**AGENDA ITEM**

**Title of report: Central Schools Services Block 2023-24**

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**Details on who has been consulted with on this paper to date:**

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| **Executive Summary.**  This report summarises the centrally managed services for schools provided by Local Authorities administered under the Central Schools Service Block of the Dedicated Schools Grant (DSG) |

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| **Recommendations.**  This is an information item and Schools Forum is invited to note and comment on the contents. |

1. **Background.**
   1. The Central School Services Block (CSSB) provides funding on a formula basis for local authorities to carry out central functions on behalf of maintained schools and academies. The total annual CSSB allocation represents less than 1% of the total Dedicated Schools Grant (DSG) funding, before recoupment and deduction for direct funding of high needs places by the Education and Skills Funding Agency (ESFA).
   2. The CSSB provides funding to local authorities (LA’s) for a prescribed list of statutory services held on behalf of schools and falling under the headings. Since implementing a formula approach, the cost of services provided progressively has outstripped the allocation available, it now represents a contribution to the services provided.
   3. The grant formula is allocated as two elements, but the responsibilities under each are managed as a whole across several services. The Ongoing responsibilities element - pupil number-based formula, and the Historic commitments element which is being cut by 20% each year.

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| Table 1 | Funding 2022-23 | Provisional NFF funding 2023-24 | variance (£) | variance (%) |
| Per-pupil rate for ongoing responsibilities | £54.60 | £53.24 | -£1.36 | -2% |
| 2022-23 DSG schools' block pupil count | 38216 | 38216 |  |  |
| Total funding for historic commitments | £1,424,384 | £1,139,507 | -£284,877 | -20% |
| **Total CSSB funding** | **£3,510,978** | **£3,173,936** | **-£337,042** | **-10%** |

* 1. The local authority anticipates a reduction in the total estimated CSSB allocation for financial year 2023 to 2024, which will be determined using the October 2022 roll across all schools, issued in December 2022.
  2. This paper summarises the Central services that may be funded with the agreement of schools’ forums as set out in the Schools Revenue Funding 2022 to 2023 guidance, issued by the Education & Skills Funding Agency (ESFA). The full breakdown of statutory responsibilities is attached as an appendix to this report.

1. **Details** 
   1. On-going commitments for all school’s fund responsibilities that fall into the following categories:

* + Statutory and Regulatory duties
  + Education Welfare
  + Asset Management
  + Other Ongoing Duties
    1. The estimated budget for 2023 -24, calculated on the same pupil budget base in 2022-23, will be reduced following the reduction in the hourly rate estimate. The final budget will be brought to Schools Forum for agreement in January 2023
    2. Provisional savings are planned on the following basis:

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| **Ongoing responsibilities** (allocation based on pupil numbers) | budget 22-23  £000 | estimate for 2023-24 |
| Student Admissions | 749 | All budgets remain same |
| Meeting Expenses | 35 | All budgets remain same |
| School Licence fees | 212 | All budgets remain same |
| Contribution to pooled budgets (TPA) | 197 | All budgets remain same |
| Education Service Grant Retained | 615 | All budgets remain same |
| Non statemented SEN placements | 247 |  |
| **Total Ongoing** | **1,809** | **1,809 (0%)** |

* 1. Historic Responsibilities allocated on the previous budget less 20%:

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| **Historic budgets** | budget 22-23  £000 | estimate for 2023-23 |
| Recharges Education Social Care | 531.1 |  |
| Early retirement /redundancy (schools) | 530.8 | High risk, outturn 21-22 £1.02m |
| Recharge to Education Psych team | 188 | Remain as 2022-23 |
| Children in Public Care Team | 251 | Remain as 2022-23 |
| Clothing grants | 201 | Remain as 2022-23 |
| **Total Historic** | **1,702** | **1,366 (-20%)** |
| **Total CSSB** | **3,511** | **3,174 (10%)** |
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* + 1. The early retirement budget is extremely high risk, having overspent in 2021-22. The authority will not have the ability to accept costs from schools unless agreed in advance by the strategic Head of Childrens Finance. The expectation will be, that aside from closing schools and those in financial difficulty, schools should plan ahead to utilise any surplus to fund avoidance measures that would require this support. This is in preparation for the Historic element being reduced to 0 in two years’ time disallowing local authorities to retain these funds for maintained schools matching the expectation in the academy sector.
  1. The LA must review the services provided to schools and academies to ensure that the statutory and regulatory obligations are being met and that other services to schools are appropriately offered through a bought-in service.
  2. The duties included in the CSSB are listed in the Revenue Funding Operational Guide and are appended to this report:
     1. Responsibilities held by LA’s for all schools are funded from the CSSB, with the agreement of schools’ forums, are set out in **Appendix 1**
     2. Responsibilities held by LA’s for maintained schools only are funded from maintained schools’ budgets only, with the agreement of the maintained schools’ members of schools’ forum are set out in **Appendix 2**
  3. The cost of services to maintained schools only are part funded by proposed de-delegation, agreement of which is included in the decisions to be made in the Schools Block paper elsewhere on this agenda.
  4. It should be noted that the CSSB is allocated to fulfil these statutory responsibilities, and if not agreed the local authority should defer to the Secretary of State. The budget allocation does not transfer to another block to schools.

**Appendix 1 Responsibilities Held by Local Authorities for ALL SCHOOLS**

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| **Category** | **Duties funded by CSSB, subject to Schools Forum agreement** |
| **Statutory &**  **Regulatory Duties** | • Director of children’s services and personal staff for director (Sch 2, 15a)  • Planning for the education service as a whole (Sch 2, 15b)  • Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)  • Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c)  • Formulation and review of local authority schools funding formula (Sch 2, 15d)  • 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)  • Consultation costs relating to non-staffing issues (Sch 2, 19)  • Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)  • Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)  • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) |
| **Education Welfare** | • Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)  • School attendance (Sch 2, 16)  • Responsibilities regarding the employment of children (Sch 2, 18) |
| **Asset Management** | • 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)  • General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) |
| **Other Ongoing Duties** | • Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval  • Admissions (Sch 2, 9)  • Places in independent schools for non-SEN pupils (Sch 2, 10)  • Remission of boarding fees at maintained schools and academies (Sch 2, 11)  • Servicing of schools forums (Sch 2, 12)  • Back-pay for equal pay claims (Sch 2, 13)  • 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 (Sch 2, 23) |
| **Historic Commitments** | • Capital expenditure funded from revenue (Sch 2, 1)  • Prudential borrowing costs (Sch 2, 2(a))  • Termination of employment costs (Sch 2, 2(b))  • Contribution to combined budgets (Sch 2, 2(c)) |

**Appendix 2** **Responsibilities Held by Local Authorities for MAINTAINED SCHOOLS ONLY**

| **Category** | **Duties funded by maintained schools (MS) budgets only, subject to MS Schools Forum members agreement** |
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| **Statutory &**  **Regulatory Duties** | • Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 58)  • Budgeting and accounting functions relating to maintained schools (Sch 2, 74)  • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 59)  • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 60)  • 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, 61)  • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 62)  • 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, 63)  • 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, 64)  • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 77)  • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 65); determination of conditions of service for non-teaching staff (Sch 2, 66); appointment or dismissal of employee functions (Sch 2, 66)  • Consultation costs relating to staffing (Sch 2, 68)  • Compliance with duties under Health and Safety at Work Act (Sch 2, 69)  • Provision of information to or at the request of the Crown relating to schools (Sch 2, 70)  • School companies (Sch 2, 71)  • Functions under the Equality Act 2010 (Sch 2, 72)  • Establish and maintaining computer systems, including data storage (Sch 2, 73)  • Appointment of governors and payment of governor expenses (Sch 2, 74) |
| **Education Welfare** | • Inspection of attendance registers (Sch 2, 80) |
| **Asset Management** | • General landlord duties for all maintained schools (Sch 2, 78a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:  • 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  • adequate water supplies and drainage  • playing fields of the appropriate standards  • General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)  • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012) |
| **Central Support Services** | • Clothing grants (Sch 2, 54)  • Provision of tuition in music, or on other music-related activities (Sch 2, 55)  • Visual, creative and performing arts (Sch 2, 56)  • Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 57) |
| **Premature retirement & redundancy** | • Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 79) |
| **Monitoring national curriculum assessment** | • Monitoring of National Curriculum assessments (Sch 2, 76) |

***NB.*** *References included to the relevant schedules in the* ***School and Early Years Finance (England) Regulations 2020***