

Agenda Item 8



Report to: Schools Forum

Date: 24 November 2017

Title of report: Central School Services Block (CSSB) DSG 2018/19

By: Jill Fisher, Finance Manager

Purpose of report: To present and seek approval of proposals for the CSSB for 2018/19 (and draft proposals for 2019/20)

1. Background

- 1.1 As we move towards the full implementation of the National Funding Formula (NFF), the DSG for 2018/19 will be allocated by the DfE into four notional blocks (with each block calculated on a different basis): Schools, High Needs, Early Years and Central School Services Block (CSSB). Each block is subject to separate regulations as to eligible expenditure.
- 1.2 This paper specifically relates to the CSSB. This new block includes funding that has been allocated to Local Authorities to carry out functions on behalf of pupils in both maintained schools and academies. There are two distinct elements within this block:
- The “Ongoing responsibilities”. This element comprises:
 - funds previously separately specified by DfE and retained centrally (Admissions, Copyright licenses and Servicing Schools Forum); and
 - funds that were previously known as Retained Duties ESG which, up to 2017/18, the LA received and held separately for its on-going responsibilities to maintained schools and academies; and
 - The “historic commitments” are what were previously known as “Combined Services”.
- 1.3 As the CSSB is new for 2018/19, and in light of DfE advice around it, we are bringing budget proposals for 2018/19 to this meeting of Schools Forum for approval, in advance of the January 2018 meeting where we will present the three other “traditional” DSG blocks (Schools, High Needs, and Early Years).
- 1.4 The spending proposals for 2018/19 are for £3.5m for on-going responsibilities (of which £1.9m is covered by DfE funds for Local Authorities (not the Schools Block) (Section 2) and £2.8m for Historic Commitments (Section 3), and Schools Forum is asked to approve this proposal.
- 1.5 We outline draft proposals in Section 4 to reduce this spend by a further £1.1m in 2019/20. This will equate to LA savings totalling £3.6m from 2017/18, and would be on top of circa £5m savings to the LA’s Children’s Services budgets in 2018/19 and circa £3m further savings expected to be required in 2019/20.

2. 2018/19 On-going responsibilities

2.1. The table below shows the proposals for 2018/19 under the on-going responsibilities element of the CSSB (in the 2 categories described in the first bullet point in paragraph 1.2). For the areas previously funded by Retained Duties ESG, the elements under the different DfE categories are itemised.

2.2 The proposals total £3.5m, for which DfE have identified funding provision for LAs of £1.95m outside the Schools Block. This funding is insufficient for the LA's responsibilities across maintained schools and academies. This shortfall is compounded by savings of £5m that are being made in 2018/19 from LA budgets. A further £1.58m is therefore proposed to be funded as part of our Historic Commitments (see section 3).

Table 1

Category	Responsibility	£
Specified by the DfE	Admissions	486,500
	CLA Licences	309,500
	Schools Forum	38,500
Subtotal		834,500
Other		
Statutory and regulatory Duties	Revenue budget preparation, preparation on income and expenditure relating to education, and external audit relating to education. Formulation and review of the LA Schools Funding Formula	196,900
	Leadership of Children's services and support staff	220,940
	Planning for the Education Service as a whole	162,990
	Provision of information to or at the request of the Crown other than relating to specifically maintained schools	89,940
	Standing Advisory Committees for Religious Education (SACREs)	18,040
	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	43,540
	Consultation Costs relating to non-staffing issues. Plans involving collaboration with other LA services or public or voluntary services	87,630
Asset Management	Management of LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions	204,240
	General Landlord duties	14,200
Asset Management/ Statutory and Regulatory Duties	Core Services (SLES)	214,200
Education Welfare	Functions in relation to the exclusion of pupils from schools, excluding and provision of education to excluded pupils / Responsibilities regarding the employment of children	680,880
	School attendance	463,000
Other Ongoing Duties	Places in independent schools for non-SEN pupils	300,000
Sub total		2,696,500
TOTAL		3,531,000
Proposed funding:		
DfE Funding Provision		1,950,200
Historic Commitments budget		1,580,800
Total		3,531,000

Note: The figures do not represent the full cost of providing these services – the LA provides additional budgets for all these areas.

3. 2018/19 Historic Commitments

3.1 These are some of our most pressing service areas. Many support our most vulnerable children and young people, and we propose they continue to be funded under this element of the CSSB for 2018/19:

Table 2

Category	£
Connexions Contract	457,600
Lansdowne	242,000
YOT Education Support	121,600
Family Key work	239,900
Virtual School	250,000
Safeguarding	125,000
External Advisers	247,300
Key Stage 4	200,000
Single Point of Advice	191,300
RPA and NEET	63,000
Support to Schools	82,000
ICT Development (all schools)	123,300
Family Support	320,700
EIPs	90,000
Communications	20,100
Equalities	45,400
Total	2,819,200

3.2 In recognition of the reduced resources overall available to education and the need to seek efficiencies where possible, we are proposing a total spend of £4.4m, a reduction of £2.5m from 2017/18. The proposal comprises £1.58m that support on-going responsibilities (Table 1) and £2.82m (Table 2) not included in the on-going responsibilities.

4. Statutory duties for Maintained Schools

4.1 LAs are able to seek approval from maintained schools to retain some DSG (from maintained schools only) to cover the statutory duties that are carried out for maintained schools that were previously funded through the General ESG.

4.2 ESCC, unlike other local authorities, did not seek approval to do this for 2017/18 despite seeing significant reductions in this ESG funding (Funding was £3.9m in 2015/16, reducing to £1.1m for 2017/18 (before reducing to nil from 2018/19)).

4.3 We are proposing to continue in this way for 2018/19, and, at this point, also for 2019/20, although there are some risks to the LA with this approach.

5. Outline Plans for 2019/20

- 5.1 We are also proposing to seek ways to reduce the historic commitments and on-going responsibilities spend by a further £1.1m in 2019/20. More detailed work will be carried out during 2018/19 to identify the detail of this, with the proposals for 2019/20 to be brought by November 2018's Schools Forum meeting.

6. Summary and conclusion

- 6.1 This report lays out the proposals for £1.95m for on-going responsibilities and £4.4m for Historic Commitments of CSSB for 2018/19, with initial proposals for a further £1.1m reduction for 2019/20. Schools Forum are asked to approve the proposed 2018/19 spend and to comment on and note the indicative 2019/20 high-level plan.