

Refund of De-delegated School Surplus Balances

Date: 16th September 2024

Report of: Head of Finance, Children and Families

Report to: Deputy Director of Learning

Will the decision be open for call in? Yes X No

Does the report contain confidential or exempt information? Yes X No

Brief summary

Schools Block funding within the Dedicated Schools Grant (DSG) is delegated to schools each year by the local authority. Schools Forum can however agree that the local authority retains some of this funding for maintained primary and secondary schools, in order to provide certain central services for schools. This is known as 'de-delegation' of funding

As at the end of 2023/24 there was a cumulative surplus of £1,191k on the de-delegated budgets this was due to an in year underspend, the clawback of school surplus balances and a surplus brought forward from 2023/24. Of the cumulative surplus £500k has previously been earmarked to offset the cost of de-delegated services in 2024/25. In line with previous commitments made to Schools forum it is proposed that £400k of the remaining cumulative surplus is refunded to schools in 2024/25.

Recommendations

- a) The Deputy Director of Learning is asked to approve the proposed refund of £400k of the de-delegated underspend back out to maintained mainstream schools for 2024/25.

What is this report about?

- 1 Schools Block funding within the Dedicated Schools Grant (DSG) is delegated to schools each year by the local authority. Schools Forum can however agree that the local authority retains some of this funding for maintained primary and secondary schools, in order to provide certain central services for schools. This is known as 'de-delegation' of funding.

The Education and Skills Funding Agency requires that the local authority consults all maintained primary and secondary schools on whether to delegate funding to schools for the services or whether to opt to de-delegate this so that the funding is retained centrally.

The consultation relates to maintained primary and secondary schools only as the regulations set by the Education and Skills Funding Agency (ESFA) do not allow other settings, such as academies or SILCs, to de-delegate their funding in this way.

In 2023/24 Schools Forum agreed to de-delegate total funding of £5.53m, this was compared to the agreed de-delegation of £4.98m in 2022/23.

Schools Forum agreed that the central services to be funded were:

- School contingency fund
- Maternity and other cover
- Suspended staff cover
- Trades Union Facilities
- School library services (primary only)
- Free school meals eligibility
- Behaviour support services
- Support to underperforming ethnic minority groups and bilingual learners
- School Improvement

As reported to Schools Forum in June as at the end of 2023/24 there was a cumulative surplus of £1,191k on the de-delegated budgets this was due to an in year underspend, the clawback of school surplus balances and a surplus brought forward from 2022/23. Of the cumulative surplus £500k has previously been earmarked to offset the cost of de-delegated services in 2024/25.

In line with previous commitments made to Schools forum it is proposed that £400k of the cumulative surplus is refunded to schools in 2024/25. This will be refund will be allocated pro -rata to the contribution made towards de-delegated budget in 23/24. This refund will only apply to maintained mainstream schools only as these are the only schools which contributed to the de-delegated budgets.

The refund will vary from £581 to £11,373 per school, please find attached a full breakdown of the de-delegated refunds at Appendix 1.

What impact will this proposal have?

- 1 The proposed refund of the de-delegated underspend back to schools recognises the financial pressures currently faced by schools.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 2 Maintained mainstream schools support the de-delegated service by making a contribution from their School Funding Formula allocations. By refunding the underspend of the de-delegated budgets we are ensuring that the funding is returned to the school budgets, allowing the funding to be utilised for the benefits of pupils currently in school.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 3 The cumulative de-delegated surplus was reported to Schools Forum in June 2024 and the proposal was made to refund £400k back to maintained mainstream schools. This proposal takes into account previous opinions made by schools forum that would support the proposal and no objections were received from Schools Forum against this proposal

What are the resource implications?

- 4 The proposed refund of the de-delegated underspend back to schools recognises the financial pressures currently faced by schools.

What are the key risks and how are they being managed?

- 5 If school funding is not allocated in a fair and transparent way, then this may impact on the ability of schools to operate within their budgets in order to maintain or raise the educational attainment of pupils in Leeds.

What are the legal implications?

- 6 DfE regulations set out that the recommendations within this report are council decisions.

Options, timescales and measuring success

What other options were considered?

- 7 The other option considered was to not refund the de delegated surplus and retain this within the DSG reserve. The preferred option to refund the surplus reflects the fact that maintained mainstream schools contributed to the de delegated budgets from their school block funding allocation and as not spent this should be put back into their school budgets to address growing budget pressures across schools.

How will success be measured?

- 8 All maintained mainstream schools will receive a proportion of their contribution to de delegated budgets back into their school budgets 2024/25.

What is the timetable and who will be responsible for implementation?

- 9 Funding will be refunded prior to the commencement of the autumn term and implemented by the school finance team.

Appendices

- Breakdown of the surplus de delegated balances to be refunded to schools
- EDCI Screening Form

Background papers

None