

SLOUGH SCHOOLS FORUM
10th October 2017

Directorate of Children Learning and Skills

School Improvement and Education Services Grant 2017-18
Clarification Report

1 PURPOSE OF REPORT

To inform Schools' Forum (SF) of an inaccuracy in the two reports presented to SF in December 2016 regarding the use of the centrally retained funding and the former the Education Services Grant.

Background

- 1.1 In December 2016 Schools' Forum approved the retention from April 2017 of £430k former ESG Retained duties funding which the DfE had transferred to the Schools Block. This funding, which was previously allocated directly to local authorities, supports the council in fulfilling its strategic responsibilities for academies and maintained schools.
- 1.2 A separate report considered centrally retained Schools Block funding including funding for school improvement.
- 1.3 It has subsequently come to light that both reports contained inaccuracies regarding the changes to funding for school improvement activity.

2 RECOMMENDATIONS

- 2.1 That Schools' Forum notes the error in the December 2016 reports and the action that the council has taken to remedy this for the 2017-18 financial year.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure Schools Forum receive clear and accurate information regarding the use of centrally retained funds and the current arrangements for funding school improvement.

4 SUPPORTING INFORMATION

- 4.1 The Education Services Grant (ESG) was allocated to the council to support the Council in delivering its statutory duties in relation to education.
- 4.2 There were two elements to the ESG. A **General** element which funded duties relating to **maintained schools** and a **Retained** element which funded duties relating to **both academies and maintained schools**. In 2016-17 Slough Council received a total of £1.292m ESG comprising £865k duties and £427K retained duties.
- 4.3 The **General** element of the ESG **ended in September 2017**. Slough received a transitional grant of £320k to cover the period April – September 2017 only.
- 4.4 For 2017-18 the **Retained** element was moved to the Schools Block of the **DSG**. With the approval of Schools forum, this money could be held centrally to fund the duties previously supported by the retained element of the DSG.
- 4.5 The paper provided to Slough Schools Forum in December 2016 indicated that the centrally retained Former ESG funding of £420k would be combined with £619k council funding to provide a total pot of £1,039k supporting the following areas:

Area	Budget
Education Welfare Service	£215,018
School Improvement Support – October 2017 to March 2018	£416,135
Education Asset Management	£19,049
Statutory and Regulatory duties	£384,045
Monitoring and NC assessment	£5,118
Total	£1,039,365

- 4.6 **Inaccuracy in previous report:** School Improvement and NC Monitoring and assessment were **not previously funded by the Retained element** of the ESG and should not therefore have been included in this table. The council received a School Improvement Grant of £50k to support these duties from September 2017-April 2018
- 4.7 **Action to remedy:** In setting the budgets for these services for 2017-18 the council has now removed this element of DSG funding from School Improvement and replaced with General fund, including the £50k School Improvement grant. The £420k DSG funding retained from former ESG has been reallocated across the other 3 areas. The total funding for these areas has not changed. The table below reflects the original and revised positions following the above reallocation including the additional grant increasing the schools improvement budget to £516k and the overall budget to £1.039m.

Services	Orig GF allocation as per SF	Original ESG as per SF	Total	Revised DSG	Revised GF	Total
Education Welfare Service	127,917	87,101	215,018	144,672	70,346	215,018
Asset Management	11,332	7,717	19,049	12,818	6,231	19,049
Satutory & Regulatory Duties	228,473	155,572	384,045	258,400	125,645	384,045
Monitoring National Curriculum	2,643	2,475	5,118	4,111	1,007	5,118
School Improvement	249,000	167,135	416,135	0	466,135	516,135
Total	619,365	420,000	1,039,365	420,000	669,365	1,089,365

4.8 Schools Forum had separately agreed in December 2016 that funding of £314,863k be centrally retained from the schools block to support School Improvement from April 2017-September 2018, together with an amount of £47k to support leadership and management. This was a reduction of £560K on the amount agreed in previous years.

4.9 **Inaccuracy in previous report:** Schools' Forum was advised that school improvement services would be funded by the former ESG from September 2017. As outlined above this is not the case

4.10 **Action to remedy:** The DSG funding agreed for April – September 2017 remains in place. This funding can no longer be centrally from 2018.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 None.

6 SUPPORTING INFORMATION

6.1 Appendix 1 2017-18 DfE ESG schools revenue guidance at <https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018>

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

7.1 Monitoring Officer

The relevant legal provisions are contained within the main body of this report.

7.2 Section 151 Officer – Strategic Director of Resources

The financial implications of the report are outlined in the supporting information.

7.3 Access Implications

There are no access implications.

8 CONSULTATION

Not applicable.

Contact for further information

Domenico Barani

Domenico.Barani@slough.gov.uk

Appendix 1: ESG Guidance Extract from 2017-18 DfE Guidance

Removal of ESG general funding rate and arrangements for schools block retention

83. In the 2015 Spending Review, we announced a saving of £600 million by removing the ESG general funding rate from 2017-18. In the first stage of the NFF consultation, we set out our intention to provide transitional funding for local authorities from April 2017 to August 2017 inclusive. Information on how much ESG transitional grant local authorities are getting for the 2017 to 2018 financial year has now been published, alongside information on ESG protection for academies.

84. 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.

85. As proposed in the first stage of the national funding formula consultation, we have amended the 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.

86. 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.

87. Local authorities should set a single rate per 5 to 16 year old pupils (in other words, this will be deducted from basic entitlement funding) for all mainstream maintained schools (both primary and secondary). In the interests of simplicity, adjustments to other factors will not be allowed and the rate will not include early years or post-16 pupils; the latter are in any case funded through different formulae. Local authorities may choose to establish differential rates for special schools and PRUs if the cost of fulfilling the duty is substantially different for these schools. The rate will be expressed per place rather than per pupil for special schools and PRUs³.

88. As with de-delegation, the amount to be held by the local authority will be determined after MFG has been applied.

³ The multipliers used in ESG previously were 3.75 for PRUs and 4.25 for special schools 27

89. If a school converts to academy status during September 2017 to March 2018, the amount retained for that school will be recouped from the local authority's DSG for the remaining months of the financial year that the school is an academy. The academy will be reimbursed in its monthly general annual grant (GAG) payment from the point of conversion. Unlike for de-delegated services, there will be no phased transfer of funding following conversion so there will be immediate recoupment of this part of the budget. For example, if a school converts on 1 January 2018, 3/7ths of the retained amount relating to that school will be recouped. This is because the school is an academy for remaining 3 months of the financial year, and the retained DSG was allocated for 7 months (September 2017 to March 2018).