

15. Proposal to fund services, previously funded from the ESG, from maintained school budget shares

1. Proposal

- 1.1 The council proposes to ask the maintained schools' representatives on the Schools Forum to agree that some services, previously funded from the Education Services Grant, should continue to be funded from the budget shares of maintained primary and secondary schools.
- 1.2 The council made, and consulted schools, on a similar proposal last year. Most schools were against the proposal and the Schools Forum then rejected it. The council then referred the matter to the Secretary of State, who approved the proposal. The council subsequently charged £1m of the cost of services formerly funded from the ESG to the budgets of maintained schools
- 1.3 The proposal for 2020-21 is once again to charge the cost of services formerly funded from the ESG to the budgets of maintained schools, but at a reduced level of £700,000, a reduction of £300,000. Part of this reduction, £200,000, relates to redundancy costs and is offset by a proposal to increase dedelegated provision for contingencies by the same amount. This is explained in 14 of this agenda (dedelegation). The other £100,000 of reduction is the result of efficiency savings, resulting in reduced local authority costs.
- 1.4 The services and the total amount to be funded under this proposal are set out in the table in section 2.7 below. In summary, these are:
 - Statutory and regulatory duties
 - Asset management
 - Monitoring national curriculum assessments
- 1.5 It is proposed to consult maintained primary and secondary schools on this proposal before the Schools Forum is asked to make its decision at a special meeting in late November.

2. Background

- 2.1 The ESG proposal is a consequence of the removal of Education Services Grant from the council. The council lost £2.8m of funding of statutory services to maintained schools, of which £300,000 related to school improvement services.
- 2.2 The Education Services Grant was additional funding given to academies and local authorities until 2016-17 for services such as school improvement, education welfare services, asset management and strategic planning.
- 2.3 The DfE has allocated funding towards school improvement functions through a special school improvement grant for the last two years. This will be discussed in more detail in section 14 of this agenda (dedelegation).
- 2.4 The General Fund element of the ESG related to local authority statutory duties in respect of maintained schools (£2.8m for Barnet in 2016-17) and to services to maintained schools only (community and voluntary-aided schools, not Academies or Free Schools).
- 2.5 Government guidance has made clear that councils may request retention of a share of maintained school budgets to cover the loss of ESG income. Across the country a significant

number of local authorities have sought agreement from their Schools Forum for services previously funded from the Education Services Grant to be funded from the budget shares of maintained primary and secondary schools and have secured agreement.

2.6 The proposal will mean that the council can continue to provide the statutory services to maintained schools without having to make further cuts to other front-line services that have already faced significant budget reductions. The council needs to charge the proposed total amount to maintained school budgets in order to maintain a central education function. The council cannot legally stop providing these services. They all relate to statutory duties.

2.7 The following table sets out the LA responsibilities for maintained schools only and the estimated expenditure in 2019-20 and 2020-21:

Statutory and regulatory duties - S.251 category 1.6.4	£ in 2020-21	£ in 2019-20
Budgeting and accounting functions relating to maintained schools (Sch 2, 74)		
Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59)		
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 2, 60)		
Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61)		
Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 73)		
Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76)		
HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66)		
Consultation costs relating to staffing (Sch 2, 67)		
Compliance with duties under Health and Safety at Work Act (Sch 2, 68)		
Provision of information to or at the request of the Crown relating to schools (Sch 2, 69)		
Functions under the Equality Act 2010 (Sch 2, 71)		
Establish and maintaining computer systems, including data storage (Sch 2, 72)		
Appointment of governors (Sch 2, 73)		
Total expenditure on statutory and regulatory duties	£550,000*	£650,000

Asset management - S.251 category 1.6.3	£ in 2020-21	£ in 2019-20
General landlord duties for all maintained schools (Sch 2, 77a & b (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 be affected (Health and Safety at Work etc. Act 1974) Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)		
Total expenditure on asset management	£125,000	£125,000
Premature retirement and redundancy – S.251 category 1.6.5		
Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)	0**	£200,000
Monitoring national curriculum assessment - S.251 category 1.6.6	£ in 2020-21	£ in 2019-20
Monitoring of National Curriculum assessments (Sch 2, 75)	£25,000	£25,000
TOTAL	£700,000	£1,000,000

*£100,000 reduction due to efficiency savings

**£200,000 reduction – proposal to fund this from DSG contingency provision instead.

3. Impact on individual school budgets

- 3.1 The proposal, if approved, would mean a deduction from the budgets of maintained primary and secondary schools of approximately **£23.22 per pupil** based on 2019/20 pupil numbers. (The per pupil deduction rate will be finalised once pupil census numbers for 2020/21 are known).

xi) Recommendation – Schools Forum are requested to approve the proposal for 2020/21 to charge the cost of services formerly funded from the ESG to the budgets of maintained schools, but at a reduced level of £700,000.