



Schools Funding Forum 25th September 2019 ITEM 7

Subject Heading:

Centrally retained DSG

Report Author:

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Manager**

Eligibility to vote:

All members

SUMMARY

This item is to seek the approval of the Schools Funding Forum for the central retention of funding from the DSG to continue the support and services as agreed in previous financial years.

RECOMMENDATIONS

To agree the central retention of the budgets in 2020-2021 as detailed below.

REPORT DETAIL

The revised funding arrangements for 2018-19 introduced a fourth funding block for central services (the Central Schools Services Block). This block is to fund local authorities for statutory duties they hold for both maintained schools and academies.

The central schools services block (CSSB) brings together:

- Funding for ongoing central functions such as admissions, previously top-sliced from the schools block
- Funding previously allocated through the retained duties of element of the Education Services Grant (ESG)

- Residual funding from historical commitments, previously top-sliced from the schools block.

The ESFA will publish provision allocations for the CSSB in October but there will no change to the regulations requiring local authorities to have the approval of the schools forum for expenditure. It is expected that the historic commitments element of the block will start to reduce from 2020-21 and detail of the ESFA's approach will follow.

In 2019-20 the CSSB allocation was £1.576m

The operational guidelines on 2020-21 revenue funding set out the areas and activities for which DSG funding may be retained centrally. Appendix A is an extract from the 2020-21 Operational Guidance.

Those budget areas are listed below together with the funding requested for 2020-21 against the funding agreed by the Schools Funding Forum for 2019-20.

Schools Funding Forum approval is therefore sought to retain the funding centrally for the areas below including the funding for central services that was previously allocated directly through the Education Services Grant. A reconciliation of CSSB commitments is shown as a final table.

Services	Budget 2019-20	Budget 2020-21
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Schools forum approval is not required (although they should be consulted)		
• High needs block provision	£21.6m	tba
• Central licences negotiated by the Secretary of State	£178,357	£180,000 (estimate)

Schools forum approval is required on a line-by-line basis		
• Funding to enable all schools to meet the infant class size requirement	£50,000	£50,000
• Back-pay for equal pay claims	£0	£0
• Remission of boarding fees at maintained schools and academies	£0	£0
• Places in independent schools for non-SEN pupils	£0	£0
• Admissions	£496,690	£496,690

• Servicing of Schools Forum	£43,250	£43,250
• Contribution to responsibilities that local authorities hold for all schools (see below)	£569,870	tba

• Contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only)		See separate agenda item
• De-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)		

Schools forum approval is required		
• Central early years block provision	£800,000	tba
• Any movement of funding out of the schools block	£0	£0
• Ant deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set, using the latest estimated outturn)	£0	£0
• Any deficit brought forward on de-delegated services which is to be met from the overall schools budget	£0	£0

Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into		
• Capital expenditure funded from revenue decided prior to April 2013 (no new projects can be charged to the central schools budget)	£87,490	£0
• Contribution to combined budgets	£200,000	£200,000
• Existing termination of employment costs (no new redundancy costs can be charged)	£0	£0
• Prudential borrowing costs	£0	£0

Schools forum approval is required on a line-by-line basis including approval of the criteria for allocating funds to schools		
• Funding for significant pre-16 pupil growth, including new schools set up to meet basis need,	£2,613,743	tba

whether maintained or academy		
<ul style="list-style-type: none"> Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	£271,228	tba

CSSB

	2019-20 actual	2020-21 estimate	
	£	£	
Allocation	1,575,657	1,488,185	
Formula	1,288,185	1,288,185	
Historic commitments	287,490	287,490	
Possible reduction for historic commitments	0	-87,490	
Total	1,575,675	1,488,185	
Copyright licences	178,357	180,000	
Admissions	496,690	496,690	
Schools Forum	43,250	43,250	
LA responsibilities to all schools	569,870	568,245	Balancing item
Historic commitments	287,490	200,000	
Total	1,575,657	1,488,185	

ITEM 6 APPENDIX A

Extract from the ESFA's 2020-21 operational guidance

CENTRAL SERVICES THAT MAY BE FUNDED WITH AGREEMENT OF SCHOOLS FORUMS

Responsibilities held by local authorities for all schools are funded from the central school services block, with the agreement of schools forums.

Responsibilities held by local authorities for maintained schools only are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.

We have included references to the relevant schedules in the 2018 (No. 2) Regulations, these refer to last year's and we will be updating these when the new regulations are laid.

Responsibilities held for all schools

Statutory and 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))

Additional note on central services

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services