the final figure

Please note that this list is not exhaustive but is a sample provided by information collected on Council websites.

Brighton & Hove City Council**Meeting: Schools Forum****Date: 8 October 2018****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: Schools Block Funding Formula 2019-20****Wards Affected: All****1. Purpose of the report**

- 1.1 To update the Schools Forum on the changes in regulations affecting the allocation of the Schools Block for 2019-20.
- 1.2 To update the Schools Forum on the proposed local formula arrangements for the allocation of the Schools Block in 2019-20.

2 Recommendations

- 2.1 To note the changes being implemented to the Schools Block of the Dedicated Schools Grant (DSG) for 2019-20 in the context of the Government's operational guidance published in July 2018.
- 2.2 To note that the Local Authority will continue to be responsible for the operation of the schools' funding formula for 2019-20 and 2020-21.
- 2.3 To note the proposed approach to the application of the formula for 2019-20. This was considered by the Schools Block Working Group at a meeting in September 2018, and will be subject to consultation with all schools. In summary, this will:
 - reduce the lump sum from £150,000 to £130,000 per school with the balance of funding being re-allocated through the deprivation and low attainment factors
 - change the factor being used to identify deprivation from solely free school meals to a combination of free school meals, ever-6 free school meals and the income deprivation affecting children index (IDACI)
 - remove the primary weighting for low attainment because all results have now been collated under the new assessment framework
 - ensure all secondary schools will attract minimum per-pupil core funding of £4,700, and all primary schools £3,400 (core funding excludes funding for premises and growth)
 - apply a minimum funding guarantee (MFG) of minus 1.5% per pupil
 - seek to maintain the current funding ratio between primary and secondary
 - allocate any additional 'headroom' that comes into the DSG (as a result of the possible increase in pupil numbers) directly to the basic entitlement factor.

These proposals are detailed in section 4 of this report.

- 2.4 To note all funding models are illustrative and show the impact had they been applied in 2018-19. For 2019-20, all data will be updated to reflect the October 2018 census and baselines will be taken from the 2018-19 financial year.

3. Background and Information

- 3.1 The DfE introduced national funding formulae for each of the schools, high needs and central school services in 2018-19. These formulae will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and will sit alongside the early years national funding formula which was introduced in 2017-2018.
- 3.2 While it remains the Government's intention that a school's budget should be set on the basis of a single national formula, the period over which local authorities will continue to determine final funding allocations for schools through a local formula has been further extended to include 2020-21. For these years, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.
- 3.3 Local authority level allocations for 2019-2020 for the schools, central school services and high needs blocks were published in late July 2018. Final updated allocations will follow in December, on the basis of pupil numbers and other data recorded in the October 2018 census.
- 3.4 Within the schools block, the Government has provided for at least a 1% per pupil increase for each school in 2019-2020 through the national funding formula compared to their 2017-18 baselines. At local level this is c. £1.5m extra in 2018-19, and an additional c. £0.8m in 2019-20. Schools block allocations will be expressed as separate per pupil primary and secondary rates for each local authority. They will also include funding at local authority level for premises and mobility (based on historic spend) and growth (on a formulaic basis).
- 3.5 The proposed NFF is comprised of 12 factors and these are listed in the table below with the percentage distribution shown against each factor:

NFF Factor	Final Weighting
Basic per pupil funding	73.1%
Deprivation	9.0%
Low prior attainment	7.4%
English as an additional language	1.2%
Mobility	0.1%
Lump sum	6.8%
Sparsity	0.1%
Premises (rates, PFI, split sites, exceptional circumstances)	1.9%
Growth	0.5%
Total	100.0%

- 3.6 As part of the per pupil funding the Government is recognising representations made through the consultation that faster increases are required in respect of the lowest funded schools. To this end, within the NFF there is an additional factor which will provide a minimum per pupil core funding level for each school. All secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools £3,500.
- 3.7 The proposed national primary / secondary funding ratio in the NFF is 1:1.29. This compares to the current ratio in Brighton & Hove of 1:1.31.

3.8 As in 2018-19, the schools block will be ring-fenced in 2019-20, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum.

4. Considerations and Proposals for 2019-20 Schools Block

4.1 The introduction of the NFF represents a significant change. To provide stability for LAs and schools through the transition, the DfE has now announced that LAs will continue to set a local schools formula to determine individual school budgets for both 2019-20 and 2020-21.

4.2 In 2018-19 LAs across the country have started moving local formulae towards the schools NFF. For 2018-19, in Brighton and Hove only minimal changes were made as the local formula and primary / secondary funding ratio was more closely aligned to the NFF than in most other LAs.

4.3 In July 2018, the DfE published analysis of all LA formulae for 2018-19 and Brighton and Hove has considered this, as well as the comparability of the current local formula with the NFF. In this regard the LA is now proposing to make changes to the following areas of the formula for the 2019-20 financial year:

- lump sum
- deprivation
- low attainment
- minimum per pupil funding level

The proposals for each area are detailed below.

4.4 Lump sum

In 2018-19 Brighton and Hove operated a lump sum of £150,000 for each school. The lump sum in the NFF is applied at £110,000. This is the area of the formula where there is greatest disparity between the local position and the NFF. For 2019-20 it is proposed that the lump sum is reduced to £130,000 with the funding released from this factor being re-allocated equally between the deprivation and low attainment factors.

	Current lump sum £	Lump sum proportion of overall formula
Brighton and Hove	150,000	7.02%
All LA average	121,000	6.98%
NFF	110,000	6.80%

The proposal to move the lump sum to £130,000 will mean that the proportion of funding allocated through this factor in Brighton and Hove will reduce to 6.10%.

The change in the lump sum will mean that the funding released from this factor equates to £1,240,000. The LA gave consideration to re-allocating this funding through several alternative factors:

- basic entitlement (pupil numbers)
- a combination of pupil numbers, deprivation and low attainment
- a combination of deprivation and low attainment

For 2018-19, analysis of the national picture showed the following split of funding through these factors:

	Proportion of funding allocated through factor		
	Pupil numbers	Deprivation	Low attainment
Brighton and Hove	75.59%	8.19%	5.66%
All LA average	74.93%	8.50%	6.09%
NFF	73.10%	9.00%	7.40%

On the basis that Brighton and Hove is below both the national LA average and the NFF proportion for low attainment and deprivation (and above on pupil numbers) the preferred option is to re-allocate the funding released through the reduction in lump sum using the deprivation and low attainment factors. This funding will be equally split between the two factors with no change in the split between primary and secondary schools.

The information shown in **appendix 1** provides models of all three scenarios considered but with scenario 3 (re-distribution using a combination of deprivation and low attainment) being the preferred option of the LA. The model shows the impact of this change had it been applied in the current financial year with an MFG of -1.5% per pupil.

4.5 Deprivation

Brighton and Hove has always allocated formula funding for deprivation on the basis of current free school meals eligibility. For 2019-20 it is proposed to change the factor being used to identify deprivation from solely free school meals to a combination of free school meals, ever-6 free school meals and the income deprivation affecting children index (IDACI).

Pupil premium funding (outside of the formula) is determined through a different measure – ever-6 free school meals. This recognises children eligible for free school meals at any time in the last 6 years, rather than just using a one-off current snapshot.

The NFF uses a basket of indicators as a proxy for deprivation:

- current FSM eligibility
- ever-6 FSM
- IDACI

The IDACI measure uses 6 bands and a child's home post code is mapped against these, with the bands graduated to recognise relative levels of deprivation using super output area data.

For 2018/19, analysis of the factors being used to identify deprivation shows the following:

	Proportion of LAs using current FSM eligibility only	Proportion of LAs using all 3 deprivation measures
All LAs	5%	71%
Statistical neighbours	9% (B and H only)	64%

The LA gave consideration to changing the formula to use a combination of current FSM eligibility and ever-6 FSM, as well as the model using all 3 deprivation measures. The information shown in **appendix 2** provides models of both scenarios but with scenario 2 (re-distribution using all 3 deprivation measures) being the preferred option of the LA.

The LA feels that as well as moving closer to the approach in the NFF, the basket of indicators provides a more balanced measure of deprivation. The deprivation funding will be equally split between the 3 measures with no change in the funding split between primary and secondary. The model shows the impact of this change had it been applied in the current financial year with an MFG of -1.5% per pupil.

4.6 Primary low attainment

For a number of years Brighton and Hove has applied a weighting factor to the primary low attainment funding calculation. This was to reflect the change to the assessment process made by the Government in 2013. From 2019/20 all pupils in primary schools will have been assessed under the new framework and it will no longer be necessary (or possible) to apply a weighting. This adjustment is being made as a result of changes to the assessment, rather than changes to the underlying level of need. The overall amount of funding being allocated through the primary low attainment will be maintained and this will be achieved by balancing the increase in the eligible cohort with a reduction in the factor unit value.

It should also be noted that 72% of LAs have already implemented this change, and reflect the approach used in the NFF.

Appendix 3 shows the potential impact of the removal of the weighting factor had it been applied in the current financial year with an MFG of -1.5% per pupil.

4.7 Minimum per pupil core funding (core funding excludes funding for premises and growth)

As outlined in paragraph 3.6, through the NFF, all secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools £3,500. This is in response to representations made through the national consultation that faster increases are required in respect of the lowest funded schools. In 2018-19, as a step towards these minimum funding levels, the Brighton and Hove formula operated so that secondary schools attracted at least £4,600 and primary schools at least £3,300. This was consistent with the approach taken by most other LAs, with 74% introducing a minimum per pupil funding factor.

For 2019/20, the LA has given consideration to adopting a minimum per pupil at 2 different levels. For primary schools these are £3,400 and £3,500 per pupil, and for secondary schools these are £4,700 and £4,800 per pupil. In both cases these

represent an increase on the threshold applied in 2018-19. **Appendix 4** shows the potential impact of adopting the minimum per pupil funding at these levels in the current financial year with an MFG of -1.5% per pupil.

The LA believes that moving to a minimum per pupil funding level of £3,400 in primary and £4,700 in secondary is the correct approach for 2019-20. This is the midpoint between the current local funding formula and the NFF. Under this scenario the model shows that 1 primary school will see a significant gain and this will be funded by a reduction in the primary basic entitlement (pupil numbers) factor that will impact on all primary schools. However, it should also be noted that the funding model is based on the 2018-19 financial year data and that there is expected to be an overall increase in funding of c. 0.5% per pupil in the 2019-20 that is not currently reflected. This means the likely impact of adopting the minimum funding per pupil will be lower than demonstrated in the model.

4.8 Composite funding model and application of the minimum finding guarantee (MFG)

In order to provide an overall assessment of the potential impact of the changes outlined in the proposals above, **appendix 5** is a composite funding model reflecting the preferred option of the LA in each of the areas described.

As the cumulative effect of the changes to some schools may be quite significant consideration needs to be given to the appropriate level of the per pupil minimum funding guarantee. The MFG operates to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (eg. reducing levels of deprivation in a school) to flow through. The LA has the ability to set the MFG between minus 1.5% and plus 1.5% per pupil. The MFG is funded by scaling back gains from schools that are seeing per pupil increases in formula funding. Over recent years the MFG has been set at minus 1.5% as this has allowed changes in the formula to take effect, whilst, at the same time, striking a balance between providing protection to schools where funding per pupil is reducing and not overly suppressing gains for schools that are due per pupil increases.

The LA believes that the proposals set out in this paper to determine the 2019/20 funding formula represent a gradual and measured step in the transition towards the NFF. On this basis the LA is proposing to continue to operate the MFG at minus 1.5%. The rationale for adopting this approach is twofold:

- an MFG of -1.5% continues to offer a degree of protection to schools that are losing funding on a per pupil basis. However the LA also believes that schools who are gaining should receive a fair proportion of their gains – a higher level of MFG will mean that the scaling back of gains would increase. The table in appendix 5 shows the cost differential to be £415,000 if an MFG of plus 0.5% per pupil is applied (scenario 3 compared to scenario 1). An MFG of plus 0.5% would also mean that approximately 22 schools would be subject to MFG funding
- an MFG protection of greater than minus 1.5% would effectively 'lock in' more historical funding and the likely implication of this is that transition to a national funding formula would be more difficult.

It is important to note that the modelling of the MFG is based on 2018-19 data and the figures in appendix 5 are illustrative. The actual cost of the MFG will be re-calculated when the data from the October 2018 census is available in December.

Brighton & Hove City Council**Meeting: Schools Forum****Date: 8 October 2018****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: DSG 2019/20****Wards Affected: All****1 Purpose of the report**

- 1.1 To update the Schools Forum on the DSG, including the Central School Services Block (CSSB) and Growth Fund for 2019/20.

2 Recommendations

- 2.1 To note the estimated DSG of £177.043m for 2019/20.
- 2.2 To agree the de-delegation of the items within Exception 1 for the Primary phase of £0.889m as per paragraph 4.1.
- 2.3 To agree the de-delegation of the items within Exception 1 for the Secondary phase of £0.333m as per paragraph 4.1.
- 2.4 To agree the Growth Fund of £0.510m as per paragraph 5.
- 2.5 To agree the items within the Central Services Schools Block (CSSB) of £1.243m as per paragraph 6.
- 2.6 To note that the schools block shows a provisional increase of £2.502m from £131.294m in 2018/19 to £133.796m in 2019/20. This is due to delegation of £0.951m equal pay funding, £0.199 delegation of BHISS funding, £0.134m delegation of broadband funding and additional funding estimated at £1.218m for 2019/20. This is summarised in table 7.1.

3 Background

- 3.1 In July 2018 the DfE published updated information for school funding 2019/20 which set out changes to the overall DSG, and the schools block. Operational guidance was also published in July.
- 3.2 While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2019/20, local authorities will continue to determine final funding allocations for schools through a local formula. In 2019/20, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.
- 3.3 In 2018-19, there has been considerable movement in local formulae towards the schools national funding formula. 73 local authorities have moved every one of their factor values in their local formulae closer to the national funding formula, with 41

mirroring the national funding formula factor values almost exactly. 62 local authorities have set their minimum funding guarantee at 0.5%, meaning all schools in that area will gain in cash terms per pupil compared to 2017-18, and 112 local authorities have brought in a minimum per pupil funding factor, mirroring its introduction in the national funding formula. There has been significant progress across the system in moving towards the national funding formula in its first year.

- 3.4 In light of this progress, the DfE have confirmed that local authorities will continue to determine local formulae in 2020-21.
- 3.5 There are a number of key issues to note for the funding system this year:
- (i) Within the schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2019/20 through the national funding formula (NFF). Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula and these notional allocations will reflect these increases. Schools block allocations will be expressed as separate per pupil primary and secondary rates for each local authority. They will also include funding at local authority level for premises; mobility and growth, based on historic spend.
 - (ii) The National Funding Formula (NFF) will provide local authorities with per pupil funding of at least £3,500 for all Primary Schools and £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20.
 - (iii) Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2019/20 through the high needs national funding formula. The high needs block will be protected against 2017/18 baselines.
 - (iv) The minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0.5% and minus 1.5% per pupil.
 - (v) The schools block will be ring-fenced, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their Schools Forum.

4 Exception 1 – Where maintained schools agree that a service should be provided centrally – part of the Schools Block

4.1 For 2019/20 the draft figures per phase are shown in the table below. It will be necessary for Forum members to agree to de-delegation on a phase by phase basis.

Service	para	How de-delegated from Schools	Primary £k	Secondary £k	Total £k
Mainstream Schools Contingency	4.2	amount per pupil	157	143	300
Ethnic Minority Achievement Service (EMAS)	4.3	amount per EMAS pupil	349	0	349
Free School Meals (FSM) eligibility administration	4.4	amount per FSM pupil	16	9	25
Insurance	4.5	amount per pupil	323	141	464
Staff Costs (Union Duties / Jury service / Suspension)	4.6	amount per pupil	44	40	84
TOTAL			889	333	1,222

4.2 The first area to be considered is the **Contingency** fund that enables the Council to support schools whenever unforeseen issues arise. In June the Schools Forum received a paper detailing that a total of £294,738 was spent in 2017/18 and this was split 66% primary and 34% secondary. There are a large number of potential cases where schools may receive an allocation from contingency. These include:

- Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet
- Schools in financial difficulties
- Additional costs relating to new, reorganised or closing schools
- Correction of formula errors / errors in data

In total, it is proposed that £0.300m will once again be held as a contingency in 2019/20, to ensure those schools that need support can receive it.

4.3 The second area to be considered is funding for support for **Ethnic Minority Achievement Service (EMAS)**. EMAS is a school improvement service that assists and challenges schools and Early Years settings to ensure that learners from EAL, BME and mixed heritage groups have access to the education opportunity they require to achieve. The team leader acts as an ambassador and advocate raising awareness of BME pupils and families and the related agendas and issues surrounding achievement.

Raising BME achievement is included as part of the Brighton and Hove Closing the Gap strategy. The home liaison and parenting work carried out through EMAS contributes towards the Early Help strategy. The EMAS Early Years team is directly working to support 2 year olds access funded nursery places across the city. They also work alongside health visitors and speech therapists to ensure early diagnosis of delay or specific difficulties in pre-school EAL pupils.

EMAS also work with their staff, parents and stakeholders to support the Race Equality in schools action plan resulting from the Global HPO recommendations.

EMAS aims to work with schools and settings to:

- provide a welcoming environment where children and young people and families from BME/EAL backgrounds feel secure, safe and have a sense of belonging
- recognise bilingualism as an asset, with a continuing role to play in identity and learning
- narrow achievement gaps for young children and young people from BME/EAL backgrounds
- build capacity within schools/settings to ensure needs of BME/EAL pupils are met appropriately and effectively

EMAS is funded by a mix of de-delegated schools block DSG (£0.349m proposed for 2019/20) and schools buy back.

4.4 The third area to be considered is funding for **Free School Meals (FSM) eligibility** administration.

The benefits of retaining the service centrally are as follows:

- Ensures that schools receive the correct levels of funding based on FSM eligibility (pupil premium)
- Ensures that data held by schools is accurate and matches that held at authority level which is essential for census returns.
- Assists in maintaining accurate data on the Impulse database which is used by many teams within the authority, enables access to FSM eligibility when used to consider other benefits e.g. free travel
- Provides consistent methods of application for all parents/carers across the city available online through the councils webpage or by a single paper form
- More efficient verification process as the LA is able to utilise an online checking system which links to the DWP and HMRC data. This is only available to LAs and not individual users (e.g. schools)
- Improved customer experience as paper proof of benefits are not required and phone/online applications can be made and we are able to investigate “false” results directly with HMRC and the DWP(via the ECS) and inform applicants as to why they may not be eligible or confirm eligibility via these resources
- Available 52 weeks per year
- The current method (utilising online checking) enables a parent/carer to make one application which if they continue to be in receipt of a qualifying benefit will remain for the whole of their school life
- The introduction of UIFSM from September 2014 requires the ability to be able to identify and distinguish between UIFSM eligibility and FSM eligibility and promote application the funding ensures that this can be communicated clearly to applicants.

Systems and procedures in place centrally have helped minimise the impact of the introduction of UIFSM and reduction in applications, thus maximising access to pupil premium funding for schools across the city.

The risks if schools retain budgets are as follows:

- The customer experience would be greatly reduced – paper proof of benefits would be required, regular checks would need to be implemented (annually as a minimum), application numbers may reduce
- If undertaken by individual schools then costs of provision would increase as those who become ineligible throughout the year may not be identified until the following year – impacting on actual cost of provision of meals and transport

- Incorrect awards of FSM – individual interpretation of criteria
- Less accurate data at LA level
- Schools would need to provide verification of FSM status to support parental requests for transport assistance – significantly increasing the waiting time for parents/carers
- Increased administration at school level and lack of expert knowledge may impact on promotion of application especially as applications tend to be made at an already busy time of the academic year.

4.5 The fifth area to be considered is funding for **Insurance**. At present insurance cover for buildings, contents, liability and other miscellaneous insurances are arranged centrally by the Insurance Team. As well as ensuring that cover is adequate and appropriate for the school's needs the Insurance Team provides day to day advice to schools and plays a large part in the administration and negotiation of claims.

The most obvious benefit of maintaining the current arrangement is one of cost effectiveness and value for money. By tendering all of the schools together, with the remainder of the council's insurance requirements, lower premiums and less onerous terms can be achieved. Schools are traditionally viewed by insurers as high risk but by offering the remainder of the council's property and liability risks at the same time this has the effect of tempering this risk as the insurance market will consider the risk presented to them as a whole.

Schools may face significant increases in premiums for property and liability insurance to reduce the current £100,000 excess on both property and liability claims to avoid having to find a large amount from their budget if a serious claim arises.

The schools also benefit from assistance and advice from the insurance team, who can liaise with insurers and the council's insurance broker, where necessary, and ensure that any advice provided to schools reaches all appropriate staff and is consistent.

The risks in changing the current arrangements include higher premiums and more restrictive terms. Inappropriate covers may be arranged or gaps in cover may exist. Schools would probably need to secure the services of a broker to identify and arrange policies to meet their needs and claims would need to be negotiated direct with insurance companies or loss adjustors.

For Catholic schools, insurance for the building only, is not included as this is paid directly to each school following the diocese request to opt out of this element at a national level.

4.6 The sixth area to be considered is funding for **Staff Costs - supply cover (Union Duties/Jury service/Suspension)**, to ensure funding is available to give back to those schools who have teachers on Jury service, who have teacher union representatives at their school who do work for all school teachers and for those schools (Primary & Secondary) who may have a teacher that is suspended.

4.7 Whilst each of these could be delegated to schools on a pro rata basis, such individual funding is likely to be insufficient for schools to purchase an equivalent service. It may be in the future that groupings of schools will wish to explore their collective bargaining power in these areas but continuing with existing

arrangements will ensure that provision is maintained and risks covered for all schools until any suitable alternatives can be determined.

5 Growth Fund £0.510m – part of Schools Block

- 5.1 As part of the new funding arrangements, the expectation of the Government is that the vast majority of the Schools Block will be delegated to schools through the local formula. However, the Schools Forum can make a decision to create a fund for significant pupil growth in order to support the Local Authority's duty for place planning (basic need), including pre-opening and diseconomy of scale costs, and agree the criteria for maintained schools and academies to access this fund. The Local Authority can appeal to the Secretary of State if the schools forum rejects its proposal. As in 2018/19, the LA is proposing to use the Growth Fund to recognise cases where schools are taking on additional forms of entry or extending the age range of pupils. The Schools Forum approved the central retention of the growth fund in 2018/19 (£0.428m) and the LA is seeking similar agreement for the coming financial year and in so doing recognise the additional accommodation being provided by secondary schools as the rise in pupil numbers makes it way into the secondary phase of education. The total budget provision required in the Growth Fund in 2019/20 is estimated to be £0.510m (as detailed in appendix 1). The growth fund will be ring-fenced so that it is only used for purposes of supporting growth in pupil numbers and will be for the benefit of both maintained schools and academies. This funding will be allocated directly to the individual schools affected.

6 Central School Services Block (CSSB)

- 6.1 For Exception 2 and Exception 3 items, the DfE will allow expenditure on these lines up to the total budgeted for in 2013/14, but no new commitments or additional expenditure will be permitted unless DfE approval is granted.
- 6.2 This block will contain the items previously considered under Exception 2, Exception 3, Copyright Licenses and Other Duties. The DfE will be using a national formula to calculate the CSSB, based on 90% pupil numbers and 10% deprivation, and then increased by the Greater Labour Market (GLM) Area Cost Adjustment (ACA), which is 1.00611 for Brighton & Hove.
- 6.3 The amount of funding previously in Exception 3 (Admissions, Termination of employment costs and Schools Forum) will be protected at £648k. However, some of the other allocations will reduce by 2.5% per year for 2019/20 until the national formula for the CSSB is in place.
- 6.4 In June 2018 the Schools Forum received a report on the use of this funding which included information that for School Admissions over 8,400 applications were processed and 10,000 phone calls received by the team. For Schools Forum costs, from 2018/19 only 129 days of finance officers' time would be charged to the CSSB totalling £40,189 and this will be the same in 2019/20.

Total 2018/19 £k	Service	Central Services Schools Block £k	High Needs Block £k	Early Years Block £k	Total 2019/20 £k
1,000	Ex 2 – Equal Pay – to be delegated in 2019/20	0	0	0	delegated
199	Ex 2 – Combined Services – BHISS – to be delegated in 2019/20	0	0	0	delegated
33	Ex 2 – Combined Services – Legionella works	26	6	1	33
134	Ex 2 – Miscellaneous Expenditure – Broadband – to be delegated in 2019/20	0	0	0	delegated
20	Ex 2 – Miscellaneous Expenditure – Headteacher Support*	17	2	1	20
321	Ex 3 – School Admissions	315	5	1	321
252	Ex 3 – Termination of employment costs	223	22	7	252
40	Ex 3 – Schools Forum	32	6	2	40
143	Ex 4 – Copyright licenses as notified by DfE	146	0	0	146
209	Other Duties – Statutory and regulatory duties	223	0	0	223
112	Other Duties – Access for Education	112	0	0	112
149	Other Duties – Asset Management	149	0	0	149
2,612	Total Central School Services Block	1,243	41	12	1,296

6.5 Headteacher Support – This small budget of £20k provides a range of support for new and acting head teachers, heads of school and school leaders across all phases of education. This includes paying for coaching, mentoring and other school support and the bringing together of education leaders as part of a range of networks, head teacher induction, and other education leadership events planned together with the partnership. This support is in addition to that which can be funded or provided by phase groups, teaching schools or school partnerships.

6.6 Copyright Licenses – previously Exception 4 – as determined by the DfE

6.7 The DfE has agreed with the Copyright Licensing Agency (CLA), the Schools Printed Music License (SPML), the Newspaper Licensing Agency media access (NLA) licence, the Educational Recording Agency (ERA), the Public Video Screening Licence (PVSL) and Motion Picture Licensing Company (MPLC) licences, the Performing Right Society for Music (PRS), the Phonographic Performance Ltd. (PPL), the Mechanical Copyright Protection Society (MCPS) and the Christian Copyright Licensing International (CCLI), to purchase a single national licence managed by the DfE for all state-funded schools and academies in England. An additional exception has been defined by the DfE relating to these licences. This equates to £0.146m for Brighton and Hove.

6.8 Other Duties

6.9 The funding for Other Duties was transferred into the DSG in 2017/18 and amounted to £0.470m in relation to the funding previously allocated to the Local Authority for retained duties for all pupils. In 2018/19 the schools forum agreed for the Local Authority to retain the funding.

This provides support to all schools in the following areas:

Statutory and regulatory duties

- Planning for the education service as a whole.
- Authorisation and monitoring of expenditure not met from schools' budget shares.
- Internal audit and other tasks related to the authorities chief finance officer's responsibilities under Section 151 of the LGA 1972 except duties specifically related to maintained schools.
- Consultation costs relating to non-staffing issues.
- Plans involving collaboration with other LA services or public or voluntary bodies
- Provision of information to or at the request of the Crown other than relating specifically to maintained schools.

Access for Education

- Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils.
- School attendance including Children Missing Education.
- Responsibilities regarding the employment of children.

Asset Management

- Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions
- General landlord duties for all buildings owned by the local authority, including those leased to academies

- 6.10 The DfE has stated that there is an expectation that Schools Forum will recognise the ongoing costs of local authority central functions and this is why these items have been included within the CSSB.

7. Overall DSG 2019/20

7.1 This table provides a summary of the provisional 2019/20 DSG allocation and details how the LA is proposing to apply this between the funding blocks.

Total 2018/19		Schools Block	Central Services Schools Block	High Needs Block	Early Years Block	Total 2019/20
£k		£k	£k	£k	£k	£k
1,222	Exception One	1,222	0	0	0	1,222
428	Growth Fund	510	0	0	0	510
2,612	Central Services Schools Block	0	1,243	41	12	1,296
4,262		1,732	1,243	41	12	3,028
39,424	Funding available in HNB & EYB	0	0	24,970	15,249	40,219
131,294	Post de-delegation funding to schools	133,796	0	0	0	133,796
174,980	Total Blocks (to be applied)	135,528	1,243	25,011	15,261	177,043
174,980	DfE Blocks (estimated)	134,244	2,629	24,921	15,249	177,043
	Difference	1,284	(1386)	90	12	0
0	A. Exceptions DfE have in the CSSB rather than the HNB or EYB	0	(53)	41	12	0
0	B. Equal Pay returned to Schools in 2019/20	951	(1000)	49	0	0
0	C. BHISS £199k & Broadband £134k transfer to schools in 2019/20	333	(333)	0	0	0

The schools block will be updated to reflect the October 2018 census information later this year.

At this stage, DfE has published initial estimates for the 2019/20 schools, high needs and early years blocks. Further information is expected at the end of the autumn term for 2019/20 final DSG.

The changes that have been made to the presentation of the blocks (shown above) when compared to the DfE allocations are:

- A) Redistribution of exceptions across appropriate blocks
- B) Equal Pay returned to schools in 2019/20
- C) Transfer of BHISS & Broadband to schools block in 2019/20

7.2 The overall summary of the 2019/20 DSG including the estimated adjustment for Academy recoupment is shown in the table below:

	Schools	Central Schools	High Needs	Early Years	Total DSG
Total DSG – as above (£m)	135.528	1.243	25.011	15.261	177.043
Proposed split of 2019/20 DSG (%)	76.55	0.70	14.13	8.62	100.00
Adjustments:					
Academy Recoupment – BACA (£m)	(3.939)	0.000	0.000	0.000	(3.939)
Academy Recoupment – PACA (£m)	(2.834)	0.000	0.000	0.000	(2.834)
Academy Recoupment – City Academy Whitehawk (£m)	(1.796)	0.000	0.000	0.000	(1.796)
Free School Recoupment – Kings School (£m)	(2.511)	0.000	0.000	0.000	(2.511)
Free School Recoupment – Bilingual Free School (£m)	(1.508)	0.000	0.000	0.000	(1.508)
Total Academy Recoupment (£m)	(12.588)	0.000	0.000	0.000	(12.588)
Updated split of 2019/20 DSG – October 18 Forum (£m)	122.940	1.243	25.011	15.261	164.455
Updated split of 2019/20 DSG (%)	74.75	0.76	15.21	9.28	100.00

Academies and free schools for 2019/20 – recoupment academies are BACA, PACA, Kings School, Bilingual Free School & City Academy Whitehawk (CAW).

Appendix 1 - New Forms of Entry 2019/20 - Proposed Use of Earmarked Growth Fund

	Approx. AWPU	Extra Pupils Sept 18	Part Year	Pupil Funding Allocation	Additional Revenue Funding	Total Revenue Funding	
a) New School Reorganisations - from September 2015							
i) Saltdean - proposed permanent expansion to 3 FE from Sept 2015 - net increase of 30 pupils from September 2015	£2,810	30	0.583	£49,178	£5,000	£54,178	to Sept 2019 - final allocation
ii) St Andrews - proposed permanent expansion to 3 FE from Sept 2015 - net increase of 30 pupils from September 2015	£2,810	30	0.583	£49,178	£5,000	£54,178	to Sept 2021
b) School Reorganisations - from September 2013							
iii) Aldrington - additional form of entry from September 2013	£2,810	30	0.583	£49,178	£5,000	£54,178	to Sept 2019 - final allocation
c) Bulge Classes - ongoing funding of 7 bulge classes					£17,500	£17,500	
Secondary Schools growing from September 2018							
Blatchington Mill - additional form of entry from September 2018	£4,215	30	0.583	£73,763	£5,000	£78,763	to Sept 2022
Dorothy Stringer - additional form of entry from September 2018	£4,215	30	0.583	£73,763	£5,000	£78,763	to Sept 2020 3yrs
Patcham High - additional 10 pupils from September 2018	£4,215	10	0.583	£24,588	£2,500	£27,088	to Sept 2022
Varndean - additional form of entry from September 2018	£4,215	30	0.583	£73,763	£5,000	£78,763	to Sept 2022
Kings - additional 25 pupils from September 2018	£4,215	25	0.583	£61,469	£5,000	£66,469	to Sept 2022
		215		£454,880	£55,000	£509,880	

Capital element for furniture and equipment will be met centrally by LA and covers desks / chairs / white boards / ICT

Additional revenue funding reflects the costs for curriculum related costs - more significant where school is taking new age range for the first time

Bulge classes - Davigdor, Goldstone, Queens Park, St Andrews, Westdene, Saltdean (x2)

Meeting: Schools' Forum

Date: 8 October 2018

Report of: Head of Health, Adults, Families, Children and Learning Finance

Subject: Funding of Former Education Services Grant (ESG) duties

Wards Affected: All

1. Purpose of the report

1.1 To update the forum on the funding of former Education Services Grant (ESG) duties.

2 Recommendation

2.1 To note the council has absorbed costs in the region of £445k in 2018/19 relating to Local Authority responsibilities for schools formerly provided under ESG funding.

2.2 To note that the Council does not intend introducing a levy for this in 2019/20.

2.3 To note that this will need to be kept under review due to the pressure on the General Fund.

3 Information/Background

3.1 The Education Services Grant (ESG) was paid to Local Authorities under section 31 of the Local Government Act 2003, with "the purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them."

3.2 In 2016/17 the ESG was reduced from £2.895m to £1.007m, with the remainder being cut in 2017/18, a cut of £1.888m in 2016/17 and £2.895m in total. The allocation for Retained Duties for all schools and academies was transferred into the DSG, and this was discussed at the Schools Forum meetings in October 2016 & November 2016 EGM.

3.3 The transfer from the ESG into the DSG was £0.492m in 2017/18 and reduced in 2018/19 to £0.470m.

3.4 The operational guidance issued by DfE in July 2016 stated that, 'Local authorities will need to ensure they retain sufficient funding centrally to cover duties previously funded by the ESG retained rate'. DfE will amend regulations to allow local authorities to retain schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG.

3.5 In 2017 to 2018, the general duties rate ended and funding previously allocated through the ESG retained duties rate (£15) was transferred into the Schools Block (for 2018/19 this transferred to the Central Schools Services Block (CSSB)). 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 at Table 6. References are to the schedules in the current schools and early years finance (England) regulations.

- 3.6 In Appendix 1 (previously supplied as Appendix 8.2 in the report to the Schools Forum in June 2018) the information on the ESG relates to the items contained in the **left** hand column (items in the CSSB). With responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum):
- Statutory and Regulatory duties such as the provision of information to the Secretary of State and strategic planning
 - Health and Safety duties
 - Equalities duties
 - Religious Education
 - Powers and duties in relation to attendance
 - Asset Management
- 3.7 In 2018/19 the local authority has obtained the agreement of the Schools Forum to retain the £0.470m transferred into the schools block of the DSG to support the retained duties the local authority is responsible for.
- 3.8 In Appendix 1 the information on the ESG relates to the items contained in the **right** hand column (items that may fall under a levy). With responsibilities local authorities hold for maintained schools (funding may be retained centrally from maintained schools only with agreement of schools forum);
- Duties in relation to budgeting and accounting functions for schools
 - Duties in relation to HR
 - Duties in relation to Governor Support Services
 - Duties in relation to compliance under the Health & Safety at Work Act
 - Duties in relation to Teacher Pension administration
 - Duties in relation to School Audits
 - Asset Management
- 3.9 We have identified that the provision of these services to maintained schools is in the region of £0.445m, which for 2018/19 the council has met from within its existing resources.

Current Position

- 4.1 Both Schools and General Fund (GF) services are in a very difficult financial situation. However, while the GF is highly likely to continue to suffer funding reductions, Schools funding is very unlikely to be targeted to the same extent.
- 4.2 The current situation on Adult Social Care means the GF will still have a budget gap of at least £3.0m next year and this already assumes achievement of some very challenging savings targets.

4.3 The council's future financial position remains extremely challenging i.e. further savings of £11m in 2019/20 with a gap of over £3m still to find and following on from total savings of £165m since 2010/11, principally to fund pressures on social care and manage losses of over £110m in government grant funding over the period.

- The General Fund funded retained duties for council maintained schools this year and in recognition of pressures on school funding, it is planned to do so again in 2019/20.
- To note that with the release of equal pay capitalisation funding and increasing pressure on the General Fund, this situation will need to be kept under review and a levy may need to be sought in future.
- Further work will be done to determine the 'real net impact' should there be a need to apply to the Schools Forum for agreement to a levy in future years.

Proposals for 2019/20

- 5.1 For 2019/20 we do not intend to introduce a levy on maintained Primary and Secondary schools.
- 5.2 Due to the ongoing financial pressures on the General Fund this will need to be kept under review.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590167/Schools_revenue_funding_guide_updated_07_Feb_17.pdf

Table 6 Former ESG duties may be funded from centrally retained schools block funding with agreement of schools forum

Central Services Schools Block (CSSB) activities	Schools Levy activities
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ESG Duties	
Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)	Responsibilities local authorities hold for maintained schools (funding may be retained centrally from maintained schools only with agreement of schools forum)
<p>Statutory and Regulatory duties</p> <ul style="list-style-type: none"> • Director of children’s services and personal staff for director (Sch 1, 20a) • Planning for the education service as a whole (Sch 1, 20b) • Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 1, 20d) • Administration of grants (Sch 1, 20e) • Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 1, 20fi) • Formulation and review of local authority schools funding formula (Sch 1, 20g) • 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 1, 20i) • Consultation costs relating to non-staffing issues (Sch 1, 20r) • Plans involving collaboration with other LA services or public/voluntary bodies (Sch 1, 20v) • Standing Advisory Committees for Religious Education (SACREs) (Sch 1, 24) • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 1, 20w) 	<p>Statutory and Regulatory duties</p> <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 1, 20c) • Budgeting and accounting functions relating to maintained schools (Sch 1, 20d) • Functions relating to the financing of maintained schools (Sch 1, 20e) • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 1, 20fii) • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 1, 20h) • 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 1, 20i) • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 1, 20j) • membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 1, 20n) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 1, 20o); determination of conditions of service for non-teaching staff (Sch 1, 20p); appointment or dismissal of employee

ESG Duties

Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)	Responsibilities local authorities hold for maintained schools (funding may be retained centrally from maintained schools only with agreement of schools forum)
	<p>functions (Sch 1, 20q)</p> <ul style="list-style-type: none"> • Consultation costs relating to staffing (Sch 1, 20r) • Compliance with duties under Health and Safety at Work Act (Sch 1, 20s) • Investigation and resolution of complaints relating to maintained schools (Sch 1, 20t) • Provision of information to or at the request of the Crown relating to schools (Sch 1, 20w) • School companies (Sch 1, 20x) • Functions under the Equality Act 2010 (Sch 1, 20y) • Establish and maintaining computer systems, including data storage (Sch 1, 22) • Appointment of governors and payment of governor expenses (Sch 1, 26)
<p>Education Welfare</p> <ul style="list-style-type: none"> • Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 1, 10c) • School attendance (Sch 1, 11) • Responsibilities regarding the employment of children (Sch 1, 29) 	<p>Education Welfare</p> <ul style="list-style-type: none"> • Inspection of attendance registers (Sch1, 11)
<p>Asset management</p> <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 1, 10a) • General landlord duties for all buildings owned by the local authority, including those leased to academies 	<p>Asset management</p> <ul style="list-style-type: none"> • General landlord duties for all maintained schools (Sch 1, 10a (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 may

ESG Duties

<p>Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)</p>	<p>Responsibilities local authorities hold for maintained schools (funding may be retained centrally from maintained schools only with agreement of schools forum)</p>
	<p>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)
<p>Central support services</p> <ul style="list-style-type: none"> • No functions 	<p>Central support services</p> <ul style="list-style-type: none"> • Clothing grants (Sch 1, 10e) • Provision of tuition in music, or on other music-related activities (Sch 1, 15) • Visual, creative and performing arts (Sch 1, 16) • Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 1, 17)
<p>Premature retirement and redundancy</p> <ul style="list-style-type: none"> • No functions 	<p>Premature retirement and redundancy</p> <ul style="list-style-type: none"> • Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 1, 25)
<p>Monitoring national curriculum assessment</p> <ul style="list-style-type: none"> • No functions 	<p>Monitoring national curriculum assessment</p>
<p>Therapies</p> <ul style="list-style-type: none"> • No functions 	<p>Therapies</p>
<p>Additional note</p> <ul style="list-style-type: none"> • Services set out in the table above will also include overheads relating to these services (regulation 8(11) already refers to this for schedule 2 services) for: • Ensuring payments are made in respect of taxation, national insurance and superannuation contributions (sch 1, 20e). • Recruitment, training, continuing professional development, performance management and personnel management of staff (Sch 1, 20k) • Investigations of employees or potential employees, with or without remuneration (Sch 1, 20l) • Investigation and resolution of complaints (Sch 1, 20t) • Legal services related to education functions (Sch 1, 20u) 	

Families, Children and Learning

Budget Savings 2018/19

Budget Savings	Total FC&L Savings £'000
Director of Children's Services	
Admin Support	15
Director of Children's Services Total	15
Health SEN and Disability Services	
Child Agency Placements	250
Inclusion Support services	50
Adults with Learning Disabilities – Community Care	745
Adults with Learning Disabilities – In-House provision	150
Management	50
Health SEN and Disability Total	1,245
Education & Skills	
Standards & Achievement	13
Governor Support	13
School Organisation	70
Early Years – Children's Centres	60
Early years – Childcare	20
Early Help	80
Skills & Employment	20
Education & Skills Total	276
Safeguarding & Care	
Child Agency Placements	1,777
Social Work Teams	590
Contact Service	20
Fostering & Adoption Teams	220
Adolescent Service	40
Specialist Assessment (Clermont)	75
Safeguarding & Care Total	2,722
Quality Assurance and Performance	
Independent Reviewing Officers	50
Quality Assurance and Performance Total	50
Families, Children & Learning Total Budget Savings 2018/19	4,308

Families, Children and Learning

Budget Savings 2017/18

Budget Savings	Total FC&L savings £'000
Health SEN and Disability Services	
Child Agency Placements	510
Social Work Teams	100
Contracted services for children with disabilities	86
Adults with Learning Disabilities – Community Care	650
Adults with Learning Disabilities – Assessment	31
Adults with Learning Disabilities – In-House provision	303
Management	51
Health SEN and Disability Services Total	1,731
Education & Skills	
Education Services Grant	478
Access to Education	61
Standards & Achievement	69
Governor Support	10
Music Service	7
Virtual School	20
Catering contract	10
Traded Services	20
Youth Service	505
Early Years – Children's Centres	100
Early years – Childcare	60
Early Help	340
Skills & Employment	30
Education & Skills Total	1,710
Safeguarding & Care	
Child Agency Placements	1,511
Social Work Teams	75
Contact Service	106
Fostering & Adoption Teams	167
Youth Offending Service	30
Early Help	100
Living Without Violence	50
Safeguarding & Care Total	2,039
Families, Children & Learning Total Budget Savings 2017/18	5,480