

Impact of the changes to the 2017/18 Education Service Grant

1. Purpose of the Report

To provide an explanation of the changes to the Education Service Grant for 2017/18 and consider options for responding to its impact.

2. Background

The Education Services Grant (ESG) was introduced in 2013 and is paid to local authorities and academies according to two national per pupil rates. The general funding rate (£77 per pupil in 2016/17) is paid to both academies and local authorities to fund duties that academies are responsible for delivering for their pupils, and that local authorities deliver for maintained school pupils. The retained duties rate (£15 per pupil in 2016/17) is paid only to local authorities, to fund the duties that local authorities deliver for all pupils.

In the 2015 spending review, a saving of £600m from the ESG general funding rate by 2019/20 was announced. The first step was taken towards realising this with a saving of £72m in 2016/17 with a resultant reduction in the general funding rate from £87 per pupil in 2015/16 to £77 per pupil in 2016/17. Final announcements for 2017/18 are still awaited, but the plan as currently published is for the government to withdraw the general funding rate altogether, and to include the retained duties rate within the DSG.

According to the National Funding Formula consultation there will be a new Central schools block to pay for retained duties when this is introduced, probably in 2018/19. Consequently this proposal is for 2017/18 only.

3. Impact of changes

The County Council has reviewed the services provided from the Education Services Grant and reduced the cost of them as far as possible. A core of services for 2017/18 has been identified and costed as can be seen in Appendix A.

The value of the services provided from the retained duties rate amounts to £1.7m. It is anticipated that £1.7m of funding will be added to the DSG to fund these services. The proposal is that £1.7m to fund these services is retained from the DSG.

One service in the general duties has been identified as requiring ongoing funding. This is the moderation of teacher assessments. The cost of this is already charged to academies. If the ESG disappears altogether as expected, funding will need to be found for this from schools in 2017-18. It is proposed that this amount is retained from the DSG. The cost of this is £150k. If in the final announcement sufficient funding is available for this then this retention will not be made.

4. Recommendation

That the Schools Forum:

- note the contents of the report
- agrees the retention of £1.7m in 2017/18 from the DSG to fund the services provided relating to retained duties.
- agrees a retention of £150k for the moderation of teacher assessments from the DSG (unless other funding is announced)

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Appendix A

Education Services Grant - Summary of Current Duties Covered

Services Funded by the ESG	Retained Duties - Statutory Obligations for ALL Schools MTFS 2017/18 £1.7m will be in DSG	£'000
School Improvement	When delivering their school improvement function, local authorities must have regard to the Schools Causing Concern statutory guidance ¹ .	761
Strategy	Appoint a Director of Children's Services Strategically plan for its education services	302
Finance	Preparation of revenue budget, financial accounts and statement of accounts; and external audit of grant claims.	50
Information	Provide Information to or at the request of the Secretary of State.	2
Education Welfare Service	Includes attendance services and prosecutions, tracking children missing education and undertaking licensing and registration responsibilities in respect of child employment and engagement in performances.	184
Asset Management	Local authorities have a general landlord duty for all buildings which they let to academies (under the relevant academy lease), and for all community school buildings, and overall responsibility for capital strategy including basic need, which applies to all pupils (section 14, Education Act 1996).	401
Therapies and Other health related services	The Children and Families Act 2014 places a statutory duty on local authorities and local health bodies to commission services jointly to support disabled children and young people and those with special educational needs, including those who need therapy support.	0
		1,700

From General Duties

Monitoring the national curriculum assessment	Moderation of teacher assessments (KS1) and appointment of assessors.	£150	Sold service to academies
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Note in Operational Guide

"We will say more about the transitional protection in respect of the general funding rate later in the year."

