

Agenda Item 9: Indicative Central School Services Block Budgets 2023/24

1. Introduction

- 1.1 This report is to consult and decide on the budget requirement for the Central School Services block for 2023/24.

2. Background

- 2.1 Upon introduction of the National Funding Formula, the Education and Skills Funding Agency (ESFA) established a Central Schools Services Block (CSSB) to fund local authorities for the statutory duties and other commitments they hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- funding for ongoing central functions, such as admissions, previously top-sliced from the Schools Block
- residual funding for historic commitments, previously top-sliced from the Schools Block.

- 2.2 This report covers budget requirements for both the historic commitments and the ongoing commitments, including former ESG retained duties and seeks Schools' Forum approval where appropriate.

3. Central School Services Block Funding 2023/24

- 3.1 The CSSB is funded within the Dedicated Schools Grant (DSG) allocation and comprises a fixed amount for historic costs, along with a rate per pupil for ongoing costs. Pupil numbers within the provisional CSSB allocation are based on the October 2021 school census. Final figures will be updated for the October 2022 school census and published in December 2022.
- 3.2 The rate per pupil for ongoing costs in 2023/24 is £39.37. Taking total number on roll from the October 2021 census (maintained and academies), this gives a provisional CSSB funding estimate of £522k for ongoing responsibilities in 2023/24. The fixed rate funding for historic commitments in 2023/24 is £190k (£238k in 2022/23), resulting in total funding of £712k for 2023/24.
- 3.3 Schools' Forum will recall that a 20% year on year funding reduction is applied to historic commitments within the CSSB. 2023/24 is the fourth year of the funding cut being applied. Despite the funding cuts to date, the budget requirement for 2023/24 remains within the reduced funding available. However, this position is likely to change by April 2025.

- 3.4 Although adequate funding is available in 2023/24 to cover historic costs, this does mean that the surplus funding that has historically been transferred into the Schools Block is depleting over time.
- 3.5 DfE has agreed to protect 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 lead in times required for such costs to unwind.
- 3.6 The sections that follow outline the draft budget requirement for 2023/24 in relation to central services – firstly for historic commitments and secondly for ongoing responsibilities, including former ESG retained duties.
- 3.7 Appendix 1 outlines the individual approval requirements by Schools’ Forum for each element of the CSSB budget requirement.
- 3.8 When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

4. Historic Commitments

4.1 Schools’ Forum are asked to consider and approve CSSB budgets for the following historic commitments relating to:

- Licences, and;
- Termination of Employment Costs.

4.2 Licences

Historically all expenditure in relation to licences used to deliver education services were recorded on a specific ‘Licences’ line on the Authority’s Section 251 statement. In 2013/14 when the Schools Block was introduced, this line, amongst other lines was recorded by the EFSA as ‘Centrally Retained Combined Budgets’.

4.3 The local authority previously procured its licences from Capita. The Capita licence expired in September 2018 and the local authority introduced a new solution called EYES to support the following areas:

- Data Team
- Attendance Team
- School Improvement Team
- Governors Support Team
- Virtual School
- SEND Team
- NEET/September Guarantee/Raising the Participation Age
- Childcare Placements – 15hrs and 30hrs
- Home to School Transport
- Education Psychology
- Alternative Learning provision

- Groupcall – data transfer
- Schools Portal - a secure means of communicating information between the local authority and schools.

4.4 Using the CSSB funding, schools are asked to fund a contribution to the Council-wide system. The introduction of the EYES system has produced savings against the original CSSB funding of £0.77m. Therefore, the budget requirement in 2023/24 is a contribution of £0.067m towards the costs of these licences, effectively transferring the savings of £0.010m made back to the Schools Block. The EYES system supports a number of wider Council operations and funding from Council service teams, including Early Years to fund the Childcare module, supports the overall EYES system cost. Schools' Forum is asked to approve the contribution of £0.067m for 2023/24.

4.5 Termination of Employment Costs (Brierton)

This budget covers the ongoing termination costs for ex-Brierton staff. This historic pension commitment will only diminish on the death of the ex-employees. Although the historic budget was set at £0.031m, the ongoing budget requirement is actually £0.039m. The difference is linked to an error in the original pension cost estimate provided upon the school closure. As the regulations do not allow for budgets for historic commitments to be increased, Schools' Forum is asked to approve the original funding amount of £0.031m for 2023/24. The remaining cost has been funded from DSG reserves in previous years.

4.6 Upon enquiry, ESFA have clarified that the additional £0.008m expenditure could be funded under a successful disapplication request. Such a request would need to be submitted each financial year for approval by the Secretary of State. The figures contained in this report assume that Schools' Forum are not minded to approve a disapplication request on the basis of materiality. However, as described in paragraphs 3.3 to 3.5 of this report, the local authority would look to apply to ESFA for additional funding from April 2025.

4.7 Were Schools' Forum to approve the amounts shown at paragraphs 4.4 and 4.5 above, the remaining £0.092m CSSB funding for historic commitments would transfer to the Schools Block in 2023/24 to support school budget shares.

5. Ongoing Responsibilities

5.1 The table below summarises the provisional budget requirement for CSSB ongoing responsibilities in 2023/24. As the charges marked with an asterisk are calculated on the basis of pupil numbers, they are subject to change when October 2022 school census data is published in December 2022.

CSSB Ongoing Responsibilities	£m
Funding 2023/24	0.522
Budget Requirement – Retained Education Services*	(0.215)
Budget Requirement – Admissions	(0.146)
Budget Requirement – Copyright Licences*	(0.074)
Budget Requirement – Servicing Schools' Forum	(0.039)

*these figures are subject to pupil number changes and will be updated in December 2022

5.2 Retained Education Services

Details regarding this element of funding were covered in a separate report on Statutory Services presented to Schools' Forum on 20 September 2022. The budget requirement for 2023/24 is set at £16.18 per pupil (unchanged from 2022/23), with pupil volumes currently based on October 2021 school census data.

The charge reflects the cost of services delivered by the local authority to all schools, including academies. A list of services provided was included in the appendix attached to the original report on 20 September 2022.

5.3 Admissions

Details describing the service provided are shown in Appendix 2. The original budget for the service set in 2012/13 was £131k. Over the ten-year period to 2022/23, an overall increase of £5k has been applied, with the majority of inflation being absorbed by the authority. The local authority is proposing to increase the charges for the provision of the Admissions service by 7% to reflect the cost of the NJC pay award from April 2023. This is a proposed increase of £10k.

5.4 Copyright Licences

The ESFA has negotiated copyright licences for schools with most copyright holders. The licences are purchased by the ESFA, who charge the local authority by way of a reduction in DSG. In 2022/23 the licence cost is £0.074m. The licence cost for 2023/24 will not be known until the ESFA confirm the final cost later in the year. The final cost is unlikely to increase significantly. The list of current licences procured on behalf of schools is as follows:

- Christian Copyright Licensing International
- Copyright Licensing Agency
- Education Recording Agency
- Filmbank Distributors Ltd. (for the public video screening licence)
- Mechanical Copyright Protection Society
- Motion Picture Licensing Company
- Newspaper Licensing Authority
- Performing Rights Society
- Phonographic Performance Limited
- Schools Printed Music Licence.

5.5 Servicing Schools' Forum

This amount reflects the cost of delivering Schools' Forum, including the preparation and attendance of at least four meetings per year. This includes staff costs for preparation of reports. The budget was set in 2012/13 at £35k per annum. Schools' Forum agreed a minimal increase of 2% (£700) in 2019/20 to cover the cost of the annual pay award. An increase of 7% is proposed for 2023/24 to reflect the cost of the NJC pay award from April 2023. This is a proposed increase of £3k.

6. Recommendations

6.1 Schools' Forum are recommended to

- a) note the contents of the report
- b) consult those schools that individual members of the Forum represent with a view to deciding on the following:
 - i. agree to fund the budget requirement for historic commitments as detailed in paragraphs 4.4 and 4.5 (*Please note: a separate vote per service is required and all Forum members are eligible to vote*)
 - ii. agree to fund the budget requirement for ongoing responsibilities as detailed in paragraphs 5.2 to 5.5 (*Please note: a separate vote per service is required and all Forum members are eligible to vote. However, a vote is not required for copyright licences as these are agreed on a consultation-only basis*).

Voting: All Schools' Forum members are eligible to vote on these recommendations.

ESFA Guidance on approvals required

Centrally retained service	Approval required
<ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State • funding of brought forward deficits 	<p>Schools' Forum approval is not required (although they should be consulted)</p>
<ul style="list-style-type: none"> • funding to enable all schools to meet the infant class size requirement • back pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only) 	<p>Schools' Forum approval is required on a line-by-line basis</p>
<ul style="list-style-type: none"> • central early years block provision • any movement of funding out of the schools block 	<p>Schools' Forum approval is required</p>
<ul style="list-style-type: none"> • capital expenditure funded from revenue <ul style="list-style-type: none"> • projects must have been planned and decided on prior to April 2013; no new projects can be charged 	<p>Schools' Forum approval is required on a line-by-line basis.</p> <p>The budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into.</p> <p>Read establishing local authority DSG baselines for more information.</p>

Centrally retained service	Approval required
<ul style="list-style-type: none"> • details of the remaining costs should be presented • contribution to combined budgets <ul style="list-style-type: none"> • where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs <ul style="list-style-type: none"> • costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged • prudential borrowing costs <ul style="list-style-type: none"> • the commitment must have been approved prior to April 2013 • details of the remaining costs should be presented • SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment) 	
<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	<p>Schools' Forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools</p>

School Admissions Service

Centrally Retained

It is the responsibility of the Local Authority to ensure that admission arrangements are compliant with the Admissions Code (2014). Local Authorities are expected to incur costs for requirements in relation to admissions and retain central DSG funding which contributes towards a team which comprises of an admissions manager, two admissions officers, one admissions assistant for these responsibilities:

- Devise, consult, determine and publish admission arrangements
- Produce composite prospectus
- Set Admission Number (PAN)
- Devise co-ordinated admissions scheme
- Produce application packs for entry into Reception and Year 7 admission rounds
- Produce reminder letters
- Ranking of application forms for entry into Reception and Year 7 admissions rounds
- Process application forms for entry into Reception and Year 7
- Reallocation of places following national offer days (primary and secondary)
- Produce and present school appeals cases for own admission authority schools and schools which converted to academy status prior to 2013/14 (this includes, legal and democratic services officer time)
- Produce and maintain waiting lists
- Complete DfE statistical returns (eg sufficiency survey/schools adjudicator report, national offer day report, appeals report)
- Development of Admissions Service - changes within Admissions Code
- Process in-year transfer requests (which can be quite complex and can include LAC, SEN, Asylum Seekers, Out of Area and Overseas pupils)
- Purchase, maintenance and development of IT software (parent online application portal)
- Process in-year fair access applications

- Dissemination of admissions information and daily support to parents, schools and other agencies
- Process Managed Move requests
- Attendance at and produce reports for Admissions Forum
- Provision of data and information to support Behaviour & Attendance Partnership meetings
- Provision of data and information to support Vulnerable Pupils Meetings
- Respond to freedom of information and data requests