



Report subject	Central Retention and De-delegation Consultation
Meeting date	16 January 2023
Status	Public Report
Executive summary	<p>This report provides proposals for:</p> <ul style="list-style-type: none"> • the central retention of services where the LA retains a statutory duty to undertake activity to support maintained schools only (both mainstream and specialist); • de-delegation of services applicable only to mainstream schools. These are services where schools retain the statutory duties, but better efficiency could be achieved through central delivery by the LA.
Recommendations	<p>Maintained School members only:</p> <ul style="list-style-type: none"> • agree collectively the retention rates per pupil and budgets for LA duties supporting maintained schools as set out in paragraphs 8 -10. • agree separately for primary, secondary, special/PRU the de-delegation of funding for school improvement duties as set out in paragraphs 15 and 16.
Reason for recommendations	Maintained School Forum members must be consulted on proposals for the central retention and de-delegated budget shares and agree these.
Report Author	Tanya Smith, Head of School Places, Funding and Admissions

Background

1. The deployment of the DSG is regulated by the DfE through the School Finance Regulations, which are updated annually.
2. The local School's Forum must be consulted on how the grant is used and has a range of decision-making powers.
3. The council is responsible for setting the formula for mainstream schools for Reception to Year 11 after taking account of the recommendations of the Schools Forum which in turn should be based on the views of schools.
4. Maintained schools' representatives on the Schools Forum are asked to agree that some services should be funded from the budget shares of maintained primary and secondary schools. The services and the proposed total amount to be funded are in respect of the following:
 - **Central Retention:** Proposals for the central retention of services where the LA retains a statutory duty to undertake activity to support maintained schools only. These include a range of services such as Financial and Audit Services, Asset Management and monitoring national curriculum assessments.
 - **De-delegation:** Proposals for de-delegation of services applicable only to mainstream schools. These are services where schools retain the statutory duties, but better efficiency could be achieved through central delivery by the LA.
5. There are currently 13 mainstream maintained schools, and these will need to be accounted with this status for a full year on the APT containing the budget shares sent to the DfE in January. In addition, there are 3 specialist maintained providers (including the PRU).
6. **Consultation with Maintained Schools Only:** The detail of these budgets was set out in the consultation paper (**Appendix 1** to this report) with the consequences if funding was not agreed. The consultation was ongoing at the time of writing this report and details of all consultation responses will be reported to the Forum in an oral update.
7. **Central retention from maintained school budget shares for LA statutory duties:** It is understood that it will be important for headteachers to reassure themselves that the services provided offer value for money. Reflecting comments to the consultation received last year, BCP has appended to the consultation paper, detail of the services provided for each of the service headings paid for from schools budget shares. In all cases, the amount of retention supports the delivery of statutory functions and duties of the Council and is the only funding source for these duties. The actual costs and hours of service provided under each service heading is difficult to determine. This reflects that in the case of some service areas i.e. Financial Services, there are no longer dedicated staff teams working only with maintained schools and there are no records of time spent on this activity only.
8. It is proposed that the level of the central retention for 2023-24 remains as agreed last year as follows: Mainstream School rate per pupil £23.15, Specialist Provider rate per place £98.37. This means that the central retention rates derive a budget of £210,000 with the allocation for each service for the 12-month period from April 2023 to March 2024 as set out in the table below. It is important to note that these amounts have remained the same for the last 3 years. As the Council's pressures intensify, it will be important to review the amounts centrally retained to apply in future years. Note: these figures differ marginally from those set out in the consultation document to reflect the last academy conversion and associated deduction of the individual school's share.

Table 1: Proposed Maintained School Central Retention Rates April 2023 - March 2024

	2021/22	2022/23	Proposed 2023/24
Mainstream School rate per pupil	23.17	23.17	23.15
Specialist Provider rate per place	98.46	98.46	98.37

9. Table 2 sets out the planned total spending for the 12 month period from April 2023. Spending is shown under maintained school service headings which align to statutory and regulatory duties of the Local Authority. Appendix 1 of the attached consultation paper provides details of maintained school duties with a comparison of those for all schools funded from the central school services block. Detail of the actual services provided locally by BCP are set out in Appendix 2 of the attached consultation paper along with the risks/consequences of the amount not being held centrally. Details of the impact on individual school budgets/for each maintained school, and their overall financial position are summarised in Tables 5a and Table 5b.

Table 2: LA Budget for Maintained School Statutory Duties April 2023 to March 2024

Statutory and Regulatory Duties	Central Budget Retained £000's
Education Services	55
Finance and Audit	70
Human Resources	15
Asset Management	50
Monitoring National Curriculum Assessments	20
Total Statutory & Regulatory	210

10. **De-delegation of School Duties:** De-delegation of services is currently applicable only to mainstream schools. These are services where schools retain the statutory duties, but better efficiency could be achieved through central delivery by the LA. The arrangements for maintained special and AP providers are currently the same as those for academies through traded services, except for school improvement services where de-delegation was implemented for the first time in 2022/23 when the grant from the DfE started to be withdrawn. Schools Forum makes the decision on behalf of all maintained schools by primary and secondary phases separately.
11. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments. For this reason, special schools and PRUs will need to agree the charge on an individual basis.
12. New decisions will be required for any service to be de-delegated in 2023/2024. There are no specific proposals for new traded services, though the Council proposes to make up for lost grant for the purposes of school improvement.
13. **Core School Improvement Duties:** The DfE previously funded the core school improvement duties through specific grant with the amount received by each council proportionate to the number of maintained schools in their area. BCP previously received the minimum allocation of £50,000 with this reducing for 2022/23 and then the grant ending. Following the government decision to end the grant in March 2023, an equivalent pro-rata amount of £42,473 is required to be funded via de-delegation from maintained schools' budget share. This enables the LA to fund core improvement

activities. These include monitoring the performance of maintained schools, brokering school improvement provision and exercising the Council's statutory intervention powers. The core improvement activities are set out in Part 4 of the Education and Inspections Act 2006 (the 2006 Act) and in the Schools Causing Concern guidance. Part 4 of the 2006 Act provides councils with statutory powers to warn and intervene in schools causing concern, through issuing a warning notice setting out actions the governing body are to take. Further details are contained in Appendix 4 of the consultation document.

14. The school improvement team also discharge the shared statutory responsibility for SACRE and the Agreed RE Syllabus under the 1948 Act. All support for the improvement of RE across all BCP maintained schools is free to access and will be delivered to all maintained schools with EIF supporting subject assessment and tools in January 2023. Funding secured from selling of the syllabus to non BCP MATs and trusts has already re-couped funds which will secure a free primary school conference for the second time in BCP in June 2023.
15. As for 2022/23, it is proposed that de-delegation is done on a per pupil basis in the same way as the central retention to replace the amount of the previous grant attributable to mainstream schools. Specialist providers would need to buy into a traded service individually to replace the balance of the lost grant. Meeting the costs of providing the de-delegated services would equate to the rates per pupil for mainstream schools set out in Table 4. Details of the impact on individual school budgets/for each maintained school are summarised in Table 5a.

Table 4: Proposed Maintained School De-delegation Rates April 2023 - March 2024

	Proposed 2022/23	Proposed 2023/24
Mainstream School rate per pupil	2.72	4.66

16. **Indicative Central Retention and De-delegation Amounts 2023 – 2024:** The financial impact of the above two proposals for maintained schools is shown in Table 5a below.

Table 5a: Indicative Maintained School De-Delegation Amounts April 2023 – March 2024

	NOR	Central Retention	De-delegation	Total
Christchurch Infant School	323	£7,477	£1,505	£8,983
Somerford Primary School	212	£4,908	£988	£5,896
Mudford Community Infants'	179	£4,144	£834	£4,978
Mudford Junior School	260	£6,019	£1,212	£7,231
Burton Church of England Primary	327	£7,570	£1,524	£9,094
St Katharine's Church of England Primary	436	£10,093	£2,032	£12,125
Corpus Christi Catholic Primary	431	£9,978	£2,008	£11,986
The Priory Church of England Primary	209	£4,838	£974	£5,812
St Joseph's Catholic Primary, CC	216	£5,000	£1,007	£6,007
Highcliffe St Mark Primary	649	£15,024	£3,024	£18,049
St. Walburga's Catholic Primary	419	£9,700	£1,953	£11,652
St Edward's, Poole	911	£21,090	£4,245	£25,335
Poole High School	1,608	£37,225	£7,493	£44,718
TOTAL	6,180	£143,067	£28,799	£171,866

17. In respect of special maintained schools and PRUs, de-delegation does not apply and therefore special schools and PRUs will need to agree the charge on an individual basis. Based on a per pupil place rate (same multiplier as the central retention) these amounts are shown in the table below as referred to as SLA or Traded Service amounts. Special Schools, PRUs will be contacted individually to agree this.

Table 5b: Indicative Traded Service Amounts Special Maintained Schools and PRUs

	NOR	Central Retention	De-delegation (Traded)	Total
Winchelsea Special	220	£21,641	£4,360	£26,001
Christchurch Learning Centre	48	£4,722	£951	£5,673
Linwood Special	422	£41,512	£8,363	£49,875
TOTAL	690	£67,875	£13,674	£81,549
Proposed Contribution		£210,942	£42,473	£253,415

Traded Services

18. As in the current year, a number of services may be offered to maintained schools only, as provision centrally complements our statutory duties. This includes, for example, being within the council's group banking arrangements. It is also expected that all maintained schools will continue in the central insurance arrangements, although this funding is delegated to schools, until the end of the current contract period at which point schools individually will need to consider whether to join instead the government scheme. Exceptionally, a school may not be able to join central schemes, it may depend on historic claims history, but in this event the council will support a separate procurement as the LA has a duty to ensure school arrangements are satisfactory. Insurance costs are charged to schools, largely according to pupil numbers.
19. Maintained schools also get traded services such as Evolve (trips and visits) which support our responsibility to a broad and balanced curriculum and Pobble (Writing publishing platform) for free as part of charged services for MATs. The latter support primary moderation and can also be used for KS3 assessment for learning.

Recommendations for maintained schools only

20. **Central Retention:** The maintained schools' members of the schools forum (primary, secondary, special, and pupil referral units (PRUs)) should agree the amount the local authority will retain as set out in paragraphs 9 and 10. If the local authority and schools forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.
21. **De-delegation:** Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally as set out in paragraphs 15 and 16. The decision will apply to all maintained mainstream schools in that phase. Members must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued.

Summary of financial implications

22. The budgets for the schools and central school services blocks are set within the available DSG funding.

Summary of legal implications

23. The consultation undertaken and the recommendations are compliant with the School Funding Statutory Framework for 2023-24. School budgets must be finalised and notified to maintained schools by 28 February 2023 with the DfE timetable the same for academy budgets.

Summary of human resources implications

24. There is a risk that in the event that amounts are not agreed, staffing levels would reduce resulting in diminished services for maintained schools. Implications for staffing levels from mainstream funding changes rests within individual schools.

Summary of sustainability impact

25. None

Summary of public health implications

26. None

Summary of equality implications

27. The DfE undertook an equality impact assessment in determining how DSG funding is to be allocated and the structure of the mainstream funding formulae. The local budgets are aligned with the national scheme.

Summary of risk assessment

28. School finance regulations ~~also~~ allow local authorities to centrally retain funding from school budget shares. The proposal to charge for services from maintained school budgets is to enable the council to continue to undertake these functions/maintain a central education function in relation to maintained schools. Importantly, the council is obliged to carry out a number of statutory duties and in the event that the proposed retention is not agreed, the Council would:

- Fail to discharge its duties and this would impact the effective operation of education support services in BCP;
- find it difficult to set a balanced budget without making cuts to other vital services.

Background papers

29. Schools Forum Report December 2022.

List of Appendices

Appendix 1 Consultation Paper – Central Retention and De-delegation Maintained Schools