

SCHOOLS FORUM**26th November 2019****Report of the Executive Director for Children's Services**
Central School Services Block (CSSB) budgets 2020-211. Purpose of the Report

To seek Schools Forum approval to the 2020-21 Central School Services Block budgets.

2. Information and Analysis

The provisional 2020-21 Central School Services Block (CSSB) allocation was announced on 11th October 2019. This block of the Dedicated Schools Grant was introduced in 2018-19 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the former Education Services Grant – see Appendix 1;
- funding for ongoing central functions; and
- historic commitments previously held within the Schools Block.

Where local authorities hold duties in relation to all schools (as set out in Schedule 2, Parts 1 to 3 of the School and Early Years Finance Regulations 2018 (No 2)), all schools must be treated on an equivalent basis. The provisional CSSB allocation for 2020-21 is summarised in Table 1 below.

Table 1 – Provisional CSSB Allocation 2020-21

| | 2020-21 | 2019-20 |
|-------------------------------------|------------|------------|
| NFF multiplier | £29.80 | £29.23 |
| October 2018 pupil census count | 97,700.00 | 97,700.00 |
| Total ongoing responsibilities | £2,911,072 | £2,855,771 |
| Historic commitments | £1,389,600 | £1,737,000 |
| Total Central School Services Block | £4,300,672 | £4,592,771 |
| Net decrease | -£292,099 | |

The key changes are a 1.95% increase in the per-pupil funding rate for ongoing responsibilities and a 20% reduction in the historic commitments element. The DfE's intention to reduce LAs' historic allocations had been trailed for some time, although the scale of the reduction was only made clear in this latest announcement.

The final CSSB allocation for 2020-21 will be announced in December with the only adjustment being the impact of changes in pupil numbers. On the basis that any changes in funding are expected to be marginal, the Authority considers it has sufficient information to ask the Forum to make its decisions for next year.

The proposed allocation of CSSB funding for 2020-21 is set out in Table 2 overleaf.

Table 2 – Proposed Central Schools Block spend

| | 2020-21 | 2019-20 | |
|--------------------------------------|---------|---------|--------------------------|
| <u>Item</u> | £m | £m | Note |
| <u>Ongoing responsibilities</u> | | | |
| Admissions | 0.559 | 0.538 | |
| Schools Forum | 0.042 | 0.041 | |
| Former ESG Retained duties (App 1) | 1.652 | 1.620 | |
| Licences – estimate, TBC by DfE | 0.620 | 0.602 | Forum approval not req'd |
| Ongoing responsibilities sub total | 2.873 | 2.801 | |
| | | | |
| <u>Historic commitments</u> | | | |
| Contribution to combined budgets | 1.390 | 1.737 | 20% reduction |
| Historic commitments sub total | 1.390 | 1.737 | |
| Total Central Services Schools Block | 4.263 | 4.521 | |
| Unallocated balance | 0.038 | 0.072 | |

3. Ongoing responsibilities

The proposed on-going responsibility budgets in Table 1 are £38,000 below the amount allocated in the provisional settlement for these functions. The final figure for licences will reflect the DfE's calculation of Derbyshire's contribution to the nationally agreed cost of copyright and other licence-related agreements. This £38,000 balance is sufficient to cover the impact of any last minute pupil data changes and/or variation in the DfE licencing costs recharge. Any unused CSSB funding would be held centrally and used to help repay the accumulated ~£3m DSG deficit which is expected at 31 March 2020.

4. Historic Commitments

Derbyshire's £1.390m historic commitments allocation is a 20% reduction on the 2019-20 figure. If, as seems likely, the 2020-21 cash reductions (£0.347m in Derbyshire's case) were applied in future years, then LAs' CSSB historic commitments allocations would cease by 2023-24.

If agreed by Schools Forum, the proposed budget for 2020-21 would continue to fund the contribution to the Authority's early help offer. The Council believes that this contribution from the DSG, alongside the £4.1m that the Council continues to allocate from its own resources and the financial investment made by individual schools and other partner agencies, will help to ensure that the most vulnerable children and their families continue to receive the support they require.

The Authority is therefore seeking permission to retain the full £1.390m in 2020-21 which equates to £14.22 per pupil. A review of the CSSB allocations in Appendix 2 shows that the proposed spend on historic commitments is significantly below both the national average (£23.98) and the shire average (£23.71). Derbyshire's figure is the 18th highest/10th lowest of 27 shire LAs and 79th highest/71st lowest of 149 LAs nationally.

From a purely macro financial perspective, it continues to be in the Authority's, schools and academies' best interests to commit the resources for early help once again as any reduction in reported planned spend is likely to reduce future years' CSSB grant

allocations. As the name suggests, allocations of grant from the DfE are based on historic spend so if Derbyshire were to report a lower planned spend in 2020-21 our allocation for 2021-22 would be reduced beyond the £0.347m loss already anticipated.

Final decisions on the level of CSSB spend are a matter for the Schools Forum. The LA is now seeking formal approval to be allowed to retain the amounts set out in Table 2 for 2020-21. If Forum approval is not granted then the Authority would have to consider making an application to the Secretary of State for Education for permission to retain the funding.

5. Other Considerations

In preparing this report the relevance of the following factors have been considered: social value; prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.

6. Background Papers

Held in Children's Services Finance.

7. Executive Director's Recommendation

That the Schools Forum agree to the CSSB budgets requested by the Authority as set out in Table 2 of the report.

JANE PARFREMENT
Executive Director for Children's Services

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/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)

Central support services

No functions

Premature retirement and redundancy

No functions

Monitoring national curriculum assessment

No functions

Therapies

No functions

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 (new addition to CSSB, to be included in 2018-19 regulations).¹

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))

| CSSB Provisional settlement Oct 2019 | | | Provisional CSSB NFF funding in 2020-21 | | | | Appendix 2 | | |
|---|-------------------|--------|---|-------------------|---|--------------------------------------|--------------------|--------------------|--------------------|
| | | | Unit of funding for ongoing functions | Pupil numbers | Actual funding for historic commitments for 2020-21 | Provisional NFF 2020-21 CSSB funding | Historic per pupil | Historic per pupil | Historic per pupil |
| LA ref | LA | DCC SN | [q] | [r] | [s] | = ([q] x [r]) + [s] | = ([s]/[r]) | Shire rank | Nat'l rank |
| | | | | £7,357,629 | £176,406,834 | £423,952,585 | | | |
| 825 | Buckinghamshire | | £36.56 | 73,903 | £3,723,200 | £6,425,278 | £50.38 | 6 | 24 |
| 873 | Cambridgeshire | | £29.70 | 80,315 | £4,616,000 | £7,001,700 | £57.47 | 4 | 20 |
| 909 | Cumbria | SN | £30.99 | 61,614 | £2,503,025 | £4,412,362 | £40.62 | 7 | 32 |
| 830 | Derbyshire | | £29.80 | 97,700 | £1,389,600 | £4,300,672 | £14.22 | 18 | 79 |
| 878 | Devon | | £27.39 | 91,237 | £948,800 | £3,447,811 | £10.40 | 20 | 92 |
| 838 | Dorset | | £33.71 | 43,870 | £307,200 | £1,785,871 | £7.00 | 23 | 101 |
| 845 | East Sussex | | £31.92 | 63,097 | £4,924,000 | £6,938,081 | £78.04 | 1 | 9 |
| 881 | Essex | SN | £36.17 | 193,647 | £4,004,000 | £11,008,696 | £20.68 | 13 | 60 |
| 916 | Gloucestershire | | £31.94 | 80,115 | £0 | £2,558,564 | £0.00 | 26 | 125 |
| 850 | Hampshire | | £31.08 | 172,554 | £2,411,200 | £7,774,252 | £13.97 | 19 | 81 |
| 919 | Hertfordshire | | £34.14 | 167,709 | £0 | £5,725,005 | £0.00 | 26 | 125 |
| 886 | Kent | SN | £32.02 | 209,075 | £5,586,560 | £12,281,091 | £26.72 | 10 | 50 |
| 888 | Lancashire | SN | £30.74 | 162,354 | £1,356,000 | £6,347,418 | £8.35 | 21 | 95 |
| 855 | Leicestershire | | £27.27 | 91,433 | £738,400 | £3,231,596 | £8.08 | 22 | 96 |
| 925 | Lincolnshire | SN | £31.84 | 95,602 | £2,224,000 | £5,267,626 | £23.26 | 11 | 56 |
| 926 | Norfolk | | £30.23 | 105,132 | £192,000 | £3,370,598 | £1.83 | 25 | 120 |
| 815 | North Yorkshire | | £32.40 | 74,152 | £1,430,400 | £3,832,869 | £19.29 | 14 | 63 |
| 928 | Northamptonshire | SN | £31.71 | 106,157 | £6,221,854 | £9,587,714 | £58.61 | 3 | 19 |
| 891 | Nottinghamshire | SN | £28.83 | 108,519 | £2,959,630 | £6,087,962 | £27.27 | 9 | 49 |
| 931 | Oxfordshire | | £29.88 | 84,830 | £1,304,868 | £3,839,383 | £15.38 | 17 | 76 |
| 933 | Somerset | | £31.54 | 66,894 | £4,953,600 | £7,063,172 | £74.05 | 2 | 11 |
| 860 | Staffordshire | SN | £31.20 | 110,652 | £2,552,328 | £6,004,959 | £23.07 | 12 | 57 |
| 935 | Suffolk | | £24.36 | 92,824 | £5,296,310 | £7,557,764 | £57.06 | 5 | 21 |
| 936 | Surrey | | £35.25 | 143,790 | £869,600 | £5,938,667 | £6.05 | 24 | 105 |
| 937 | Warwickshire | | £36.54 | 74,888 | £1,278,311 | £4,014,925 | £17.07 | 15 | 68 |
| 938 | West Sussex | | £31.61 | 106,492 | £4,152,000 | £7,517,718 | £38.99 | 8 | 33 |
| 885 | Worcestershire | SN | £31.43 | 72,886 | £1,200,000 | £3,491,008 | £16.46 | 16 | 70 |
| File MTFP 2020-21 to 2022-23 version 7 as at 4 November.xls | | | | | | | | | |