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| **AGENDA ITEM 04** |

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

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

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| **Executive Summary**1. Sets out the background to the Central Schools Services Block and the indicative allocation for 2019-20.
2. The proposal to fund former Education Services Grant expenditure.
3. The proposal to fund ongoing duties.
4. The proposal to fund historical commitments.
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| **Details of recommendations and timescales for decisions:** **Schools Forum is asked to:****Note the proposals put forward to retain CSSB funding for which Forum approval will be sought at the January meeting.**  |

1. **Central School Services Block (CSSB)**
	1. The Central Schools Services Block was created in 2018-19. It brought together the centrally retained budgets formerly contained within the Schools Block and funding of £0.63m for those duties a Local Authority (LA) retains for both maintained schools and academies; the latter was previously funded from the discontinued Education Services Grant (ESG).
	2. The funding the Authority receives is made up of two elements:
		1. Funding through a national formula for ongoing responsibilities such as admissions and former ESG services. For 2019-20 the indicative allocation is £2.016m.
		2. 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 reduce in future years.
	3. The CSSB in total is £4.798m for 2019-20, **a reduction of £52.6k** compared with 2018-19 and £82k 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 that were not directly pupil related 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 of it, for duties that cover both maintained schools and academies, was transferred into the CSSB; these duties are set out in **Appendix 1**. 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 together with the proposed contributions from the CSSB and de-delegation. Please note that the proposed contributions only cover 41% of the former grant.

* 1. It is the Authority’s intention to seek Forum’s approval to continue to retain the £0.63m as a contribution towards its statutory duties.

**Table 1: Former ESG Budgets and Proposed CSSB and De-Delegated Contributions**

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| --- | --- | --- | --- | --- |
| **Category** | **Total** | **CSSB** | **De-delegated**  | **General Fund** |
|  | £000 | £000 | £000 | £000 |
| Statutory and regulatory Duties | 1,553 | 358 | 303 | 892 |
| School Improvement | 366 | 0 |  | 366 |
| Education Welfare | 1,243 | 229 | 207 | 807 |
| Asset Management | 419 | 43 | 39 | 337 |
| Central Support services | 480 |  | 106 | 374 |
| Redundancy & Early Retirement | 1,481 | 0 | 245 | 1,236 |
| Total | 5,542 | 630 | 901 | 4,011 |

1. **Ongoing Duties**
	1. Table 2 sets out the other statutory duties the Authority must provide and the current budget allocations. Permission to continue to retain this funding will be sought at the January meeting. Additional information will be provided at that meeting giving supporting information on each item.

**Table 2: CSSB Ongoing Duties**

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

1. **Historic Commitments**
	1. Historic commitments include 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 were usually either:
		1. To combine Dedicated Schools Grant (DSG) funding with other income sources to contribute to services that benefitted the education of children in general; this totals £1.665m. Or,
		2. 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; in such cases the costs could be charged to the DSG. This totals £1.117m.
	3. Approval to retain these amounts, net of the savings required, will be sought at the January meeting at which additional information will also be provided.

1. Summary.
	1. The overall position on the indicative 2019-20 CSSB is set out in Table 3.

**Table 3 Summary of CSSB proposals for 2019-20**

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| **Description** | **£000** | **£000** |
| Indicative Allocation |  | 4,798 |
| Proposed Use: |  |  |
| Former ESG Services | 630 |  |
| Ongoing Duties | 1,468 |  |
| Historic Commitments | 2,782 |  |
| Total |  | 4,880 |
| Savings Required |  | 82 |

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

Central provision within schools budget (former ESG retained duties) Regulations.

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)