

Open Report



City of
Stoke-on-Trent

Schools' Forum

15 January 2019

Central School Services Block 2019-20

Report of	Section 151 Officer
	Director of Children and Family Services
Report Author	Andrew Brindley – Senior Business Partner – Schools Jen Lomas - Assistant Director Learning Services
Type of Decision	Budget and Policy Framework
Wards Affected	All Wards
Stronger Together Priorities and how they are applicable:	
Support our residents to fulfil their potential	
<i>To support the strategic objective of supporting our schools to deliver a step change in educational attainment so that every young person has access to a school rated 'good' or better.</i>	

1.0 Reason and Purpose of Report:

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| 1.1 | This report provides Schools' Forum with a line by line breakdown of the central school services block (CSSB), for 2019-20, and seeks approval for the amounts on each line. |
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2.0 Recommendation(s):

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| 2.1 | That Schools' Forum approves the amounts on each line within the CSSB for 2019-20 totalling £5.409m. |
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3.0 Summary of Main Points:

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| 3.1 | The CSSB was introduced in 2018-19 to fund local authorities for the statutory duties they hold for both maintained schools and academies. The CSSB brings together: <ul style="list-style-type: none">• 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. |
| 3.2 | In 2019-20, ongoing responsibilities have been funded in broadly the same way as previously with updated baselines in line with the 2018-19 Dedicated Schools Grant (DSG) allocations. Funding for 2019-18 is £1,273,291 (Pupil head count of 35,989 x £35.38 unit of funding). |
| 3.3 | Funding for historic commitments has been allocated at the same level as in 2018-19 which |

	is £4,135,384. The Department of Education's (DfE) expectation remains that expenditure from DSG will reduce over time as contracts and other commitments reach their end points and they will continue to monitor this expenditure year-on-year. The DfE will seek explanations of expenditure recorded on section 251 returns where this is not reducing as expected.																												
3.4	From 2020-21, the DfE expect to start to reduce the historic commitments element of the CSSB where local authorities' expenditure has not reduced.																												
3.5	Where local authorities hold duties in relation to all schools (as set out in schedule 2 part 1 to 5 of The School and Early Years Finance (England) (No. 2) Regulations 2018 all schools must be treated on an equivalent basis.																												
3.6	As in previous years' Schools' Forum approval is required to confirm the amounts on each line.																												
3.7	Any movement of funding from the CSSB to the schools block or any other block is not subject to any limit and can be made in consultation with the Schools' Forum.																												
3.8	<p>Table 1 below provides a line by line breakdown of the local authority CSSB allocations for 2019-20 and for comparative purposes the approved 2018-19 values.</p> <p>Table 1 – Central School Services Block Allocations 2019-20</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2018-19</th> <th>2019-20</th> <th>Note</th> </tr> <tr> <td></td> <td>£</td> <td>£</td> <td></td> </tr> </thead> <tbody> <tr> <td>Historic Commitments (Prior to April 2013)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Contribution to combined budgets</td> <td>880,137</td> <td>880,137</td> <td>Contribution to support the education and effective learning of looked after children. Agreed prior to 1st April 2013. Schools Forum approval is required.</td> </tr> <tr> <td>Existing termination of employments costs</td> <td>1,504,733</td> <td>1,504,733</td> <td>Historic commitments relating to ongoing pension costs agreed prior to the 1st April 2013. Schools Forum approval is required.</td> </tr> <tr> <td>Prudential borrowing costs</td> <td>621,324</td> <td>621,324</td> <td>Historic commitments relating to prudential borrowing agreed to support the development of education facilities and schools in 2005-06 and 2008-09. Repayment period ending in 2024-25 and 2027-28 respectively. Schools Forum approval is required.</td> </tr> <tr> <td>Back pay for equal pay claims</td> <td>1,129,190</td> <td>1,129,190</td> <td>The commitment relates to the funding of Single Status in schools. On 1st December 2008 Schools' Forum approved equal pay costs to be charged directly to the Dedicated Schools Grant (DSG). The payment period was ten years starting in 2009-10 and finishing in 2018-19. This covers equal pay costs for all schools and academies in the City. Schools Forum approval is required. As this commitment has now finished there is a risk of clawback by the DfE.</td> </tr> </tbody> </table>	Description	2018-19	2019-20	Note		£	£		Historic Commitments (Prior to April 2013)				Contribution to combined budgets	880,137	880,137	Contribution to support the education and effective learning of looked after children. Agreed prior to 1 st April 2013. Schools Forum approval is required.	Existing termination of employments costs	1,504,733	1,504,733	Historic commitments relating to ongoing pension costs agreed prior to the 1 st April 2013. Schools Forum approval is required.	Prudential borrowing costs	621,324	621,324	Historic commitments relating to prudential borrowing agreed to support the development of education facilities and schools in 2005-06 and 2008-09. Repayment period ending in 2024-25 and 2027-28 respectively. Schools Forum approval is required.	Back pay for equal pay claims	1,129,190	1,129,190	The commitment relates to the funding of Single Status in schools. On 1 st December 2008 Schools' Forum approved equal pay costs to be charged directly to the Dedicated Schools Grant (DSG). The payment period was ten years starting in 2009-10 and finishing in 2018-19. This covers equal pay costs for all schools and academies in the City. Schools Forum approval is required. As this commitment has now finished there is a risk of clawback by the DfE.
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Sub Total	4,135,384	4,135,384	
Ongoing Responsibilities			
Admissions	327,128	327,128	Expenditure on the operation of the system of admissions of pupils to schools (including expenditure incurred in carrying out consultations under section 88C(2) of the 1998 Act(b)) and in relation to appeals. Schools Forum approval is required.
Servicing of schools forum	23,198	23,198	Expenditure incurred in connection with the LA's functions of running the forum as defined under section 47A of the 1998 Act (addition under Section 43 of Education Act 2002) (establishment and maintenance of, and consultation with, schools forums). Schools Forum approval is required.
Contribution to responsibilities that local authorities hold for all schools	751,520	741,175	In 2017-18 the Education Services Grant (ESG) retained rate was included in the schools block of the Dedicated Schools Grant allocation. Appendix A provides details of the services included under this line. Schools Forum approval is required.
Central licences negotiated by the Secretary of State	171,770	181,790	The DfE has agreed with the following agencies to purchase a single national licence managed by the Department for all state-funded schools in England: Christian Copyright Licensing International (CCLI) • Copyright Licensing Agency (CLA) • Education Recording Agency (ERA) • Filmbank Distributors Ltd. (for the PVSL) • Mechanical Copyright Protection Society (MCPS) • Motion Picture Licensing Company (MPLC) • Newspaper Licensing Authority (NLA) • Performing Rights Society (PRS) • Phonographic Performance Limited (PPL) • Schools Printed Music Licence (SPML) Schools Forum approval is not required (although they should be consulted).
Sub Total	1,273,616	1,273,291	
Total Central Block	5,409,000	5,408,675	

Appendix A - Responsibilities that Local Authorities Hold for All Schools

Responsibilities held for all schools

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 or 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)

Technical Appendix:

List of Background papers/sources of information used for this report:
ESFA: Schools revenue funding 2019 to 2020 Operational Guides July 2018 and December 2018. ESFA: DSG Funding Allocations (November 2018) 2018-19. ESFA: School Revenue Funding Settlement 2019 to 2020. ESFA: National Copyright Licences 2019 to 2020. LA: Previous Schools' Forum Reports & Minutes relating to School Funding Reform & School Budgets.
List the appendices included as part of this report:
Appendix A – Responsibilities that Local Authorities Hold for All Schools.

Implications taken into consideration in this report *(Please list as separate appendix if required):*

Financial and Commercial:
As noted in the report.
Legal:
As set out by the School & Early Years Finance (England) Regulations 2018.
Human Resources:
N/A
Public Health and Public Services (Social Value) Act 2012:
N/A
Equality Impact or Environmental Impact Assessments:
N/A
Key Risks:
If Schools' Forum do not confirm the amounts on each line of the CSSB, above, there may be an impact on the City Council's General Fund Budget.

The following section must be completed for Executive Decisions i.e. Cabinet *

Options Considered:	
1.	N/A

* In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012