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| **AGENDA ITEM 05** |

**Title of report:** Central School Services Block

**Author of the paper: Steve Worth / Sailesh Patel**

**Officer to present the paper to Schools Forum: Sailesh Patel**

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

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| **Executive Summary.**  The report:   1. Sets out the background to the Central Schools Services Block and the allocation for 2019-20. 2. Recommends the funding of former Education Services Grant retained duties. 3. Recommends the funding of statutory ongoing duties. 4. Recommends the funding of historical commitments. |

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| **Details of recommendations and timescales for decisions:**  **Schools Forum is asked to:**   1. **Agree the retention of the funding for the former Education Services Grant retained duties.** 2. **Agree the retention of funding for statutory ongoing duties.** 3. **Agree the retention of funding for the historical commitments set out in Section 4.** |

1. **Central School Services Block (CSSB)**
   1. The Central Schools Services Block of the Dedicated Schools Grant (DSG) was created in 2018-19. It brought together centrally retained budgets transferred from the Schools Block and funding for duties retained for both maintained schools and academies. The latter was previously funded from the Education Services Grant (ESG).
   2. The funding the Authority receives is made up of two elements:
      * Funding through a national formula for ongoing responsibilities such as admissions and former ESG services. For 2019-20 the allocation is £2.029m.
      * A lump sum element of £2.782m for historical commitments. The Education and Skills Funding Agency (ESFA) expects this element to be reducing and the lump sum will fall in future years.
   3. The CSSB in total is £4.811m for 2019-20, a reduction of £40k compared with 2018-19 and £69k compared with the 2017-18 baselines.
   4. The aim of the CSSB is to improve transparency and recognise the continued need to use DSG funding (within laid out parameters) to fund centrally managed commitments which support front line and support service functions.
2. **Former Education Services Grant (ESG) Services.** 
   1. Various education services were funded through the ESG. In 2016-17 the ESG had been £3.739m but the grant was phased out in 2017-18. An element for retained duties, set out in **Appendix 1**, was transferred into the CSSB. The amount transferred was £0.63m and for 2018-19 Forum agreed that this could be retained centrally.

* 1. LAs are able to supplement this sum for services for maintained schools through de-delegation; this is dealt with in Section 5 of the Schools BlockStrategy Report on this agenda.
  2. Table 1 sets out the current total budget for former ESG funded services and the proposed contributions from the CSSB and de-delegation. Please note that the proposed contributions **only cover** **40% of the former grant.**
  3. At its meeting on 5th December 2018, Forum asked for clarification on what is included within the School Improvement Line in Table 1. The £366k is made up of:
* Learning and Achievement Management and Administration, £83k.
* Primary Schools Development, £55k.
* Induction Training, £4k,
* Secondary Schools Development, £66k.
* Professional Development Centre, £157k.

These are net costs and include corporate overheads and capital charges. Members should note that these are funded from the General Fund and not the DSG and therefore fall outside the Forum’s remit.

* 1. The Authority is seeking Forum’s approval to continue to retain the £0.63m (in bold in Table 1) as a contribution towards its statutory duties.

**Table 1: Former ESG Budgets (2018-19) and Proposed CSSB and De-Delegated Contributions.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | Total | **CSSB** | De-delegated | General Fund |
|  | £000 | **£000** | £000 | £000 |
| Statutory and regulatory Duties | 1,553 | **358** | 291 | 904 |
| School Improvement | 366 | **0** | 0 | 366 |
| Education Welfare | 1,243 | **229** | 199 | 815 |
| Asset Management | 419 | **43** | 37 | 339 |
| Central Support services | 480 | **0** | 102 | 378 |
| Redundancy & Early Retirement | 1,481 | **0** | 235 | 1,246 |
| Total | 5,542 | **630** | 864 | 4,048 |

1. **Ongoing Duties**
   1. Table 2 sets out the other statutory duties the Authority must provide and the current budget allocations. The Authority is recommending the continued retention of this funding. Additional information is provided in **Appendix 2**.

**Table 2: CSSB Ongoing Duties**

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| **Section 251 Budgeted spend** | **£000** |
| 1.4.2 School admissions | 699 |
| 1.4.3 Servicing of schools forums | 30 |
| 1.4.8 Fees to independent schools without SEN | 510 |
| 1.4.13 Other Items (copyright licenses) | 229 |
| **Ongoing Duties (non ESG)** | **£1,468** |

1. **Historic Commitments.**
   1. Historic commitments are contributions agreed by Forum in the past. No new commitments could be entered into after 31 March 2013 and the ESFA expects these budgets to be reducing.
   2. Historic commitments fall into two categories:
      * Where DSG funding was combined with other income sources so as to contribute to services that benefitted the education of children in general. The requested contribution to this is **£1.596m**, as set out in Table 3. This allows for the funding reductions of £69k set out in Section 1.3.
      * Where savings had been generated within the DSG but gave rise to costs outside of it, such as redundancy costs arising from rationalisation in school organisation, such costs could be charged to the DSG. The requested contribution to this is **£1.117m**.

**Table 3: Historic Contribution to Combined Budgets.**

|  |  |
| --- | --- |
| **Item** | **£000** |
| Education Psychology | 188 |
| Children in Public Care | 370 |
| Enrichment | 52 |
| Legal | 26 |
| Clothing Grant | 201 |
| Weekend GCSE Classes | 21 |
| In-Reach/Out-Reach Work | 738 |
| **Total** | **1,596** |

* 1. Forum is asked to approve the continued retention of these contributions.

1. **Summary.**
   1. The overall position for the 2019-20 CSSB is set out in Table 4.

**Table 4 Summary of CSSB proposals for 2019-20.**

|  |  |  |
| --- | --- | --- |
| **Description** | **£000** | **£000** |
| **Allocation** |  | **4,811** |
| Proposed Use: |  |  |
| Former ESG Services | 630 |  |
| Ongoing Duties | 1,468 |  |
| Historic Commitments – Pension and redundancy from historic restructures pre 1st April 2013. | 1,117 |  |
| Historic Commitments – Combined Budgets | 1,596 |  |
| **Total Proposed** |  | **4,811** |

**Appendix 1: Retained Duties for Maintained Schools and Academies.**

*DfE guidance on central provision within the schools budget for former ESG retained duties is given below (line numbers refer to those in the statutory annual return).*

In 2018-19 that part of the ESG which related to retained duties (those that apply to both maintained schools and academies) has been added to the DSG. This provision will now fall within the Schools Budget, provided it is funded out of DSG.

1.5.1 Education welfare service

Include here the following expenditure:

* Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* School attendance (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Responsibilities regarding the employment of children (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)

1.5.2 Asset management

Include here the following expenditure:

* Management of the LA’s capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* General landlord duties for all buildings owned by the local authority, including those leased to academies.

1.5.3 Statutory/ Regulatory duties

Include here the following expenditure:

* Director of children’s services and personal staff for director (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Planning for the education service as a whole (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Administration of grants (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Authorisation and monitoring of expenditure not met from schools’ budget shares (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Formulation and review of local authority schools funding formula (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* 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 (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Consultation costs relating to non-staffing issues (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Plans involving collaboration with other LA services or public/voluntary bodies (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Standing Advisory Committees for Religious Education (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017)
* Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Schedule 1 to the Schools and Early Years Finance (England) Regulations 2017).

**Appendix 2: Ongoing Duties**

1. **Admissions**

The Admissions Service discharges the local authority’s statutory duties in respect of school admissions and school place planning, adhering to legalisation and statutory guidance laid by central government. The Service works to ensure that every child in the borough has access to a school place. Statutory duties include:

* 1. To be responsible for securing that sufficient education is available to meet the needs of the population in their area.
  2. To be responsible for securing sufficient primary and secondary schools in their area.
  3. To comply with the legislative Code on Admissions in exercise and discharge of local authority functions in relation to admissions under the School Standards and Framework Act (SSFA) 1998. The SSFA and relevant regulations confers a number of duties which require the LA to carry out different functions at different times of the admissions cycle.
  4. A local authority shall make arrangements for enabling the parent of a child to appeal against admissions decisions.
  5. To provide advice and assistance to parents when deciding on a school place and allow parents to express a preference.
  6. Reports by local authority to the adjudicator about matters relevant to schools admissions as may be required by the School Admissions Code.
  7. For each school year, the local authority must publish the prescribed information about the admission arrangements for each of the maintained schools in their area, and if regulations so provide, such maintained schools outside their area.

1. **Servicing of Schools Forums**

A local authority is required to establish a schools forum in its area and is allowed to retain costs relating to the establishment and maintenance of the forum as well as costs of consultations. The retained budget covers the cost of arranging and clerking meetings and officer support to the Forum.

1. **Fees to Independent Schools for Pupils without SEN**

Fees or expenses payable in respect of pupils without SEN at a specialist and non-maintained institution. This relates to pupils on remand and other social care.

1. **Licence fees**

These are licence fees negotiated nationally by the Secretary of State for Education. This is a consultation item as the charge is automatically deducted from the DSG and Forum’s permission to retain this item is not required.