

Agenda Item 6



Report to: Schools Forum

Date: 23 November 2018

Title of report: Central School Services Block (CSSB) DSG 2019/20

By: Sarah Rice, Finance Manager

Purpose of report: To present and seek approval of proposals for the CSSB for 2019/20

1. Background

- 1.1 As in 2018/19, the DSG for 2019/20 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 block includes funding that has been allocated to Local Authorities (LAs) 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” which are what were previously known as “Combined Services”.
- 1.3 In 2018/19 the LA reduced the allocation of DSG to these areas which resulted in an additional one-off per pupil payment to schools in 2018/19. At that stage the LA also outlined proposals to reduce the allocation of DSG to ‘ongoing responsibilities’ and ‘historic commitments’ by a further £1.1m for 2019/20.
- 1.4 The councillors recognise the pressures on school budgets and take account of this in the ongoing review of LA services. The rationalisation, identification of efficiencies and alternative configuration of council service budgets has enabled the release of DSG funds for 2019/20 of £2.23m, an increase of £1.13m on the proposal laid out in 2018/19.
- 1.5 The spending proposals for 2019/20 are therefore for £2.73m for on-going responsibilities (of which £1.95m is covered by DfE funds for LAs (Section 2) and £1.38m for Historic Commitments (Section 3)).
- 1.6 The outline draft proposals in Section 5 show a further reduction in this allocation of DSG by £1.75m in 2020/21. This will equate to a reduction totalling £3.98m from 2018/19’s level.

2. 2019/20 On-going responsibilities

2.1 The table below shows the proposals for 2019/20 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 £2.73m, for which the DfE have identified funding provision for LAs of £1.95m outside the Schools Block. This funding is insufficient to discharge the LA's responsibilities across maintained schools and academies. £0.78m (£1.58m 2018/19) is therefore proposed to be funded as part of our Historic Commitments (see section 3).

Table 1

CATEGORY	Responsibility	2018/19 DSG Allocations	2019/20 Proposed reductions	Proposed 2019/20 DSG Allocations
Specified by the DfE	Admissions	£486,500	£0	£486,500
	CLA Licenses	£309,500	£0	£309,500
	Schools Forum	£38,500	£10,000	£28,500
Stat and Reg 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	£30,000	£166,900
Stat and Reg Duties	Leadership of Children's services and support staff	£220,900	£80,000	£140,900
Stat and Reg Duties	Planning for the Education Service as a whole	£163,000	£0	£163,000
Stat and Reg Duties	Provision of information to or at the request of the Crown other than relating to specifically maintained schools	£90,000	£15,000	£75,000
Stat and Reg Duties	SACRE	£18,000	£8,000	£10,000
Stat and Reg Duties	IA and CFO/S151	£43,500	£5,000	£38,500
Stat and Reg Duties	Consultation Costs relating to non-staffing issues. Plans involving collaboration with other LA services or public or voluntary services	£87,600	£10,000	£77,600
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	£204,300	£20,000	£184,300
Asset Management	General Landlord duties	£14,200	£2,000	£12,200
Asset Management / Statutory Duties	Core Services	£214,200	£214,200	£0
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.	£680,900	£289,400	£391,500
	School Attendance	£463,000	£113,000	£350,000
Other Ongoing Duties	Places in independent schools for non-SEN pupils	£300,000	£0	£300,000
Sub total		£3,531,000	£796,600	£2,734,400
Proposed Funding				
DfE Funding Provision		£1,950,200	£0	£1,950,200
Historic Commitments budget		£1,580,800	£796,600	£784,200
Total		£3,531,000	£796,600	£2,734,400

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

3. 2019/20 Historic Commitments

3.1 The below table (Table 2) shows the proposals for 2019/20 funding of the service areas via historic commitments.

3.2 The LA has carried out extensive work reviewing service provision as a whole which, amongst other things, has fed into the proposed Core Offer that the LA has recently published. Recognising pressures on schools budgets and reflecting Councillors' commitment to help school budgets where possible, the LA is therefore making additional contributions to these budgets, as well as delivering efficiencies, and has also sought to replace DSG with other grants, where possible.

3.3 From a schools' perspective, the proposals therefore mean that while services may either no longer receive DSG funding or will receive a reduction in DSG funding, services in these areas can continue.

Table 2

HISTORIC COMMITMENTS	2018/19 DSG Allocations	2019/20 Proposed reductions	Proposed 2019/20 DSG Allocations
Connexions Contract	£457,600	-£200,000	£257,600
Lansdowne	£242,000	£0	£242,000
YOT Education Support	£121,600	£0	£121,600
Family Key work	£239,900	£0	£239,900
Virtual School	£250,000	-£70,000	£180,000
Safeguarding	£125,000	-£75,000	£50,000
External Advisers	£247,300	-£191,000	£56,300
Key Stage 4	£200,000	-£156,300	£43,700
Single Point of Advice	£191,300	£0	£191,300
RPA and NEET	£63,000	-£63,000	£0
Support to Schools	£82,000	-£82,000	£0
ICT Development (all schools)	£123,300	-£123,300	£0
Family Support East	£153,000	-£153,000	£0
Family Support West	£167,700	-£167,700	£0
EIPs	£90,000	-£90,000	£0
Communications	£20,100	-£20,100	£0
Equalities	£45,400	-£45,400	£0
Total	£2,819,200	-£1,436,800	£1,382,400

3.4 We are therefore proposing a total spend on historic commitments of £2.17m, a reduction of £2.23m from 2018/19's level. The proposal comprises £0.78m that supports historic commitments within on-going responsibilities (Table 1) and £1.38m (Table 2).

4. Statutory duties for Maintained Schools

- 4.1 LAs are able to seek approval from maintained schools to retain some Schools Block 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 LAs, has not proposed this action despite seeing significant reductions in this ESG funding (Funding was £3.9m in 2015/16, reducing to £1.1m for 2017/18 and to nil for 2018/19).
- 4.3 Recognising ongoing pressure on school budgets, we are proposing to continue in this way for 2019/20, and, at this point, also for 2020/21, although there continues to be some risks to the LA with this approach.

5. Outline Plans for 2020/21

- 5.1 We are also proposing to continue to seek ways to reduce the historic commitments and on-going responsibilities spend by a further £1.75m in 2020/21, the proposals for which will be brought to the November 2019 Schools Forum meeting.

6. Summary and Conclusion

- 6.1 This report lays out the proposals for £1.95m for on-going responsibilities and £2.17m for Historic Commitments of CSSB for 2019/20, with initial proposals for a further £1.75m reduction for 2020/21. Under these proposals, reductions by 2020/21 would therefore total £3.98m from 2018/19. Schools Forum are asked to approve the proposed 2019/20 spend and to comment on and note the indicative 2020/21 high-level plan.