

## Open Report



City Council

16 November 2017

### Central School Services Block 2018-19

<b>Report of</b>	Director of Children and Family Services
<b>Report Author</b>	Andrew Brindley – Accountant Helen Meigh – Finance Team Leader
<b>Type of Decision</b>	Other Decision
<b>Cabinet Member</b>	Councillor Janine Bridges - Cabinet Member for Education and Economy
<b>Wards Affected</b>	All Wards
<b>Stronger Together Priorities and how they are applicable:</b>	
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 Purpose of Report:

1.1	The purpose of this report is to provide Schools' Forum with a line by line breakdown of what is included in the new central school services block (CSSB), for 2018-19, and seek approval for the amounts on each line.
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#### 2.0 Recommendation(s):

2.1	The Schools' Forum is asked to confirm the amounts on each line within the CSSB for 2018-19, totalling £5.38m.
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#### 3.0 Summary of Main Points:

3.1	For 2018-19 there are a number of changes to the funding system which includes: <ul style="list-style-type: none"><li>• <b>The central school services block (CSSB) has been created.</b> Local authorities will be allocated funding for central school services through the new CSSB. This will comprise funding for ongoing responsibilities and a cash sum for historic commitments. <b>The DSG therefore now comprises four blocks: schools, high needs, early years and the new central school services block.</b></li></ul>
3.2	The CSSB was introduced 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"><li>• Funding previously allocated through the retained duties element of the Education Services Grant (ESG).</li><li>• Funding for ongoing central functions, such as admissions, previously top-sliced from the schools block.</li></ul>

- Residual funding for historic commitments, previously top-sliced from the schools block.

3.3 In April 2017 the Department for Education (DfE) carried out a Dedicated Schools Grant (DSG) baseline exercise with all local authorities on planned total spend for 2017-18. Table 1 below provides an extract from Stoke-on-Trent City Council's baseline return which highlights the CSSB total baseline funding for 2017-18 of £5.41m.

**Table 1- DSG Baselines 2017-18**

LA Name	LA Number
Stoke-on-Trent	861

2016-17 LA submitted baselines by block (£million)	
Schools block	150.672
Central school services block	5.280
High needs block	28.968
Early Years funding	11.917
DSG 2016-17 funding	196.837

2017-18 DSG excluding early years	
	[1] 2017-18 planned total spend (£million)
<b>Schools block</b>	
Individual school budgets	154.346
Growth and falling rolls	0.532
<b>Schools block totals</b>	<b>154.878</b>
<b>Central school services block</b>	
Ongoing responsibilities	1.278
Historic commitments - this amount cannot exceed the 2016-17 amount	4.135
<b>Central services schools block totals</b>	<b>5.413</b>
<b>High needs block</b>	
Hospital education	0.183
Other high needs	29.310
<b>High needs block totals</b>	<b>29.493</b>

3.4 As in previous years Schools' Forum approval is required to confirm the amounts on each line for central services. A number of services are also subject to a limitation of no new commitments or increases in expenditure from 2017-18.

3.5

Table 2 below provides a line by line breakdown of the centrally held funding required for 2018-19, including a description of the expenditure, and whether Schools Forum approval is required. It also provides details of the 2017-18 approved values.

Description	2017-18	2018-19	Note
	£	£	
<b>Historic Commitments (Prior to April 2013)</b>			
Contribution to combined budgets	880,137	880,137	Contribution to support the education and effective learning of looked after children. Agreed prior to 1 <sup>st</sup> April 2013. <b>Schools Forum approval is required.</b>
Existing termination of employments costs	1,504,733	1,504,733	Historic commitments relating to ongoing pension costs agreed prior to the 1 <sup>st</sup> April 2013. <b>Schools Forum approval is required.</b>
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. <b>Schools Forum approval is required.</b>
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 <sup>st</sup> 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. <b>Schools Forum approval is required.</b>
<b>Sub Total</b>	<b>4,135,384</b>	<b>4,135,384</b>	
<b>Ongoing Responsibilities</b>			
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. <b>Schools Forum approval is required.</b>

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). <b>Schools Forum approval is required.</b>
Contribution to responsibilities that local authorities hold for all schools	762,120	730,181	In 2017-18 the Education Services Grant (ESG) retained rate was included in the schools block of the Dedicated Schools Grant allocation. <b>Appendix A</b> provides details of the services included under this line. <b>Schools Forum approval is required.</b>
Central licences negotiated by the Secretary of State	165,103	165,103	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) <ul style="list-style-type: none"> <li>• Copyright Licensing Agency (CLA)</li> <li>• Education Recording Agency (ERA)</li> <li>• Filmbank Distributors Ltd. (for the PVSL)</li> <li>• Mechanical Copyright Protection Society (MCPS)</li> <li>• Motion Picture Licensing Company (MPLC)</li> <li>• Newspaper Licensing Authority (NLA)</li> <li>• Performing Rights Society (PRS)</li> <li>• Phonographic Performance Limited (PPL)</li> <li>• Schools Printed Music Licence (SPML)</li> </ul> <b>Schools Forum approval is not required (although they should be consulted).</b>
<b>Sub Total</b>	<b>1,277,549</b>	<b>1,245,610</b>	
<b>Total Central Block</b>	<b>5,412,933</b>	<b>5,380,994</b>	

## 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:

<b>List of Background papers/sources of information used for this report:</b>
DfE: Schools revenue funding 2018 to 2019 Operational guide September 2017. DfE; DSG funding baseline table 2018-19. DfE: NFF Summary Table. DfE; 2017-18 LA Submitted Baselines. DfE: Local authority historic commitments for 2017-18 DSG central schools block LA: Report to request approval of centrally retained expenditure and retained ESG transfer to LA 2017-18
<b>List the appendices included as part of this report:</b>
Appendix A – Responsibilities that Local Authorities Hold for All Schools.

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

<b>Financial and Commercial:</b>
As noted in the report.
<b>Legal:</b>
As set out by the School & Early Years Finance (England) Regulations 2017.
<b>Human Resources:</b>
N/A
<b>Public Health and Public Services (Social Value) Act 2012:</b>
N/A
<b>Equality Impact or Environmental Impact Assessments:</b>
N/A
<b>Key Risks:</b>
N/A.

**Complete the following sections for Executive Decisions only i.e. Cabinet \***

<b>Options Considered:</b>	
1.	Options are considered in the body of the report.
<b>Reason for Decision:</b>	
To adhere to the approval of funding as set out by the School & Early Years Finance (England) Regulations 2017.	

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