

TITLE OF REPORT: Admissions Funding

Purpose of the Report

1. To bring to Schools Forum's attention the issue around funding for the Local Authorities Admissions and Admissions Appeals Service and to ask to use DSG reserves to fund the gap for 2022/23 financial year.

Background

2. In 2012/13 in readiness for the Dedicated Schools Grant (DSG) to be split into 3 blocks work was undertaken to split the 2012/13 DSG into 3 nominal blocks, the early years block, schools block and high needs block. Areas of expenditure that could be held centrally were held in the schools block. At this time Gateshead took the decision to hold funding for admission centrally and not delegate this funding to schools.
3. Early academy converters received funding for central services such as admissions and the DfE took a proportion off local authorities to fund these services in academies. This was called the Local Authority Central Services Equivalent Grant (LACSEG). The School Admissions Appeals Code which was published February 2012 and update throughout 2020 and 2021 due to Covid still contains the below section.
4. " Costs 1.14 Local authorities must allocate reasonable funds to governing bodies of maintained schools which are admission authorities to meet admission appeals costs, including training for panel members, unless the school and local authority agree that the local authority will carry out the administration on the governing body's behalf. Academies receive funding in accordance with their funding agreements."

[School Admission Appeals Code – 2011 Revised Code \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

5. As the number of academies grew, having the different LACSEG calculations for most academies became too burdensome for the DfE to administer. From 2013/14 the Education Services Grant (ESG) was introduced to replace LACSEG and provided funding to both local authorities and academies for central services. For LA's there was a retained duties rate for functions carried out to all schools of £15 per pupil and a general rate of £116 per pupil. This was an un-ringfenced grant.
6. In November 2015 the DfE launched a consultation on the funding of admission appeals, and the DfE noted that the 2013/14 funding reforms removed the ability of LA's to allocate specific funding for admissions and ended the separate grant paid to academies for admissions. The reforms also restricted LA's ability to increase the amount retained centrally for admissions. Consultation responses were very low with only 44 respondents answering questions. Gateshead did not respond to this consultation.

7. The response to the consultation was published December 2015 and stated: -

“Should local authorities, in agreement with their Schools Forum, wish to continue to retain funding centrally to cover admission appeals for all types of schools, they will be able to do so. If local authorities need to increase their centrally retained admissions funding to do this, they need the consent of the School Forum and Secretary of State to do so. To apply for this, local authorities should use the ‘Schools finance disapplication request form’.” Gateshead was not aware of this consultation response.
8. The DfE announced in March 2016 that the general funding rate of the ESG would be removed to save £600m, and LA’s would receive a transitional grant of £66 per pupil from April to August 2017 to bring them into line with academies being funded to August 2017. The retained duties element would remain at £15 per pupil. Academies also had their funding cut, but with additional transitional protection.
9. From April 2017 the retained duties element of the ESG of £15 per pupil was transferred into the schools block of the DSG, and LA’s had to request permission from Schools Forum to hold this funding centrally.
10. The DfE published the response to the second stage National Funding Formula (NFF) consultation in September 2017, confirming the intention to create a central schools services block (CSSB) to reflect the ongoing local authority role in education. This fell into 2 distinct areas – historic commitments and ongoing responsibilities. There was a passing mention of admissions in the consultation document and nothing at all in the outcome of the consultation.
11. The 2018/19 operational guidance was published December 2017.
12. The CSSB brings together:
 - funding previously allocated through the retained duties element of the education services grant (ESG)
 - funding for ongoing central functions, such as admissions, previously top-sliced from the schools block
 - residual funding for historic commitments, previously top-sliced from the schools block
13. On page 48 of the guidance admissions is categorised under “other ongoing duties” for all schools.
14. The Schools Operational guidance now states that local authorities cannot charge academies for services such as admissions if they do not charge maintained schools.
15. The Admissions and Admissions Appeals Services rely on buyback from academies to fund the full cost of the services. It is not possible to maintain the current level of service to all schools without the current staffing levels in both areas.

Proposal

16. It is proposed for 2022/23 that all costs associated with School Admissions and School Admissions Appeals be funded from the CSSB. This will result in an overspend on the CSSB, and it is proposed that this be funded from DSG reserves at the end of the financial year.

17. For 2023/24 a disapplication request will be tabled for Schools Forum approval before being submitted to the Secretary of State for Education to top slice the Schools Block of the DSG to increase the CSSB by the amount needed to fully fund admissions and appeals services for all schools funded from Gateshead's DSG funding allocation. For 2021/22 income from academies was approximately £75K.

Recommendations

18. That Schools Forum approves:-

- Overspend of the CSSB to fully fund the Admissions and Admissions Appeals Services
- To fund the overspend for 2022/23 from DSG reserves
- To support a submission to the Secretary of State for Education to disapply the regulations and increase the CSSB for 2022/23

For the following reasons: -

- To enable the admissions and admissions appeals services to be carried out for all Gateshead Schools.

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