

## SCHOOLS' FUNDING FORUM

<b>SUBJECT:</b>	Historic Commitments
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<b>DATE:</b>	9 December 2016

### **SUMMARY OF REPORT:**

New for 2017-18 financial year - the Council is required to obtain Forum approval for the continued use of centrally retained DSG for some specific budget lines, known as "historic commitments".

<b>FOR:</b>	Approval
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### 1. Introduction

1.1 In March 2016, we were asked by the DfE to detail our historic commitments that we expected to fund from DSG in 2017-18, as part of the process for confirming baselines prior to the introduction of a national funding formula.

1.2 Since 2013, finance regulations have restricted a number of central schools block funding lines to historic commitments. In Kent, we have funding on the following lines:

- Contribution to combined budgets
- Termination of employment costs

Under schools finance regulations, budgets cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.

1.3 The DfE's assessment of the evidence provided by LAs suggests more guidance is needed on two elements:

- Clarity on acceptable historic commitments under the regulations
- The quality of evidence that must be provided to local schools forums.

1.4 In November 2016 the Department for Education published a guide for Local Authorities and Schools' Funding Forum to help inform their funding discussions, prior to submitting their Authority Pro Forma Tool (APT) in January 2017. A copy of this guide can be accessed via the following link: [Historic commitments guide](#).

1.5 The EFA have stated that acceptable evidence of historic commitments must include:

- Minutes from the schools forum prior to 1 April 2013 – schools forum should have agreed the commitment prior to 2013.
- Proof that the commitment extended at least as far as the 2017-18 financial year.
- Where budgets relate to non-staffing costs, there must be a contractual commitment which extends into the relevant financial year.
- Schools Forum papers and minutes must show that approval has been granted for the financial year. The forum is expected to approve each spending line annually.

## 2. Combined Budgets

2.1 This line enables schools budget funding to join other sources of funding to contribute to services outside the schools budget – but which have an educational benefit. The EFA have now confirmed that examples of acceptable funding against this line includes:

- Contribution to jointly run early help services, bringing together education, early years, social care, health and youth services.
- Early Intervention Family Workers (EFIWs) who operate in close partnership with schools and deliver interventions to stop emerging needs escalating and requiring more intensive involvement.
- Careers Education Information Advice and Guidance
- Contributions to placements for looked after children that have an educational element.
- Part funding for the Looked After Children's Education Service which falls within the remit of the Virtual School.

2.2 In Kent we currently have a budget of £3.353m for contributions towards combined budgets and it is spend on the following services:

Amount	Service Description
£1.085m	Skills and Employability
£1.669m	Early Help and Preventative Services
£0.599m	Virtual Schools Kent
£3.353m	TOTAL

2.3 It is our view that we are fully compliant with the regulations and the expenditure that this funding is used for in line with the acceptable examples listed above in section 3.1.

2.4 Attached at appendix 1 is a copy of the SFF minutes from 15th May 2009, which confirm that the Forum approved the use of DSG on these budget lines prior to the 1 April 2013 changes.

2.5 I can also confirm that the amounts allocated for Combined budgets has not increased and there are no plans to increase it for 2017-18.

3. Termination of Employment Costs

- 3.1 This line is self-explanatory and the EFA have confirmed that examples of acceptable funding against this line includes:
- pension costs
  - historic retirement allowances
- 3.2 In Kent we currently have a budget of £3.63m for termination of employment costs and it is used as a contribution towards the costs from decisions taken in previous years.
- 3.3 Attached at appendix 2 is a document that the Council have the EFA as part of its data collection exercise in March 2016. This document sets out the current expenditure and DSG contribution levels over a three year period along with some commentary to help explain the background and practical issues associated with this budget line.

4. **Recommendation**

- 4.1 Members of the Forum are asked to:
- **APPROVE** the continued use of the £6.983m centrally retained DSG budget (known as historic commitments) in accordance with the School Finance regulations and the EFA guidance.