

SOLIHULL METROPOLITAN BOROUGH COUNCIL

Report to:	Solihull School Forum
Meeting date:	09 October 2017
Subject/Report Title:	SCHOOLS REVENUE FUNDING 2018-19
Report Author	Steve Fenton
Schools affected:	<input checked="" type="checkbox"/> All Schools <input type="checkbox"/> All Primary <input type="checkbox"/> All Secondary <input type="checkbox"/> All Special <input type="checkbox"/> All Primary and Secondary <input type="checkbox"/> Maintained Schools Only <input type="checkbox"/> Academy Schools Only <input type="checkbox"/> PVI Settings <input type="checkbox"/> PRUs <input type="checkbox"/> Other (specify)
Type of Report	For Forum to Express a view to the Local Authority
Forum Voting	Whole of Forum
Public/Private report:	Public
Exempt by virtue of Paragraph:	N/A

1. Purpose of Report	
1.1	To set out the key features of the governments approach to school funding for 2018-19, and to seek initial views on the options available to the authority, and the preferred approach to be taken on the range of issues discussed in this report.
2. Decision(s) Recommended	
2.1	For Forum to express views on the approaches discussed in Section 6 of the report, to inform the detailed preparatory work to be undertaken this term.
3. Background	
3.1	On 4 August 2017 the DfE published a document "Schools revenue funding 2018 to 2019 Operational guide". This is to help local authorities and their schools forums to plan the local implementation of the funding system for the 2018 to 2019 financial year.
3.2	2018 to 2019 is significant because of the introduction of national funding formulae for schools, high needs and central school services. The full national funding formulae for 2018 to 2019 and 2019 to 2020 was announced on 14 September 2017, together with responses to the national funding formulae consultations. This formula will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and will sit alongside the early years national

	<p>funding formula which was introduced in 2017 to 2018. There is a separate paper on the 14 September announcement for this meeting. On 29 September the DfE published a number of technical papers giving details on how the NFF will actually operate.</p> <p>3.3 These allocations are a comparison to Solihull's 2017-18 baseline data, final allocations will follow as usual in December, on the basis of pupil numbers recorded in the October 2017 census. Local authorities will use the published information to begin their formula modelling to undertake consultations with schools later this term.</p> <p>3.4 The government has confirmed that there will be an additional £1.3 billion for schools and high needs across 2018 to 2019 and 2019 to 2020, in addition to the schools budget set at the Spending Review 2015. This will mean that, in 2018 to 2019, all local authorities will receive some increase over the amount they plan to spend on schools and high needs through the DSG in 2017 to 2018. These increases will be reflected in the allocations published in September.</p> <p>3.5 Alongside this operational guide, the DfE published a summary of local authorities' 2017 to 2018 baselines for the schools, high needs and central school services blocks of the DSG. This table also includes minimum funding amounts for the schools block (per pupil) and high needs block (overall) for 2018 to 2019, ahead of the publication of a full data set in September reflecting the final national funding formulae.</p> <p>3.6 While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2018 to 2019 and 2019 to 2020, local authorities will continue to determine final funding allocations for schools through a local formula. In 2018 to 2019 and 2019 to 2020, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.</p> <p>3.7 The operational guide constitutes the "rules of the game" for 2018-19, with the financial implications of the national funding formula, the impact of the +£1.3b and other protections to be revealed in September.</p>
4.	For consideration / Evaluation of Alternative Option(s)
4.1	There are a number of significant changes to the funding system for 2018-19:
4.2	The DSG now comprises four blocks: schools, high needs, early years and the new central school services block.
4.3	Each of the four blocks of the DSG will be determined by a separate national funding formula. National funding formulae will determine local authorities' schools, high needs and central school services blocks for the first time in 2018 to 2019. For the central school services block (CSSB) this will comprise funding for ongoing responsibilities and a cash sum for historic commitments. Funding for early years has been allocated through a national funding formula since 2017 to 2018.
4.4	Baselines have been adjusted to take account of local authorities' most recent spending patterns. The DfE have undertaken an exercise with local authorities to 're-baseline' the blocks of the DSG for each local authority. This enables the Department to ensure that the national spend on each block in 2018 to 2019 (the totals distributed through the schools, high needs and central school services formulae) reflects the pattern of 2017 to 2018 planned spending by local authorities within their overall DSG allocation, and that local authorities are protected against what they planned to spend in 2017 to 2018 on each block.
4.5	Within the schools block, the Government will provide for at least a 0.5% per

pupil increase for each school in 2018 to 2019 through the national funding formula. Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula, and these notional allocations will reflect these increases. Schools block allocations will be expressed as separate per pupil primary and secondary rates for each local authority. They will also include funding at local authority level for premises, mobility and growth, based on historic spend. Note that this does not explicitly apply to special schools and PRUs as they are funded from the high needs block.

- 4.6 **The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools** that have pupils in years 10 and 11 by 2019-20. A new factor will be allowed in local authority formulae so they can set a transitional amount of per pupil funding in 2018 to 2019, as a step towards £4,800 in 2019 to 2020.
- 4.7 **Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018 to 2019** through the high needs national funding formula. The high needs block will be protected against 2017 to 2018 baselines.
- 4.8 **The minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0% and minus 1.5% per pupil.** In past years, the MFG has been set at minus 1.5% per pupil. In 2018 to 2019, we're introducing flexibility for local authorities to set a local MFG between 0% and minus 1.5% per pupil. Local authorities can use the flexibility to offer higher levels of protection locally.
- 4.9 **The schools block will be ring-fenced from 2018 to 2019, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum.** Local authorities will be expected to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block. There will be an exceptions process, which will require Secretary of State approval, for considering transfers above the 0.5% limit and/or where the schools forum is opposed to the transfer. Whilst the other blocks are not subject to limits on transfers, local authorities will be strongly encouraged to consult their schools and agree with their schools forum any other proposal to move funding between blocks. 0.5% of the schools block would equate to a maximum of £715.000. Any such approval is for one year only, and cannot be treated as a permanent transfer. The specific requirements expected by the DfE are reproduced in Appendix 2.
- 4.10 **Alternatively Schools may have their own priorities for SEN additional resource deployment,** for example: schools on a collaborative basis may wish to develop new provisions or services and fund the activity from this mechanism, it would effectively mean a no opt-out for all schools; or schools may feel that the current level of top-up rates for SEN pupils is insufficient to fully incentivise inclusive practice across all schools consistently and thus consider the transfer to represent a shift of funding from general school funding to pupil specific SEND funding with the funding returned to school budgets via SEN –top-ups rather than through the AWPU. Although the guidance does not specifically mention it I would think we could work out sector specific arrangements. Any arrangement would be for that year only and would not be binding on future years.
- 4.11 There are a number of other smaller changes to the calculation of the schools and high needs blocks in 2018 to 2019:
- 4.12 Local authorities can now use both current free school meals and “ever 6” free school meals measures within their deprivation factors (previously they have been

able to use one of these measures, but not both);

- 4.13 Local authorities will no longer need to request a disapplication to increase pupil numbers where there is an increase in a school's admission limit or a local reorganisation;
- 4.14 There will no longer be a deduction to schools block pupil numbers for high needs places in mainstream schools. Instead, the school's budget share (or the equivalent academy funding) will be determined on the basis of the total number of pupils on the roll of the school, including those in the special unit or resourced provision. An adjustment has been made between the high needs block and schools block for each local authority to reflect this change. The balance of funding for this kind of special provision will come from the place funding decided in accordance with the local authority's commissioning decisions, and the top-up funding for individual pupils. The place funding will be £6,000 per place where the place is occupied by pupils in years reception to 11 on the roll of the school at the time of the October school census return. Places not filled by such pupils will still be funded at £10,000. Further information for local authorities on this change will be included in the high needs operational guide.
- 4.15 The guidance restates the obligations in respect of reviewing and consulting on the pre-16 funding formula:
- (a) A local authority must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with its schools forum, about any proposed changes to the local funding formula including the method, principles and rules adopted.
 - (b) Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies. Local authorities should, therefore, ensure that they communicate proposed formula changes to all bodies affected by the changes. The local authority is responsible for making the final decisions on the formula and each authority's process must ensure that there is sufficient time to gain political approval before the due deadlines. Political ratification means approval in line with the authority's local scheme of delegation, so this may be decisions by the Council Cabinet, Cabinet member or full Council. The schools forum doesn't decide on the formula.
 - (c) Authorities should allow sufficient time for wider consultation with schools, agreement by their schools forum and political approval if they wish to transfer funding out of the schools block and/or submit a disapplication request. Whilst funding allocations will be announced in September rather than July this year, the principles set out in this guidance, in particular the commitment that there will be a 0.5% per pupil cash increase for every school in the national funding formula, should enable local authorities to plan with some degree of certainty.

5. Central Services

- 5.1 The requirements for school forums to approve central expenditure continue – a table of what needs to be approved is shown in Appendix 1. However there are no significant changes to the processes or requirements for 2017-18.
- 5.2 **Combined Services** - School Forum expressed very strong support for these services last year (sports, H&S, Collaborative support), and the presumption is that these services will continue into 2018-19. The Finance Group has a rolling programme for evaluating these services and this will continue for 2018-19.
- 5.3 **Self-Management Services** – this covers all the services Solihull already offers on a

trading basis. There are no major changes planned for 2018-19, and these will all continue for the foreseeable future. The impact of the wider reviews of LA central services may result in some changes of costs or service description for individual services (e.g. HR/Payroll), but such changes are not expected to have a material impact on the cost or level of service of existing traded services.

- 5.4 **Retained Duties and General Duties** element of the Education Services Grant (ESG). Appendix 3 gives the definitions of central services that fall into these categories. The left side of the table are duties that the LA has to provide for all schools (*Retained Duties*), regardless of status; the right side reflects responsibilities for maintained schools (*General Duties*).
- 5.5 **Retained Duties** - For 2017-18 Forum approved to passport through the £566,000 added to the DSG for General Duties (transferred from ESG), noting the total Council spend on these duties was estimated at £1,877,000).
- 5.6 **General Duties** - for 2017-18 School Forum agreed a top-slice of £60 per pupil (x2.5=£150 special schools and PRUs) totalling £1,158,000 noting the total loss of Council grant was £1,137,000 and the total estimated Council spend was £1,597,000 (figures adjusted for removal of school improvement from original figures reported to school forum).
- 5.7 **School improvement** is not included in the arrangements set out in Appendix 3. Local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support. This grant is up to £50 million per full year, allocated to local authorities on the basis of the number of maintained schools, an area cost adjustment and top-up to ensure each local authority receives a minimum allocation of £50,000. In addition, the DfE are continuing to make available to academies and maintained schools a new £140 million Strategic School Improvement Fund. This fund is aimed at ensuring resources are targeted at the schools most in need of support to help them drive up standards, use their resources effectively and deliver more good or outstanding school places. Finally, schools forums can agree to *de-delegate* further funding for additional school improvement provision, in 2018 to 2019; this applies to maintained schools only. Services may be provided to academies, but on a traded basis.
- 5.8 **Other central services** – covering ongoing central functions like admissions (previously funded from the schools block), historic commitments (prudential borrowing), early years functions – these all require annual school forum approval, as detailed in Appendix 1.

6. Recommended Approach

- 6.1 **0.5% per pupil increase for each school in 2018 to 2019 through the national funding formula** – this is a mandatory requirement, but we will not know the impact of this until details are published in September, and until we can undertake detailed modelling to assess the impact on the overall schools block and MFG.
- 6.2 This does not apply to special schools, however, special schools face the same inflationary pressures as all other schools, and as the HNB will increase by 0.5%, it seems sensible to model on the basis of increasing special school top-ups by 0.5% so there is a consistent approach across schools.
- 6.3 **The minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0% and minus 1.5% per pupil.** It is widely agreed that schools that lose funding from formula changes should have some degree of protection, and that this is funded largely by phasing in the increases for those schools that gain from formula changes. However

it is also true that such protection should not be for an excessive period of time. The MFG at -1.5% has provided a reasonable balance, and I propose that this remains the starting point. I would propose only modelling alternatives if a significant number of schools look to be significantly adversely affected from formula changes in the move to the national funding formula. At this stage I am not clear on how this interacts with the guaranteed 0.5% per pupil increase guarantee and the minimum per pupil amounts.

- 6.4 **The schools block will be ring-fenced from 2018 to 2019, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum** – at this stage there is no firm proposal from the LA to seek a transfer. This option is really aimed at a school block contribution to an overspending high needs block. Unless the LA has a real clarity over high needs spending, it is more probable we would seek a contribution in the following year to deal with a major overspend. The 0.5% increase referred to in 4.7 above implies an increase of just £132,000.
- 6.5 Moving to the new national funding formula – Solihull and Forum have previously agreed that the best option is to move to the new NFF as quickly as possible and rely on the MFG and any other national protections to ease the introduction. Clearly the schools that gain would most likely be impatient to receive their full funding. At this stage it not possible to estimate the interaction between the government proposals set out in the recent government statement, the proposals set out in the operational guide and the further details to be released in September.
- 6.6 However it is recommended that Solihull implements NFF as fully as possible for 2018-19, and use a single factor – the AWPU as a balancing figure, i.e. use all other factor values introduced as in the NFF, with the AWPU scaled up or down to meet the overall DSG made available. It may take both 2018-19 and 2019-20 to fully migrate to the NFF. In doing this the funding per sector will be at least maintained, and if resources allow, increased in proportion to the outcomes of the NFF.
- 6.7 **Central Services** – from the Council's perspective all central services would be expected to continue into 2018-19 largely as is, reflecting that schools have voted to retain the service or they reflect statutory functions of the local authority, and the Council will be seeking Forum approval for the continuation of services at current funding levels. In particular:
- (a) **Retained Duties** – the LA will seek to maintain the current “subsidy of services” funded from outside the DSG, but would want the full DSG grant element (the £566,000 as amended by changes in pupil numbers) to be approved.
 - (b) **General Duties** – the LA has little choice but to seek to recover the loss of ESG grant from maintained schools. The £60 per pupil represented only a part year effect, and the LA is undertaking further analysis on the loss of grant that may mean the LA seeking a full year effect of up to £70 per year.
 - (c) **School Improvement** - the Council has supported the cost of the service throughout 2017-18, despite the reduction in grant from September 2017. However there does need to be a new set of arrangements agreed by schools for 2018-19, and the Assistant Director for Education is engaged in an on-going dialogue with schools. Ultimately this will involve seeking a de-delegation of funds from maintained schools to reflect the cost of the services agreed with schools to be provided.
- 6.8 The DfE have published advice on the evidence that might reasonably be expected by Forum in considering central services, and in due course information to at least

this level will be presented to Forum:

- (a) planned total spending for 2018-19 on each of the headings set out in Appendix 3 below
- (b) spending shown to at least the level of detail provided in the 2018-19 section 251 budget statement
- (c) comparable figures for previous years' spending, split where relevant between those relating to all schools and those for maintained schools only
- (d) consequences for the funding and delivery of each of the services provided if the request was not approved
- (e) the impact on individual school budgets and their overall financial position
- (f) the impact on the local authority if the amount was not held centrally
- (g) detail of the results of the equalities impact assessment carried out to assess the impact of the central retention of the funding on children or other people who have one or more of the protected characteristics under the Equality Act 2010.

6.9 **De-delegation of services** – Last year school Forum agreed de-delegation (maintained schools only) in respect of Trade Union Duties and a primary sector contingency fund. Again, the Council would seek a continuation into 2018-19 at the same level as 2017-18.

6.10 **Growth Fund** – agreed at £250,000 for 2017-18. This fund was significantly overspent in 2016-17, but by making greater use of “pupil number variation” the budget is expected to very closely reflect required spend in 2017-18, so a similar sum currently looks to be sufficient for 2018-19. Solihull will continue to use the pupil number variation as the proper route for schools permanently expanding to meet basic need for places.

6.11 **Timetable** – the key dates are shown in Appendix 4

7. Consultation / Scrutiny already taken place / to take place

7.1

8. Key Implications for Schools & Settings

8.1 Delivery of the Council's Priorities

The options/proposals in this report will contribute to the delivery of the following Council Priority(ies): **(delete as appropriate)*

- **Improve Health and Wellbeing (specify the key programme)*
- **Managed Growth (specify the key programme)*
- **Build Stronger Communities (specify the key programme)*
- **Deliver Value (specify the key programme)*

8.2 Policy/Strategy Implications

8.3 Meeting the duty to involve

8.4 Financial Implications

8.5 Legal implications

8.6 Risk Implications

8.7	Statutory Equality Duty
8.8	Carbon Management/Environmental
8.9	Partner Organisations
8.10	Safeguarding/Corporate Parenting Implications
8.11	Customer Impact
8.12	Other implications
9.	List of Appendices Referred to
9.1	Appendix 1 - Level of approval for centrally retained services
9.2	Appendix 2 - DfE expectations concerning funding movements between DSG blocks
9.3	Appendix 3 - definitions of duties that fall within retained and general central services
9.4	Appendix 4 – Timetable and key dates.
10.	Background Papers and Web Links Used to Compile this Report
10.1	(DfE) Schools revenue funding 2018-19 – operational guide 4 August 2017
10.2	Justine Greening statement to parliament on school funding 17 July 2017
11.	List of Other Relevant Documents
11.1	

Level of approval for centrally retained services

Approval required	Services covered (and funding block) Where applicable in Solihull – in bold
Schools forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State
Schools forum approval is required on a line-by-line basis	<ul style="list-style-type: none"> • funding to enable all schools to meet the infant class size requirement • back-pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools (Retained Duties) • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) (General Duties) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)
Schools forum approval is required	<ul style="list-style-type: none"> • central early years block provision • any movement of funding out of the schools block • any deficit from the previous funding period that reduces the amount of the schools budget • any brought forward deficit on de-delegated services which is to be met by the overall schools budget

<p>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.</p>	<ul style="list-style-type: none"> • capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged. Details of the remaining costs should be presented • contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) • prudential borrowing costs – the commitment must have been approved prior to April 2013. Details of the remaining costs should be presented
<p>Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools</p>	<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years

DfE expectations concerning funding movements between DSG blocks:

Movements between blocks

From April 2018 local authorities' DSG will consist of 4 blocks of funding: the schools block, central school services block, high needs block and early years block. The schools block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum. To make such a transfer, local authorities would need to carry out a consultation with all local maintained schools and academies, and the schools forum should take into account the views of the schools responding before giving their approval.

The authority must submit a disapplication request to the Secretary of State in cases where:

- the authority wishes to move more than 0.5% of the schools block; or
- the schools forum has turned down a proposal from the authority to move funding out of the schools block (either above or below the 0.5% limit), but the authority nevertheless wishes to proceed with the transfer.

Authorities making a disapplication request should submit proposals by 30 November 2017, using the best information available to them. This is in line with the deadline for other disapplication requests affecting the APT, and will enable us to communicate decisions back, in time for authorities to submit the APT within the deadline and provide maintained schools with their budget shares.

1. It's possible that there may be exceptional situations where authorities need to amend their request, for example because the demand for high needs provision has changed significantly and unexpectedly, or because the final pupil numbers in the October census are significantly different from the expected numbers. Local authorities will therefore be allowed to amend disapplication requests already submitted where there are significant changes. Further information on the implications for APT submissions is set out at paragraph 155. The amended disapplication request would need to be submitted by 19 January 2018 at the latest. In these circumstances, local authorities will need to consider how they manage the timetable for setting their school budgets so that the notifications to schools of their budget shares, and the parallel ESFA process for notification of academy grants, are not delayed. New disapplication requests will only be considered in exceptional circumstances.

We expect that most proposals by local authorities to move funding from their schools block will arise as a result of pressures on their high needs budgets. All local authorities received separate grant funding in January 2017, details of which are available in the [high needs strategic planning fund guidance](#). This funding is intended to assist them in reviewing their local offer of special provision, and planning ahead strategically to ensure good quality provision can be developed in line with available resources. Further help and guidance has been offered, including capital funding and a benchmarking tool to facilitate a better understanding of how a local authority's expenditure on high needs compares with that of other authorities, and to prompt local discussion of how current spending patterns might need to change. We'll update the benchmarking tool for the latest section 251 budget data and January school census pupil data in autumn 2017.

Any proposal to transfer funding from the schools block should be presented along with a range of evidence to back up the proposal, both to schools as part of the local consultation, and to the schools forum in seeking their approval. Schools forum discussions should include appropriate representation from special schools and other specialist providers.

We expect the evidence presented to the schools forum to include the following:

- details of any previous movements between blocks, what pressures those movements covered and why those transfers have not been adequate to counter the new cost pressures
- a full breakdown of the specific budget pressures that have led to the requirement for a transfer. This would include the changes in demand for special provision over the last three years and how the local authority has met that demand by commissioning places in all sectors: mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision. It's particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so that those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided
- a strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels. The local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the expected final high needs funding allocation, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways. The schools forum can only give approval for a one-off transfer of funding out of the 2018 to 2019 schools block. The local authority, however, should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, and how they are planning ahead to avoid such transfers in the longer term
- as part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded. We expect effective partnership between the local authority, those institutions making special and alternative provision (including mainstream schools), and parents, and between the local authority and neighbouring authorities
- any contributions from health and social care budgets towards the cost of specialist places
- how any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools. Examples of schools that illustrate how the local authority would support such inclusive practice might be given
- details of the impact of the proposed transfer on individual schools' budgets as

a result of the reduction in the available funding to be distributed through the local schools funding formula

- the extent to which schools more generally support the proposal, including the outcome of local school consultations

Any disapplication request to the Secretary of State, seeking approval either to exceed the 0.5% transfer limit, or to override a schools forum rejection of their proposed transfer, should be accompanied by the information outlined above, as presented in published papers considered by the schools forum, alongside the published minutes of relevant schools forum meetings, recording the discussion at the meetings.

Movements from the central school services block to the schools block or from the high needs block to any other block are not subject to any limit, and can be made in consultation with the schools forum. Movement from the early years block can be made in compliance with the early years pass through rate conditions and in consultation with the schools forum. Any local authority considering a transfer of funding out of the high needs or early years funding blocks should ensure adequate consultation, both with the relevant representatives on the schools forum (including any relevant sub-groups), and with any providers likely to be affected by the transfer.

Definitions of duties that fall within retained and general central services

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums) RETAINED DUTIES	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum) GENERAL DUTIES
<p><u>Statutory and regulatory duties</u></p> <p>Director of children's services and personal staff for director (Sch 2, 15a)</p> <p>Planning for the education service as a whole (Sch 2, 15b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</p> <p>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</p> <p>Formulation and review of local authority schools funding formula (Sch 2, 15d)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</p> <p>Consultation costs relating to non-staffing issues (Sch 2, 19)</p> <p>Plans involving collaboration with other LA services or public/voluntary bodies (Sch 2, 15f)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</p>	<p><u>Statutory and regulatory duties</u></p> <p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 58)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</p> <p>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</p> <p>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, 59)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</p> <p>Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61)</p> <p>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, 62)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 2, 63); determination of conditions of service</p>

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums) RETAINED DUTIES	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum) GENERAL DUTIES
	<p>for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 72)</p>
<u>Education welfare</u>	<u>Education welfare</u>
<p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p>	<p>Inspection of attendance registers (Sch 2, 78)</p>
<u>Asset management</u>	<u>Asset management</u>
<p>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</p> <p>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p>	<p>General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <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

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums) RETAINED DUTIES	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum) GENERAL DUTIES
	<ul style="list-style-type: none"> • adequate water supplies and drainage • playing fields of the appropriate standards <p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974)</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</p>
<u>Central support services</u>	<u>Central support services</u>
No functions	<p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>
<u>Premature retirement and redundancy</u>	<u>Premature retirement and redundancy</u>
No functions	Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)
<u>Monitoring national curriculum assessment</u>	<u>Monitoring national curriculum assessment</u>
No functions	Monitoring of National Curriculum assessments (Sch 2, 74)
<u>Therapies</u>	<u>Therapies</u>
No functions	This is now covered in the high needs section of the regulations and does not require schools forum approval

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums) RETAINED DUTIES	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum) GENERAL DUTIES
<p><u>Other ongoing duties</u></p> <p>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8) – this does not require schools forum approval</p> <p>Admissions (Sch 2, 9)</p> <p>Places in independent schools for non-SEN pupils (Sch 2, 10)</p> <p>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</p> <p>Servicing of schools forums (Sch 2, 12)</p> <p>Back-pay for equal pay claims (Sch 2, 13)</p> <p>Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018-19 regulations).¹</p>	
<p><u>Historic commitments</u></p> <p>Capital expenditure funded from revenue (Sch 2, 1)</p> <p>Prudential borrowing costs (Sch 2, 2(a))</p> <p>Termination of employment costs (Sch 2, 2(b))</p> <p>Contribution to combined budgets (Sch 2, 2(c))</p>	
<p><u>Additional note</u></p> <p>Services set out in the table above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:</p> <ul style="list-style-type: none"> expenditure related to functions imposed by or under Chapter 4 of Part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance 	

¹Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

Central Services	
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums) RETAINED DUTIES	Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only with agreement of the maintained school members of the schools forum) GENERAL DUTIES
<p>and superannuation contributions</p> <ul style="list-style-type: none"> • expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services • expenditure in relation to the investigation and resolution of complaints • expenditure on legal services 	

The timetable for the data checking and calculation of the blocks (key events in bold)

Date	DfE/ESFA	Local authorities
August 2017	Operational guidance published setting out arrangements for 5-16 mainstream schools implementation for 2018 to 2019. Local authority level baselines published.	
August 2017	Example APT issued to local authorities	
September 2017	Allocations issued for schools, central school services and high needs blocks	
Autumn 2017	High needs funding guide for 2018 to 2019 issued to local authorities	
5 October 2017	School census day	
October / November 2017	DfE and local authorities check and validate school census	
30 November 2017	School census database closed	<p>Deadline for submitting requests for:</p> <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number reductions • movement of funding out of the schools block above the limit of 0.5% and/or which the schools forum has not approved
Mid-December 2017	<p>APT issued to local authorities, containing October 2017 census-based pupil data and factors</p> <p>Publication of DSG schools block and high needs block allocations for 2018 to 2019 (prior to academy recoupment)</p>	

Date	DfE/ESFA	Local authorities
	Publication of provisional early years block allocations	
Mid-January 2018		Schools forum consultation / political approval required for final 2018 to 2019 funding formula
19 January 2018		Deadline for submission of final 2018 to 2019 APT to ESFA
28 February 2018		Deadline for confirmation of schools budget shares to mainstream maintained schools
February/March 2018	2018 to 2019 allocations to post-16 institutions, academies and NMSS to be issued	
February 2018	Publication of 2018 to 2019 high needs place numbers at institution level	
30 March 2018	Confirmation of 2018 to 2019 general annual grant for academies open by 9 January 2018	
April 2018	First DSG payments to local authorities based on 2018 to 2019 allocations, net of academies recoupment (DSG allocations updated termly for in year academy conversions), FE high needs place funding deductions and other adjustments	
Summer 2018	Early years block updated for January 2018 early years pupil numbers	
Summer 2019	Early years block updated for January 2019 early years pupil numbers (pro rata 7/12ths as this relates only to the period September 2018- March 2019)	