

Schools Funding Forum 22nd September 2022 ITEM 7

Subject Heading:

**Central Schools Services Block (CSSB)
2023-24**

Report Author:

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(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcement of indicative DSG Central Schools Services Block (CSSB) funding for financial year 2023-24 and seeks approval for the retention of funding to maintain central statutory services.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the allocation of CSSB for 2023-24
- (ii) considers the request to retain funding for central statutory services

REPORT DETAIL

1. Background

As part of the introduction of a Schools and High Needs National Funding Formula in 2018-19 the DfE also introduced a fourth funding block, the CSSB, which

brought together funding for services previously funded through the Schools Block and through an Education Services Grant. The allocation for 2023-24 is shown below.

The ESFA Operational Guidance requires Schools Forum approval for the central retention of this funding as shown at section 3 below.

2. CSSB allocation 2023-24

Indicative funding for 2023-24 through the DSG Central Service Block has been announced by the DfE as shown in the table below with comparable data from 2022-23.

	Ongoing responsibilities			Historical commitments	Total CSSB
	Pupil nos.	Per pupil £	£	£	£
2022-23	38,062	40.57	1,544,238	117,757	1,661,995
2021-22	38,062	39.69	1,510,661	147,196	1,657,857
Difference	0	0.88	33,577	-29,439	4,138

3. Services to be funded

The services that LAs can fund from the CSSB are set out in the extract from the Operational Guidance at Appendix A. For Havering, these services are as follows:

Ongoing responsibilities	2023-24 £
Copyright licences	185,679
Admissions	511,590
Schools Forum	44,548
LA responsibilities to all schools	742,457
Pension funding	59,964
Total	1,544,238

Historical commitments	2023-24 £
Schools Partnerships/Schools Causing Concern	117,757

Total	1,661,995
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The copyright licence costs tend to increase each year but LAs are not notified of the increase until later in the year. It is suggested that should the licence cost be different from the £185,697 above, the allocation for LA responsibilities to all schools is adjusted to balance to the CSSB.

Schools Funding Forum approval is requested for this use of the CSSB.

Extract from the Schools operational guide: 2023-24

33. Central school services block (CSSB)

The CSSB continues to provide funding for local authorities to carry out central functions on behalf of maintained schools and academies, comprising 2 distinct elements:

- ongoing responsibilities
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- historic commitments

Further details on the methodology used for the CSSB are set out in the NFF technical note.

The total funding for ongoing responsibilities is £292m in 2023 to 2024. This funds all local authorities for the functions they have a statutory duty to deliver for all pupils in maintained schools and academies.

Local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.86%.

As previously stated, the department has reduced the element of funding within CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014.

In 2023 to 2024, for those local authorities that receive it, historic commitments funding has been reduced by 20%.

The department has protected any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the time required for such costs to unwind. For example, if a local authority had historic commitments funding of £800,000 in 2022 to 2023, this would reduce to £640,000 in 2023 to 2024 (a £160,000, or 20% reduction). However, if that local authority had historic commitments and prudential borrowing costs of a value £675,000 that value would be protected, and the reduction to the historic commitments would only be £125,000.

The department will continue to consider evidence from local authorities which are in this position. We invite local authorities affected to contact the department at FundingPolicy.QUERIES@education.gov.uk. In order to reflect this in the December DSG allocation, we request evidence by Friday 28 October 2022; and to reflect this in the March DSG publication, we request evidence by Friday 3 February 2023; we will not receive evidence after this date for 2023 to 2024 DSG adjustments.

The department has made the necessary adjustments for 2022 to 2023 in the DSG allocations. The department is not proposing any changes to the regulations, which require local authorities to have the approval of the schools forum for such expenditures, nor is the department changing the requirement in regulations that local authorities spend no more on these commitments than they did in the previous year. With the approval of the schools forum, a local authority can maintain spending in this area using other funding sources if they wish to.

The duties included in the CSSB are set out in annex 3, which also includes maintained school only functions.

Where local authorities hold duties in relation to all schools (as set out in schedule 2, parts 1 to 5 of the School and Early Years Finance (England) Regulations 2022, all schools must be treated on an equivalent basis.

Local authorities should not treat voluntary aided schools, foundation schools or academies differently from maintained schools in the services they provide to them. This is set out in the DSG conditions of grant.

Schools such as voluntary aided schools, foundation schools and academies cannot therefore be charged for services that are provided free of charge to community and voluntary controlled schools and paid for out of the centrally held DSG.

For example, although admissions appeals are not a duty that the local authority holds in relation to all schools, the department would still expect all schools to be treated fairly and equitably by the local authority.

This does not include funding that has been retained centrally from maintained school budgets only (as set out in schedule 2, parts 6 and 7), where some statutory duties relate to community and voluntary controlled schools only.

However, in these situations, local authorities should not charge voluntary aided and foundation schools if requested to provide services to these schools and where there is no charge to community and voluntary controlled schools for the same service.

47. Annex 3 – central services that may be funded with agreement of schools forum

The split of services between responsibilities that local authorities hold for all schools, and those that relate to maintained schools only are shown below.

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.

The department has included references to the relevant schedules in the School and Early Years Finance (England) Regulations 2022.

48. Responsibilities held for all schools

Statutory and regulatory duties

- Director of children's services and personal staff for director (Schedule 2, 15a)
- planning for the education service as a whole (Schedule 2, 15b)
- revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Schedule 2, 22)
- authorisation and monitoring of expenditure not met from schools' budget shares (Schedule 2, 15c)
- formulation and review of local authority schools funding formula (Schedule 2, 15d)
- internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Schedule 2, 15e)
- consultation costs relating to non-staffing issues (Schedule 2, 19)

- plans involving collaboration with other local authority services or public or voluntary bodies (Schedule 2, 15f)
- standing Advisory Committees for Religious Education (SACREs) (Schedule 2, 17)
- provision of information to or at the request of the Crown other than relating specifically to maintained schools (Schedule 2, 21)

48.1 Education welfare

- functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Schedule 2, 20)
- school attendance (Schedule 2, 16)
- responsibilities regarding the employment of children (Schedule 2, 18)

48.2 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 (Schedule 2, 14a)
- general landlord duties for all buildings owned by the local authority, including those leased to academies (Schedule 2, 14b)

48.3 Other ongoing duties

- licences negotiated centrally by the Secretary of State for all publicly funded schools (Schedule 2, 8); this does not require schools forum approval
- admissions (Schedule 2, 9)
- places in independent schools for non-SEN pupils (Schedule 2, 10)
- remission of boarding fees at maintained schools and academies (Schedule 2, 11)
- servicing of schools forums (Schedule 2, 12)
- back-pay for equal pay claims (Schedule 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 (Schedule 2, 23)

48.4 Historic commitments

- capital expenditure funded from revenue (Schedule 2, 1)
- prudential borrowing costs (Schedule 2, 2(a))
- termination of employment costs (Schedule 2, 2(b))
- contribution to combined budgets (Schedule 2, 2(c))