

CENTRAL SCHOOL SERVICES BLOCK FUNDING 2020-21

Purpose of the Report

1. To seek Schools Forum approval to centrally retain funding within the Central School Services Block and High Needs Block of the 2020-21 Dedicated Schools Grant (DSG).

Information and Advice

2. The local authority is required to seek approval from the Schools Forum to centrally retain funding within the Central School Services Block (CSSB) of the DSG. Attached at **Appendix A** to this report is a list of the central budgets the Authority is seeking approval to retain.
3. The funding allocation is a combination of historic spend and formula using a per pupil amount. Those budgets which form part of the historic spend are restricted to their 2012-13 limit and no new commitments are allowed.
4. The Education Skills Funding Agency (ESFA) announced its intention to start to reduce the funding for historic spend with effect from 2020-21. The size of the reduction however, was a shock to local authorities at 20% and for Nottinghamshire this amounted to £630,400. A further 20% reduction has been announced for 2021-22 and the indicative amount is £504,320.
5. The historic budgets which are directly impacted by this reduction are: Education Psychology Service, Boarding element of Looked After Children placements and Joint Use Agreements. Termination of employment costs also falls into this category, but this budget is being protected by the ESFA from any reduction.
6. The budgets within the CSSB for 2020-21 have been reviewed and, apart from £285,000, the funding reduction has been contained within the funding allocation by making the adjustments listed below. Any further budget reductions cannot be made without impacting on service provision or the local authority budget position which is already under severe pressure due to the additional costs of Covid19.
 - £210,000 reduction in the Joint Use element of the Contribution towards Combined Budgets following the cessation of two agreements in 2019/20.
 - £126,000 unallocated funding for ongoing commitments.
 - £9,000 proposed reduction to the School Forum budget as this has consistently underspent in previous years.

7. For the current financial year the £285,000 shortfall will be a challenge to contain within the overall CSSB and will, more than likely, result in an overspend. It is proposed that any shortfall is met from the Non ISB reserve. For 2021-22 the funding reduction is to be considered as part of the local authority annual budget setting process and the outcome of that will be known later in the financial year.
8. There is a further complication in that Nottinghamshire's funding for this block has been calculated incorrectly for 2018-19 and 2019-20 resulting in an overpayment of £241,082. This was due to the treatment of the Copyright Licence as part of the historic spend which was incorrect. This will be recovered by the ESFA during 2020-21 and will also need to be met from the Non-ISB reserve.

RECOMMENDATION

That the Schools Forum:

- 1) Approve the Authority's application to centrally retain funding within the Central School Services Block for the services set out at **Appendix A**.

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2020-21 Central School Services Block

Service	Note	Schools Forum	2019/20 £000	2020/21 £000	Description of Services
Contribution to combined budgets	1	Agreement	2,101	1,891	1. Psychology service 2. Boarding element of LAC placements in INMSS 3. Joint use agreements in academies
Termination of Employment Costs	1	Agreement	1,000	1,000	Ongoing pension enhancement costs
Admissions		Agreement	1,106	1,106	Staffing and running costs
Schools Forum		Agreement	12	3	Direct costs and Clerk
Responsibilities of LA for all schools	2	Agreement	1,712	1,712	1. Asset Management 2. Education Welfare 3. Strategy, Finance and Information
Central licences negotiated by the Secretary of State		For information	593	609	Copyright Licences
SEN Transport	1	Agreement	1,764	1,764	Funded from the High Needs Block
Transfer to the High Needs Block		Agreement	244	-	
Annual Budget			8,532	8,085	
Funded by:					
CSSB funding allocation			8,532	7,800	
Non ISB Reserve				285	
Total Funding			8,532	8,085	

Note

1. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.
2. Former retained element of the Education Services Grant