**DERBYSHIRE COUNTY COUNCIL**

Agenda Item 5

Rep 686

**SCHOOLS FORUM**

**9th January 2017**

**Report of the Strategic Director for Children’s Services**

**School Revenue Funding Settlement 2017-18**

1. **Purpose of the Report**

To inform the Schools Forum of the school revenue funding settlement for 2017-18 and seek approval to a number of actions to enable mainstream schools’ budgets to be determined.

1. **Information and Analysis**
   1. **Overall Settlement**

The 2017-18 revenue settlement for schools was published on 20 December 2016, the settlement and a comparison with 2016-17 is provided in the table below:

**Table 1- Summary of DSG Settlement 2017-18**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Restated1** |  |  |  |
| **Item** | **2016-17** | **2017-18** | **Change** | **Note** |
| **Schools Block:** |  |  |  |  |
| Pupil count | 95,545 | 96,288 | +743 |  |
| Schools Block Unit of Funding (SBUF) per pupil | **£4,362.96** | **£4,362.96** | - | 2 |
| **TOTAL SCHOOLS BLOCK (£m)** | **416.859** | **420.101** | **+3.242** |  |
|  |  |  |  |  |
| **Early Years Block:** |  |  |  |  |
| No. 3 & 4 year olds – universal provision | 10,904.50 | 10,904.50 | - |  |
| Universal 3 & 4 year old hourly rate | £4.874 | £4.630 | - | 3 |
| **Sub total (£m)** | **30.294** | **28.778** | -1.516 |  |
| Maintained Nursery School Grant (£m) | - | **1.145** | +1.145 | 4 |
| **Total universal 3 & 4 year old funding (£m)** | **30.294** | **29.923** | **-0.371** |  |
|  |  |  |  |  |
| No. 3 &4 year olds – additional 15 hours for eligible working parents | - | 2,441.13 | - | 5 |
| Add’nl entitlement 3 & 4 year old hourly rate | - | £4.630 | - |  |
| **Total additional hours funding (£m)** | **-** | **6.442** | **+6.442** |  |
|  |  |  |  |  |
| Other Early Years allocations: |  |  |  |  |
| Funding for disadvantaged 2 year olds (£m) | 4.478 | 4.644 |  |  |
| Early Years Pupil Premium | 0.575 | 0.337 |  |  |
| Early Years Disability Access Fund | - | 0.160 |  | 6 |
| **Sub total – Other EY allocations** | **5.053** | **5.141** | **+0.088** |  |
|  |  |  |  |  |
| **TOTAL EARLY YEARS BLOCK (£m)** | **35.347** | **41.506** | **6.159** |  |
|  |  |  |  |  |
|  | **Restated1** |  |  |  |
| **Item** | **2016-17** | **2017-18** | **Change** | **Note** |
| **High Needs Block:** |  |  |  |  |
| Baseline allocation 2016-17 | **67.529** | **67.529** | - |  |
| Transfer of funding for post 16 | **-** | **0.624** |  | 7 |
| Population uplift | **-** | **1.249** |  | 8 |
| **TOTAL HIGH NEEDS BLOCK (£m)** | **67.529** | **69.402** | **+1.873** |  |
|  |  |  |  |  |
| **TOTAL DEDICATED SCHOOLS GRANT (£m)** | **519.735** | **531.009** | **11.274** |  |

Notes:

1. The 2016-17 figures have been restated following work undertaken with the DfE in the summer to rebase the value of each individual block to reflect actual spending patterns. The 2017-18 Schools Block also includes £1.572m to replace the former Education Services Grant - Retained Duties.
2. The Schools Block Unit of Funding (SBUF) for 2016-17 was reduced from £4,409.01 per pupil following the rebalancing exercise in (1) above.
3. Derbyshire’s 2017-18 early years hourly rate has reduced by 5%, the maximum year on year reduction allowed. The rate will reduce by a further 5% in 2018-19.
4. This is a new specific allocation that is designed to protect nursery schools’ budgets – the government have guaranteed the grant until 2019-20.
5. This is a new grant to fund the additional 15 hours of early years provision that eligible working parents will be able to claim from September 2017.
6. The Disability Access Fund is new and is designed to aid access to early years places by, for example, supporting providers in making reasonable adjustments to their settings and/or helping with building capacity.
7. Derbyshire’s share of £125m transferred from the DfE’s own budgets for places in FE Colleges and Post 16 Charitable and Commercial Providers (CCPs). The funding is in our gross HNB but will be deducted at source and paid direct by the Education Funding Agency (EFA) to providers; the change effectively transfers the risk on increases in numbers from the EFA to LAs.
8. This is Derbyshire’s share of £95m allocated by the government and distributed on the basis of the expected mid 2017 population aged 2-18.

The DSG in overall terms remains cash flat with no provision for pay and prices inflation, year on year variances instead reflect data changes or, in the case of the additional early years entitlement and post 16 high needs transfers, new responsibilities. The settlement is in line with previous estimates, the only change is the £1.249m additional High Needs Block funding which will help with demographic pressures.

The allocations in respect of High Needs and Early Years Blocks will be the subject of a separate report to the February Schools Forum meeting, the remainder of this report focusses on mainstream schools’ funding as the Authority is required to notify the Education Funding Agency of its primary and secondary sector formulae details by 20th January 2017.

**2.2 Mainstream School Funding 2017-18**

**2.2.1 Existing commitments based on current spending plans**

The data used to determine mainstream schools’ 2017-18 budgets has been published by the DfE. The first stage of the 2017-18 budget process is to apply the new data to the current year’s formula multipliers\* to establish the value of the allocations prior to considering any local formula or multiplier changes. A summary of the calculations for both sectors is included in Appendices 1 and 2 and the key totals are also provided in Table 2 below:

**Table 2 – Summary of sector totals pre formula changes**

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | 2016-17 | 2017-18 | Change |
|  | £m | £m | £m |
| Primary | 225.787 | 227.431 | +1.644 |
| Secondary | 189.786 | 187.188 | -2.598 |
| TOTAL | 415.573 | 414.619 | -954 |

\*One change has been made to the formula multipliers and that is to reduce the Key Stage 3 and 4 AWPU values by £94.29 thus removing the impact of the additional £3.5m allocated in 2016-17 which was funded from DSG cash resources. The removal of this £3.5m is the main reason for the year on year reduction in the secondary sector’s total, however, around £0.86m has been retained by schools in the form of Minimum Funding Guarantee protection.

In addition to the above delegated resources the Authority is permitted, subject to the approval of Schools Forum - or if necessary the Secretary of State for Education - to retain funding centrally within the Schools Block to meet the costs of a range of defined functions. The proposed retained figures for 2017-18 and a comparison with 2016-17 is provided in Appendix 3.

The total requested is £5.529m which includes £1.572m in respect of functions previously met by the Education Services Grant - Retained Duties and for which an equivalent sum has been added to Derbyshire’s DSG settlement. On a like for like basis the amount Derbyshire is seeking to retain centrally is £0.759m lower than in 2016-17.

The total cost of commitments at this point is £414.619m (delegated) plus £5.529m (Central School Services), a total of £420.148m. This total compares with an estimated Schools Block grant income of £420.101m i.e. an over commitment of £0.047m.

The views of the Schools Forum to the approach taken to this point are welcomed.

**Recommendation 1- Schools Forum is asked to agree to the retention of Central School Services Block funds as set out in Appendix 3.**

**2.2.2 Further mainstream changes for 2017-18**

There are several changes to our formulae which either need to be made or are optional for 2017-18; brief details are set out below.

1. **PFI - Springwell and Bolsover** **(£0.475m)** the Council currently subsidises the contracts in respect of these schools from its own resources. The full costs of the contracts must be delegated through the formula, as is the case with all the other school PFI contracts in Derbyshire. The annual shortfall across the two schools is £0.600m, however the change for Bolsover, as an academy, wouldn’t take effect until September 2017 meaning the cost in 2017-18 is £0.475m

The Council has to make this change to comply with DfE funding requirements and will do so by increasing the schools’ PFI Allowances. Making this change also helps to lock these allocations into the National Funding Formula (NFF) going forward.

**Recommendation 2- Schools Forum is asked to note the required change to the PFI Allowances in respect of Springwell and Bolsover Schools.**

1. **PFI - Tupton Hall/Outwood Academy Newbold (£0.105m) -** these schools have been covered by 25 year PFI contracts since 2003 and 2006 respectively and under the terms of the contracts the schools’ contributions are increased every year in line with RPI inflation. Recently the pupil numbers of these schools have fallen sharply which has resulted in reductions in their budgets. The schools’ PFI contributions, however, are not flexed to reflect data changes and thus the contributions represent a higher proportion of their annual spend. Unlike other institutions, these schools are locked into these contracts which mean that any overall savings they are required to make have to come from other non-PFI elements of their budget.

In order to provide some help the Authority proposes to reduce the contributions to reflect the loss of pupil numbers and budget. In order that the shortfall does not become a burden on the Council the Authority proposes to increase the two schools’ PFI Allowances to compensate. The annual cost of this change is estimated at around £0.140m but as Newbold is an academy, and the change would therefore not take effect until September 2017, the cost in 2017-18 will be lower at ~£0.105m.

The Authority considers this is a fair level of support, representing a reduction in the contributions of ~16%. The abatement of the schools’ contributions would be reviewed annually and removed if and when pupil numbers rise to more than 95% of the schools’ capacity.

Technically the proposed change is a variation to a formula multiplier and hence a matter for the LA to determine. However, the views of the Schools Forum on this matter would be welcomed.

**Recommendation 3- Schools Forum is asked to support the change to Tupton Hall and Newbold schools’ PFI funding.**

1. **Exceptional Site factor (£0.045m)** - Barlow Primary School occupies an old building in a small rural village and has 4 teaching spaces that individually can only accommodate 30, 25, 23 and 18 pupils respectively. Remodelling of the space is not possible due to building restraints. The school therefore has to operate four classes when its pupil numbers exceed 78, i.e. assuming full utilisation of the three largest teaching spaces. The cost of this arrangement is higher than would normally be expected and the school has received financial support from the contingency fund to compensate it.

A successful application to the DfE has resulted in an exceptional site factor being allowed for this school which will avoid the need to access the contingency fund and will lock this support into the NFF for future years.

**Recommendation 4 - Schools Forum is asked to support the change to Barlow Primary School’s funding.**

1. **Sparsity (£0.290m)** – the government proposes that the NFF will include a sparsity factor. Whilst this is still subject to the government’s final decisions on the formula following the current consultation, local implementation in 2017-18 could be considered. The cost would be modest, around £0.240m in the primary sector and £0.050m in the secondary sector. Twelve primary schools, one primary academy, two secondary schools and one secondary academy would be supported if this change were made.

Of the twelve eligible LA primary schools which would trigger sparsity funding around half are expected to be in deficit at the end of 2017-18. In the secondary sector, the two LA maintained schools are currently under financial pressure, indeed for one, New Mills, the Authority has recently agreed to the closure of its sixth form as part of the measures to help balance the budget.

Whilst the overall support is modest the Authority is minded to introduce the factor as it would provide earlier help to the schools with their budget issues and would represent a small step towards the NFF.

**Recommendation 5- Schools Forum is asked to give its views on the Authority’s proposal to introduce a sparsity factor for primary and secondary schools for 2017-18.**

The value of items (i) to (iv) above would add £0.915m to next year’s spend and bring the total Schools Block commitments up to £421.063m, £0.962m higher than the grant for the year. This over-commitment against the Schools Block is sustainable for 2017-18 from DSG cash resources, in 2018-19 the shortfall will have to be bridged from other demographic changes and/or reductions in formula multipliers. Potential funding sources include the savings in the split site allocation to Glossopdale Community College which will accrue when it moves onto a single site in early 2018 saving £0.387m per annum, over 40% of the shortfall. Further savings are likely from the rates costs of schools which convert to academy status during 2017-18 together with year on year savings in MFG protection.

To the extent that these changes do not close the above shortfall then the value of formula multipliers will have to be pared back. Given the amount delegated to schools is over £400m the paring back would equate to around 0.1% of current funding levels.

**2.2.3 Other changes funded from DSG cash resources**

The latest budget monitoring forecast indicates that DSG cash balances of around £6.562m should be available at the end of 2016-17. Some of this will be needed to provide transitional support towards all of the DSG changes, including the Early Years and High Needs Blocks, and to help meet the costs of unfunded pressures. However, a modest release of resources for 2017-18 is possible.

The views of the Schools Forum on the following one off allocations are welcomed:

1. **Additional support to secondary schools/academies** – in 2016-17 the Council, with support from the Schools Forum, delegated an additional £3.5m to the sector in recognition of the impact of falling rolls. In overall terms the number of pupils has stabilised with the increases at Key Stage 3 off-setting continued falls in pupil numbers at Key Stage 4. The sector will start to see a net increase in pre 16 numbers in October 2017, estimated at over 500, which under the current LA formula would result in increased budget shares in 2018-19. In the interim, of the 25 maintained schools, 16 (64%) are predicted to be in deficit by the end of 2017-18 with this number rising to 21 (84%) by 2018-19.

Whilst replacing the full £3.5m allocated in 2016-17 is unaffordable a one-off gross allocation of around £2m would be possible and would equate to an increase of £53.86 in the Key Stage 3 and 4 AWPU multipliers. The net cost would be less than £2m due to savings in MFG protection, the actual costs in 2017-18 of this change would be **£1.023m.**

1. **Education Services Grant General Duties (ESG (GD)) -** the government have now set an ESG (GD) rate for the summer term of £66 per mainstream pupil, a reduction of 14.3% from the current £77 per pupil. As previously announced the grant will cease at the end of August 2017 meaning an effective overall cut in funding in 2017-18 of 64.3%; the loss to the Council is estimated to be over £4m.

In order to allow these services to continue in 2017-18 the DfE’s Schools Revenue funding operational guide states: “*we recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed…. we will amend regulations to allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG. The amount to be retained by the local authority will need to be agreed by the relevant maintained schools members of the schools forum (primary, secondary, special and PRU). If the local authority and schools forum are unable to reach consensus on the amount to be retained by the local authority, the matter will need to be referred to the Secretary of State. Local authorities should set a single rate per 5 to 16 year old pupils.*

At the November 2016 Schools Forum meeting examples of the functions funded by the ESG (GD) were provided and an updated copy is attached as Appendix 4. Since the last meeting the DfE have determined that local authorities’ statutory school improvement functions should be funded by a separate national grant. The grant, which comes in from September 2017, will be worth £50m in a full financial year and will be allocated to LAs mainly on the basis of the number of maintained schools. In addition the DfE will allow Schools Forums to de-delegate funding for additional school improvement provision in 2017-18.

As previously reported the Authority would wish to secure funding from the Schools Block to help offset the loss of grant funding for 2017-18 whilst services are reviewed and restructured and if necessary reduced.

At the last Schools Forum it was proposed to release funding equivalent to £20 per pupil from DSG reserves to help offset the loss of grant at an estimated cost of £1.924m.

Whilst all of this funding would be allocated via an increase in the AWPU value there are three nuances to consider in terms of whether the funding is top-sliced, de-delegated or allocated to schools with no automatic recycling back to the LA. In summary the three options are:

1. **Top-sliced** – the sum of £x per pupil would be added to the AWPU and, subject to Schools Forum agreement, this funding would then be returned to the LA to use for those services previously funded by Education Services - General Grant, **excluding school improvement.**
2. **De-delegation** –the list of functions for which funding can be de-delegated has previously included maternity costs, library services, insurance, trades union facilities time etc. The DfE have extended this list to include additional school improvement services over and above those funded by the new £50m national grant. As with the current list of de-delegated services, if £y per pupil were allocated in this way the approval of the Schools Forum to the de-delegation would be required.
3. **Delegation** – under this approach £z per pupil would be added to the AWPU values. Unlike (i) and (ii) above the funding would remain in schools’ delegated budgets and they would be encouraged to use these additional resources to buy services which were previously free at the point of delivery.

Options (i) and (ii) are very similar, the only difference being the types of services supported.

Several other points are worth noting. First, the additional delegation would be for 2017-18 only as the allocations are funded from one off resources. From 2018-19 any funding to support these functions, through whatever mechanism, would have to come from schools’ core budgets.

Secondly, the amounts per pupil would go to all schools and academies, but any top slicing or de-delegated sums would be taken back from schools only i.e. not academies. Where practicable the Authority would seek to allow academies to buy into services on an individual basis.

Thirdly, as the allocations are, in effect, being delegated to meet new responsibilities, the Authority’s view is that the sums fall outside of the MFG arrangements. This view is supported by the DfE’s decision to approve the Authority’s application to treat this release of DSG cash resources as being outside of MFG.

Work is still on-going to finalise specific proposals for the Schools Forum, as soon as these are ready they will be circulated and the Forum invited to consider the funding options and make a decision regarding the way forward at the meeting.

The allocations in section 2.2.3 have a combined value of £2.947m and would mean that 2017-18 Schools Block spending was supported by £3.909m of DSG cash resources, leaving £2.653m in DSG balances for future years and/or other Blocks. It should be noted that this reliance on cash cannot be repeated in 2018-19 and schools and the LA will have to plan their finances and services accordingly (see 2.3 below).

**Recommendation 6- Schools Forum is asked to give its views on the Authority’s proposal to allocate £2m (before MFG) to secondary schools in 2017-18.**

**Recommendation 7a- Primary school representatives are asked to agree the value of any additional delegation for each Key Stage 1/2 pupil through the formula to support the functions in Appendix 4 to this report and for this funding to be top-sliced from maintained schools’ budgets.**

**Recommendation 7b- Secondary school representatives are asked to agree the value of any additional delegation for each Key Stage 3/4 pupil through the formula to support the functions in Appendix 4 to this report and for this funding to be top-sliced from maintained schools’ budgets.**

**Recommendation 8a- Primary school representatives are asked to agree the value of any further delegation for through the formula to support additional school improvement services and for this funding to be de-delegated from maintained schools’ budgets.**

**Recommendation 8b - Secondary school representatives are asked to agree the value of any further delegation through the formula to support additional school improvement services and for this funding to be de-delegated from maintained schools’ budgets.**

**Recommendation 9 – that Schools Forum agree to release the balance of the £20 per pupil from DSG cash resources, less the rates agreed in consideration of 7a to 8b above, through the AWPU multiplier for all Key Stages.**

**2.3 Some issues for 2018-19**

The multipliers for 2017-18 based on the proposals in this report are set out in Table 3 below:

**Table 3 – Indicative multipliers 2017-18**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PRIMARY MULTIPLIERS** | | |  |  | | |  |  | |  | | |
|  | **Actual multiplier** | | **Adj** | **Add cash**  **increase** | | | **Addn’l cash ESG/SI** | **Proposed multiplier** | | **Baseline multiplier** | | |
|  | **2016-17** | | **2016-17** | **2017-18** | | | **2017-18** | **2017-18** | | **2018-19** | | |
|  | **£** | | **£** | **£** | | | **£** | **£** | | **£** | | |
| Per Pupil AWPU | 2,648.44 | | - | - | | | 20.00 | 2,668.44 | | 2,648.44 | | |
| Depriv’n: Ever 6 fsm | 1,472.53 | | - | - | | | - | 1,472.53 | | 1,472.53 | | |
| LCHI: EYFSP <73 | 161.29 | | - | - | | | - | 161.29 | | 161.29 | | |
| EAL: 1 Year | 356.32 | | - | - | | | - | 356.32 | | 356.32 | | |
| Lump Sum | 129,621.79 | | - | - | | | - | 129,621.79 | | 129,621.79 | | |
| Split Site <500m | 2,489.91 | | - | - | | | - | 2,489.91 | | 2,489.91 | | |
| Split Site >500m | 35,088.03 | | - | - | | | - | 35,088.03 | | 35,088.03 | | |
|  |  | |  |  | | |  |  | |  | | |
| **SECONDARY MULTIPLIERS** | |  | |  | |  | |  | |  | |
|  | **Actual multiplier** | | **Adj\*** | | **Add cash**  **increase** | | **Addn’l cash ESG/SI** | | **Proposed multiplier** | | **Baseline multiplier** | |
|  | **2016-17** | | **2016-17** | | **2017-18** | | **2017-18** | | **2017-18** | | **2018-19** | |
|  | **£** | | **£** | | **£** | | **£** | | **£** | | **£** | |
| KS3 AWPU | 3,828.77 | | (94.29) | | 53.86 | | 20.00 | | **3,808.34** | | 3,734.48 | |
| KS4 AWPU | 4,469.84 | | (94.29) | | 53.86 | | 20.00 | | **4,449.41** | | 4,375.55 | |
| Depriv’n: Ever 6 fsm | 1,921.25 | | - | | - | | - | | **1,921.25** | | 1,921.25 | |
| LCHI: KS2 Results | 1,115.01 | | - | | - | | - | | **1,115.01** | | 873.69 | |
| EAL: 1 Year | 321.99 | | - | | - | | - | | **321.99** | | 321.99 | |
| Lump Sum | 150,967.40 | | - | | - | | - | | **150,967.40** | | 150,967.40 | |
| Split Site: >500m | 108,928.58 | | - | | - | | - | | **108,928.58** | | 108,928.58 | |

\*Remove 2016-17 AWPU funding supported by DSG reserves

Looking beyond 2017-18, the government’s consultation on the mainstream National Funding Formula (NFF) encourages LAs to use 2018-19 as an opportunity to move towards the NFF. In order to bridge any local funding shortfall, whilst at the same time bringing allocations more into line with the NFF, the Council will have to review all of its local formula multipliers for 2018-19. Given the reduced cash resources, the first priority will be to balance the 2018-19 Schools Block and this may mean a reduction in those formula multipliers where Derbyshire’s rates are currently more generous than the National Funding Formula e.g. the lump sum (primary £129,622 vs £110,000 in the NFF and secondary £150,967 vs £110,000 in the NFF).

Any funding released in excess of the sum needed to balance the Schools Block would be recycled with increases in one or more of the multipliers where Derbyshire’s allocations are below the national formula e.g. primary AWPU (£2,648 vs £2,712 in the NFF).

The options for balancing and reshaping the 2018-19 Schools Block allocations will be the subject of further reports to the Schools Forum during 2017. The 2018-19 baseline multipliers in Table 3 will need to be updated in the light of any agreed changes during the summer so that schools can begin their financial planning for 2018-19 as early as possible.

**5. Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, financial, health, property and transport considerations.

**6. Strategic Director’s Recommendations**

The Schools Forum is asked to:

1. Agree to the retention of Central School Services Block funds in Appendix 3.
2. Note the required change to the PFI Allowances in respect of Springwell and Bolsover Schools.
3. Support the change to Tupton Hall and Newbold schools’ PFI funding.
4. Support the change to Barlow Primary School’s funding.
5. Give its views on the Authority’s proposal to introduce a sparsity factor for primary and secondary schools for 2017-18.
6. Give its views on the Authority’s proposal to allocate £2m (before MFG) to secondary schools in 2017-18.

In addition:

7a. Primary school representatives are asked to agree the value of any additional delegation for each Key Stage 1/2 pupil through the formula to support the functions in Appendix 4 to this report and for this funding to be top-sliced from maintained schools’ budgets.

7b. Secondary school representatives are asked to agree the value of any additional delegation for each Key Stage 3/4 pupil through the formula to support the functions in Appendix 4 to this report and for this funding to be top-sliced from maintained schools’ budgets.

8a. Primary school representatives are asked to agree the value of any further delegation for through the formula to support additional school improvement services and for this funding to be de-delegated from maintained schools’ budgets.

8b. Secondary school representatives are asked to agree the value of any further delegation through the formula to support additional school improvement services and for this funding to be de-delegated from maintained schools’ budgets.

9. That Schools Forum agree to release the balance of the £20 per pupil from DSG cash resources, less the rates agreed in consideration of 7a to 8b above, through the AWPU multiplier for all Key Stages.

**JANE PARFREMENT**

**Strategic Director for Children’s Services**

**Summary of primary schools’ data/multiplier changes 2017-18** **Appendix 1**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | KS1/2 Pupils | Ever 6  FSM | LCHI  AEN | EAL | Lump  Sum | Split site <500m | Split site >500m | Rent/  rates | MFG Prot’n | Total |
|  |  |  |  |  |  |  |  |  |  |  |
| 2016-17 Count | 58,369.00 | 13,694.12 | 6,708.52 | 410.71 | 350.00 | 4.00 | 2.00 | - | - | - |
| 2016-17 multipliers | £2,648.44 | £1,472.53 | £161.29 | £356.32 | £129,622 | £2,489.91 | £35,088 | - | - | - |
| 2016-17 other allocations | - | - | - | - | - | - | - | **3,333** | **1,026** | - |
|  |  |  |  |  |  |  |  |  |  |  |
| **Budget 2016-17 (£k)** | **154,587** | **20,165** | **1,082** | **146** | **45,368** | **10** | **70** | **3,333** | **1,026** | **225,787** |
|  |  |  |  |  |  |  |  |  |  |  |
| Changes to multipliers/allocations: | |  |  |  |  |  |  |  |  |  |
| Change in MFG (£k) |  |  |  |  |  |  |  |  | -377 | -377 |
| Rates academy savings (£k) | - | - | - | - | - | - | - | -70 | - | -70 |
| Rates valuation contingency (£k) | - | - | - | - | - | - | - | 50 |  | 50 |
| Data changes MFG impact (£k) | - | - | - | - | - | - | - | - | 354 | 354 |
|  |  |  |  |  |  |  |  |  |  |  |
| **2017-18 multipliers at this point** | **£2,648.44** | **£1,472.53** | **£161.29** | **£356.32** | **£129,622** | **£2,489.91** | **£35,088** | **-** | **-** | - |
|  |  |  |  |  |  |  |  |  |  |  |
| **2017-18 counts** | 59,080 | 13,581 | 6,528 | 409 | 350 | 4 | 2 | **-** | **-** | - |
|  |  |  |  |  |  |  |  |  |  |  |
| **Budget 2017-18 at this point (£k)** | **156,470** | **19,998** | **1,053** | **146** | **45,368** | **10** | **70** | **3,313** | **1,003** | **227,431** |
|  |  |  |  |  |  |  |  |  |  |  |
| **Change in resources (£k)** | **1,883** | **-167** | **-29** | **0** | **0** | **0** | **0** | **-20** | **-23** | **1,644** |

**Summary of secondary schools’ data/multiplier changes 2017-18** **Appendix 2**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | KS3 Pupils | KS4 Pupils | Ever 6 FSM | LCHI AEN | EAL | Lump Sum | Split site | Rates, PFI, Jt Use,  S.site | MFG Prot’n | Total |
|  |  |  |  |  |  |  |  |  |  |  |
| 2016-17 Count | 22,208.00 | 14,912.00 | 8,995.47 | 7,263.76 | 43.97 | 45.00 | 2.00 | - | - | - |
| 2016-17 multipliers | £3,828.77 | £4,469.84 | £1,921.25 | £1,115.01 | £321.99 | £150,967 | £108,929 | - | - | - |
| 2016-17 other allocations |  |  |  |  |  |  |  | 5,605 | 90 |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Budget 2016-17 (£k)** | **85,029** | **66,654** | **17,283** | **8,099** | **14** | **6,794** | **218** | **5,605** | **90** | **189,786** |
|  |  |  |  |  |  |  |  |  |  |  |
| Changes to multipliers/allocations: | |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| PFI/joint use inflation (£k) | - | - | - | - | - | - | - | 55 | - | 55 |
| Rates valuation contingency (£k) | - | - | - | - | - | - | - | 50 | - | 50 |
| Change in MFG (£k) | - | - | - | - | - | - | - | - | 41 | 41 |
| Rates academy savings £k) | - | - | - | - | - | - | - | -220 | - | -220 |
| Remove 2016-17 cash support | **-£94.29** | **-£94.29** | - | - | - | - | - | - | 846 | -2,654 |
|  |  |  |  |  |  |  |  |  |  |  |
| **2017-18 multipliers at this point** | **£3,734.48** | **£4,375.55** | **£1,921.25** | **£1,115.01** | **£321.99** | **£150,967** | **£108,929** | **-** | **-** | **-** |
|  |  |  |  |  |  |  |  |  |  |  |
| **2017-18 counts/impact** | 22,725 | 14,405 | 9,148 | 7,375 | 47 | 45 | 2 | **-** | **-** | 130 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Budget 2017-18 (£k) at this point** | **84,866** | **63,030** | **17,575** | **8,223** | **15** | **6,794** | **218** | **5,490** | **977** | **187,188** |
|  |  |  |  |  |  |  |  |  |  |  |
| **Change in resources** | **-163** | **-3,624** | **292** | **124** | **1** | **0** | **0** | **-115** | **887** | **-2,598** |

**Proposed centrally retained Schools Block funds 2017-18 Appendix 3**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Item | 2016-17 | 2017-18 | Diff | Type | Description | Note |
|  | £m | £m | £m |  |  |  |
| Admissions | 0.468 | 0.519 | +0.051 | Ongoing responsibility | Service allocates places at schools & academies | 1 |
| Schools Forum | 0.028 | 0.040 | +0.012 | Ongoing responsibility | Support for the costs of the Schools Forum including direct costs and officer time | 1 |
| Combined budgets FRWs | 1.686 | 1.737 | +0.051 | Historic commitment | Supports FRWs in schools/MATs | 1 |
| Combined budgets – Journey to Excellence | 0.590 | 0.000 | -0.590 | - | - | 2 |
| Combined budgets – vulnerable schools | 0.300 | 0.000 | -0.300 | - | - | 2 |
| Licences | 0.554 | 0.561 | +0.007 | Ongoing responsibility | 2017-18 charge as advised by DfE |  |
| Pupil Growth fund | 1.100 | 1.100 | - | Ongoing responsibility | Support to infant & primary schools re Key Stage 1 class size requirements. |  |
| Former ESG Retained Duties | 0.000 | 1.572 | +1.572 | Ongoing responsibility | Funds a range of statutory LA duties, figure reflects actual settlement | 3 |
| TOTAL | 4.726 | 5.529 | +0.803 |  |  |  |
| Total excluding former ESG (RD) | 4.726 | 3.957 | -0.759 |  |  |  |

Notes:

1. The cost of these services exceeds the amount the Authority has previously been allowed to retain within the DSG. This cap has now been removed and the Authority wishes to recover the full cost of these services.
2. The 2016 process to re-align LAs’ DSG Blocks required central Schools Block allocations to be agreed by the DfE as either an ongoing responsibility or an historic commitment. The Authority determined not to seek approval to retain resources for Journey to Excellence and vulnerable schools mainly as: (a) if our application failed it was unclear if Derbyshire would retain control over the funding; and (b) our DSG is over committed and any approval would increase the risk of needing to top-slice schools’ budgets.
3. The ESG Retained Duties Grant ceases from April 2017 and an equivalent sum has been added to LAs’ Schools Block allocations to cover a range of services including, statutory and regulatory duties, education welfare, asset management, SACRE.

Summary of ESG General Duties Funded Services – **Services to Maintained Schools only** Appendix 4

| **Area** | **DfE heading - Local authority function/duty** | **Examples of services provided** |
| --- | --- | --- |
| **Statutory and regulatory duties** | Background checks on employees & others engaged to work in schools | Background checks on employees and others, currently undertaken as part of Recruitment traded service |
| Providing advice to governing bodies on pay and workforce matters | Cost of producing and maintaining an annual pay policy for schools and dealing with associated school enquiries. More general workforce advice is provided under a traded HR service. |
| Appointing Heads and Teachers on behalf of governing bodies | To fund the cost of attendance of LA representatives involved in Headship appointments |
| Terminating the employment of school teaching staff on behalf of governing bodies | Local authority administrative costs of terminating the employment of school staff. DfE to clarify scope of this item |
| Notifying the Secretary of State of cases of serious teacher misconduct | Administrative costs of notifying Secretary of State of cases |
| Pay employer’s contributions to the appropriate pension fund | Updating payroll system with the implementation of changes to pension regulations as they affect pay  Deducting contributions from employee’s pay into collection accounts, plus the appropriate employer’s contribution  Reconciliation of deductions posted to collection account to payroll records to ensure they balance  Transfer local government pension contributions to the pension scheme |
| Pay teachers’ pension contributions to the Secretary of State | As above, but complete a monthly return to Teachers’ Pensions Agency  Complete an annual return for Teachers Pensions’ and External Audit  Liaise with External Audit each year who verify that the correct amounts have been paid over |
| Appointing non-teaching school staff | Clarification needed – is this payroll processing or is it wider? |
| Suspending a governing bodies’ right to a delegated budget where necessary (when schools budgets and staffing decisions revert to the local authority) | Cost to LA in staff time of publishing notices to withdraw powers, and consequential costs of running schools when powers have been removed. |
| Monitoring governing bodies compliance with local authority financial scheme | Costs of investigating non-compliance including undertaking investigations into alleged fraudulent activities or mismanagement of school assets |
| Sending to the Secretary of State governing bodies’ financial statements | Production of Consistent Financial Reporting (CFR) statements |
| Compliance with the Health and Safety at Work Act etc. in so far as compliance cannot be delegated to governing bodies | Monitoring of health and safety performance, provision of health and safety policy and guidance, production of generic risk assessments, provision of advice on compliance with statutory obligations. |
| Monitoring and reporting functions as the supervisory authority of school companies formed by governing bodies | Further details awaited from DfE. |
| Compliance with the Public Sector Equality Duty, publishing information to show compliance and setting itself specific, measurable equality objectives | Further details awaited from DfE. |
| Setting up a standing advisory council on religious education | Costs of SACRE meetings |
| Prepare an agreed syllabus of religious education | Nominated officer works with an Advisory Group of religious leaders and other interested parties to ensure that schools have access to the latest syllabus and training. |
| The right to inspect school registers | The LA has a duty to inspect maintained schools’ registers. The LA discharges this by reaching agreement with schools to carry out register audits to assist with their attendance policy procedures and absence management**.** |
| Specific landlord duties for community schools under education legislation to ensure school buildings have certain facilities e.g. safe escape routes, playing fields, weather resistant etc. | Undertaking condition surveys, fire risk assessments, asbestos surveys, glazing surveys, works to ensure compliance with health and safety compliance e.g. kitchen ventilation schemes, the decommissioning and disposal of surplus school building stock, the provision of estates services in respect of lettings, wayleaves and easements granted by schools The Authority carries out ‘landlord visits’ and advises on maintenance responsibilities. |
| General health and safety duties as an employer | Provision of Competent Persons to ensure compliance with statutory obligations, provision of health and safety training(traded), Approval of high risk visits and school visit guidance(traded), advice on safeguarding issues, other roles as outlined above. |
| Managing the risk from asbestos in community school buildings | Provision of training for asbestos duty holders (Headteachers) and asbestos management surveys. |
| **Central Support Services** | Pupil support & extra-curricular activities including provision of clothing grants; outdoor education, including field studies; music services, visual & performing arts. | Costs of Sport and Outdoor Education Service e.g. Whitehall/Lea Green. Music Partnership funded by separate specific grant |
| **Premature retirement & redundancy costs** | Funding redundancy costs (not premature retirement costs which are the responsibility of the school concerned) of school staff (unless good reason not to fund centrally) | Direct cost of redundancy payments to staff through VR/CR processes |
| **Monitoring national curriculum assessment** | Moderating teacher assessments for Key Stage 1 (equivalent duties for Key Stages 2 and 3 are funded through specific grants and not ESG). This service may be provided to Academies, but the duties lie with them. | Ensuring that all schools are subject to moderation of assessments over a period of time.  Identification and moderation of assessments in schools where outcomes appear to be atypical.  Recruitment, induction and training for school based staff who work as moderators to ensure high quality and consistency.  Quality assurance visits to ensure accurate moderation.  Reporting outcomes of moderation to senior officers and DfE |
| Appointing a person to complete the assessment moderations. This service may be provided to Academies, but the duties lie with them. | Lead senior advisers work with named advisers and consultants who are given guidance to carry out a programme of visits during test weeks to ensure robust monitoring of the administration of these tests.  Investigation of reported maladministration of tests and report submitted to STA. |