

Report subject	Central Retention and De-delegation Consultation
Meeting date	13 January 2025
Status	Public Report
Executive summary	<p>This report provides proposals for:</p> <ul style="list-style-type: none"> the central retention of services for the 2025/26 financial year where the LA retains a statutory duty to undertake activity to support maintained schools only (both mainstream and specialist); de-delegation of services for the 2025/26 financial year 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 central retention rates per pupil and budgets for LA duties supporting maintained schools as set out in paragraph 6. Agree separately for primary, secondary, special/PRU the de-delegation of funding for school improvement duties as contained in paragraph 13.
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
Contributor	Steve, Ellis, Management Accountant

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 School's 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. Following the academy conversion of two mainstream, maintained schools during the previous academic year, there are now a total 11 mainstream maintained schools in BCP. Details of these will be reported on the APT containing the budget shares sent to the DfE in January 2025. In addition, there are 3 specialist, maintained providers.
 6. **Central Retention:** The amount of retention supports the delivery of statutory functions and duties of the Council. Details of these rates proposed for the 2025/26 financial year compared with rates that apply in the current financial year are set out in Table 1 below. The proposed increase in charges reflects the impact of academy conversions and is based on maintaining the same contribution to service provision as in 2024/25. Details of planned spending is shown in Table 2 below.

Table 1: Proposed Maintained School Central Retention Rates April 2025 - March 2026

	2024/25	2025/26
Mainstream School rate per pupil	24.86	31.89
Specialist Provider rate per place	105.64	135.54

7. Table 2 sets out the planned total spending for the 12 months period from April 2025. 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 Table 5.

Table 2: LA Budget for Maintained School Statutory Duties April 2025 to March 2026

Statutory and Regulatory Duties	Central Budget Retained £000's
Education Services	61
Finance and Audit	73
Human Resources	15
Asset Management	53
Monitoring National Curriculum Assessments	21
Total Statutory & Regulatory	223

Notes LA Budget:

- The cost of providing these services does not proportionally decrease with the reduction in the number of maintained schools. This reflects that many of these services have a minimum level of infrastructure and staffing to operate effectively.
- 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 here are no records of time spent on this activity only.

- Reflecting changes to funding in previous years, a central retention is the only funding source for these duties.
 - As the Council's pressures intensify, it will be important to review the amounts centrally retained to apply in future years.
- 8. Consultation - Maintained Schools Only:** The detail of these budgets is contained in the consultation paper attached at **Appendix 1** together with the consequences of any decision not to agree funding. Given the late availability of the numbers in the APT, 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.
 - 9. 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. Schools Forum makes the decision on behalf of all maintained schools by primary and secondary phases separately.
 10. 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.
 - 11. 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 amount is required to be funded annually 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.
 12. The school improvement team also discharge the shared statutory responsibility for SACRE and the Agreed RE Syllabus under the 1948 Act.
 13. As in previous years, 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 5.

Table 4: Proposed Maintained De-Delegation Rates April 2025 - March 2026

	2024/25	2025/26
Mainstream School rate per pupil	4.89	6.29

- 14. Indicative Central Retention and De-delegation Amounts 2025 – 2026:** The financial impact of the above two proposals for maintained schools is shown in the table below.

Table 5: Indicative Maintained School De-Delegation Amounts April 2025 – March 2026

		Central Retention	De-delegation	Total
Maintained Mainstream	NOR			
Burton Church of England Primary School	282	£8,993	£1,774	£10,768
Corpus Christi Catholic Primary School	419	£13,362	£2,637	£15,999
Highcliffe St Mark Primary School	604	£19,262	£3,801	£23,063
Mudford Community Infants' School	181	£5,772	£1,139	£6,911
Mudford Junior School	254	£8,100	£1,598	£9,699
Somerford Primary School	166	£5,294	£1,045	£6,339
St Edward's RC/C England School, Poole	901	£28,734	£5,670	£34,404
St Joseph's Catholic Primary	196	£6,251	£1,233	£7,484
St Katharine's Church of England Primary	433	£13,809	£2,725	£16,534
St Walburga's Catholic Primary School	421	£13,426	£2,649	£16,075
The Priory Church of England Primary	203	£6,474	£1,277	£7,751
Total		£129,479	£25,547	£155,026
Maintained Specialist*	Places			
Christchurch Learning Centre	48	£6,506	£1,284	£7,789
Linwood Special	422	£57,197	£11,286	£68,483
Winchelsea Special	220	£29,818	£5,883	£35,702
Total		£93,521	£18,453	£111,974
Proposed Contribution BCP		£223,000	£44,000	£267,000

15. 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 above and referred to as SLA amounts. Special Schools, PRUs will be contacted individually to agree this.

16. **Traded Services:** As in the current year, several services may be offered to maintained schools only. This includes, for example, being within the council's group banking arrangements.

Recommendations for maintained schools only

17. **Central Retention:** The maintained school members of the School's Forum (primary, secondary, special, and pupil referral units (PRUs)) should agree the amount the local authority will retain as set out in paragraph 6. If the local authority and School's 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.

18. **De-delegation:** School 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 paragraph 13. 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

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

Summary of legal implications

20. 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

21. Implications for staffing levels from mainstream funding changes rests within individual schools.

Summary of sustainability impact

22. None

Summary of public health implications

23. None

Summary of equality implications

24. 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

25. 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. If 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

26. Schools Forum Report December 2022.

List of Appendices

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