

Oxfordshire County Council
Schools Forum – 7 November 2018
Central School Services Block 2019-20

Settings		Sector		Voting Entitlement (for decision papers only)	
Academies	✓	Foundation Stage	✓	PVI Representative	✓
Maintained Schools	✓	Primary	✓	16-19 Representative	
PVI Nurseries	✓	Secondary	✓	COTO Representative	✓
Special Schools	✓	Special	✓	Maintained Primary School Representatives	✓
Local Authority	✓	16+		Academy Primary School Representatives	✓
Schools Forum	✓	High Needs	✓	Maintained Secondary School Representatives	✓
				Academy Secondary School Representatives	✓
				Pupil Referral Unit Representative	✓
				Special School Representatives	✓
				Nursery Representative	✓

For Decision

1. Purpose of Report

- 1.1 This report seeks approval for Dedicated Schools Grant (DSG) funding to be held centrally to support specified services.
- 1.2 The information contained within this report is based on the Education and Skills Funding Agency (ESFA) document “Schools revenue funding 2019 to 2020 operational guide” and the DfE document “Central school services block national funding formula: technical note” both published in July 2018.

2. Recommendations/Actions/Decisions for Schools Forum

Schools Forum is asked to:

- 2.1 Note this report.
- 2.2 Approve individually the following budgets from the Central School Services block (CSSB) for 2019-20:
- 2.2.1 Admissions budget £476,533
- 2.2.2 Schools Forum budget £30,730
- 2.2.3 Prudential Borrowing budget £1,566,685
- 2.2.4 Local authority’s statutory functions for all schools’ budget £1,451,410

2.2.5 That any additional funding available be used to meet any increased costs of this block

2.3 Note that the delegation of the Union Facilities Duties budget £64,400 to all schools had been previously agreed but the funding available continues to be initially allocated to this block.

2.4 Note the budget of £452,029 for government arranged licences.

3. Background

3.1 The Dedicated Schools Grant (DSG) has been expanded to four blocks. Originally DSG consisted of the Early Years, Schools and High Needs blocks with the fourth Central School Services block being introduced from 1 April 2018. The Department for Education (DfE) had earlier confirmed the funding arrangements for the central school services block. The block has been created by transferring from the Schools block the resources relating to a number of central budgets in respect of historic commitments and on-going local authority (LA) responsibilities and the retained duties element of the Education Services Grant (ESG), funding for duties which the LA holds in respect of all schools. Minor transfers were made from Early Years and High Needs block in respect of Schools Forum budget funding.

3.2 Historic commitments allocation remain at its 2017-18 level while the on-going responsibilities are likely to be increased by about 2.0%, as per provisional figures issued by the DfE, while final allocations for 2019-20 are to be confirmed in December 2018 continuing to use the formulaic approach outlined in paragraph 3.4 below.

3.3 The provisional funding for Central School Services block is summarised

Historic Commitments 2019-20	£	£
Prudential Borrowing Costs	1,566,685	
Union Facilities	64,400	
	<u> </u>	1,631,085
On-Going functions 2019-20		
Admissions	476,533	
Schools Forum	30,730	
Licences negotiated by SoS ¹	452,029	
Contribution to responsibilities that LA holds for all schools (ESG retained functions)	<u>1,451,410</u>	
		2,410,702
Potential increase on on-going functions		<u>50,722</u>
Total £		<u>4,092,509</u>

¹ Secretary of State for Education

- 3.4 From 2018-19 onward, local authorities will receive funding based on a formulaic calculation where 90% is based on per pupil amount and 10% on a deprivation factor. To this total an Area Cost Adjustment percentage (based on the general labour market rate) will be applied. Indicative calculations, using this methodology suggests that the local authority may receive a further £50,722 against increased costs of its on-going functions but until pupil numbers and to a lesser extent deprivation information is available and thereby final allocations are known, this cannot be confirmed.
- 3.5 In respect of funding held within the Central School Services block, excepting licences, Schools Forum approval is currently required on a “line by line” and an annual basis. As Licenses have been arranged through the Secretary of State for Education Schools Forum approval is not required but Forum are to be consulted. This is a similar approval process as undertaken in previous years involving the amounts when held within the Schools block (see Schools Forum paper 5b 1 December 2017).

4. Decisions to be Agreed Concerning Central School Services Block Funding

- 4.1 Except for the Contribution to responsibilities that LA holds for all schools’ allocation the services summarised below have the same budget proposals compared with current 2018-19 financial year. This is consistent with the principles of the Operational Guidance that these budgets, other than listed as “On-Going” functions (including expenditure on Admissions and servicing cost of Schools Forum) cannot exceed the previous funding period’s value and no new commitments of any of these types can be entered into. Given the uncertainty as to whether there will be any additional monies (see paragraph 3.4 above) to amend budget allocations where applicable it is considered, at this time, prudent to retain most allocations at the 2018-19 levels. The Contribution to responsibilities that LA holds for all schools’ allocation is increased in line with the growth in pupil numbers included in the DfE’s CSSB initial allocations for 2019-20 notification.

Each of these budgets is to be approved by Schools Forum.

- 4.2 Schools Forum is asked to approve the central retention of the Admissions budget £476,533. This expenditure is incurred as required in section 9 of Schedule 2 of The School and Early Years Finance (England) Regulations 2018 that is “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”.

- 4.3 Schools Forum is asked to approve the central retention of the Schools Forum budget £30,730. This expenditure is incurred as required in section 12 of Schedule 2 of The School and Early Years Finance (England) Regulations 2018 that is Expenditure in connection with the authority's functions under section 47A of the 1998 Act (establishment and maintenance of, and consultation with, schools' forums).
- 4.4 Although there appears to be a technical issue within the Dedicated Schools Grant allocation mechanism, in that it does not appear possible at this time to make formally transfers between DSG Blocks (Schools block and CSSB) and that the Union Facilities Duties budget of £64,400 remains recorded in the CSSB block. For completeness the allocation is shown here, but Schools Forum have previously agreed that from 2018-19 and onward these monies will be permanently delegated to schools. The monies will therefore again be added to that of the School block included in the formula funding model for delegation to all schools.
- 4.5 Schools Forum is asked to approve the central retention of the Prudential Borrowing budget £1,566,685. This budget relates to considerable borrowing entered into over a 25-year period. The funding was made available to accelerate school buildings repair and maintenance work programme.
- 4.6 Schools Forum is asked to approve the retention by the centre of the budget of £1,451,410 and held to meet the local authority's statutory functions it holds for all schools and pupils. The functions met from this budget were previously referred to as the Education Support Grant's retained duties.
- 4.7 Although no formal approval is required members are advised that the Central School Services block includes a budget of £452,029 in respect licences negotiated centrally by the Secretary of State for all publicly funded schools. This budget is, in part, dependent on pupil numbers and the actual cost for 2019-20 is likely to be higher.
- 4.8 Although it is prudent not to anticipate any additional funding (possibly up to the £50,722 referred to above) into this block for 2019-20, the guidance indicates that the local authority may deploy any additional funding against increased costs incurred in the Admissions and Schools Forum budget, meet any increase in the nationally determined licenses cost and apply additional funds against the "Contribution to responsibilities that LA holds for all schools" due to increased pupil numbers. It is therefore recommended that the additional funding currently identified (and any actual extra funding when known in December) be held against the potential additional costs of this block.

5. Conclusions

This paper provides detail of areas where Schools Forum approval is required for central schools' expenditure for 2019-20 from the Central Schools Services Block of the DSG.

6. Background Documents

- 7.1 Schools revenue funding 2019 to 2020 operational guide – July 2018
- 7.2 Central school services block national funding formula: technical note – July/August 2018
- 7.3 Early Years and School Finance Regulations 2018
- 7.4 Historic Commitments/Centrally Held Funding from DSG 2017-18

7. Contact Details of Lead Officers/Authors

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

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