

ITEM 3

Outturn for Central Services Block 2021/22

Schools Forum – 11 July 2022

Recommendation

The Schools Forum is asked to: -

Note the Outturn for Central Services Block 2021/22

Members of Forum allowed to vote: - No vote required on this item. For information only

1. Introduction

1.1 This brief report sets out the overall expenditure of the Central School Service Block. The CSSB provides funding for local authorities to carry out Central functions on behalf of maintained schools and academies. It comprises of two discrete elements which are 'Ongoing Responsibilities' and 'Historic Commitments' driven by statutory responsibilities. The government legislative instrument with reference "The School and Early Years Finance (England) (No. 2) Regulations 2018" provides a broad range of functions provided by the Local Authority that can be funded from the above grant. See appendix(a)

1.2 Key Breakdown of the Grant. The grant allocated to the LA for the 2021/22 financial year was £6.045m and is divided into £2.833m for Ongoing Responsibilities and £3.213m for Historic Commitments.

2 Summary of CSSB expenditure

2.1 Significant part of the overall expenditure for that service is funded from general fund. The CSSB grant is basically allocated to services to support the service delivery. Table 1 below shows the amount of grant allocated to the relevant service area compared to the initial budget allocation.

Table 1. Summary Budget and Outturn

	Budget	Expenditure
On-going LA Functions	2,832,692.16	2,473,134.00
Historical Commitments	3,213,000.00	3,790,000.00
Total	6,045,692.16	6,263,134.00

2.2 The main expenditure type under on-going responsibilities are listed below and in appendix (a)

2.3 This includes:

- a) licences negotiated centrally by the Secretary of State for all publicly funded schools (sch 2, 8)
- b) Schools Admissions Remission of boarding fees at maintained schools and academies
- c) Servicing of school's forums.
- d) Finance, Internal Audit cost and management salaries related to education functions.

Table 2: Ongoing Functions – Grant allocated to various services

Detailed budgeted Responsibilities	Detailed Expenditure
Ongoing Functions	
Schools’ forum costs	79,000.00
Commissioning standards, Other Statutory Duties and Asset management	401,275.00
Academies - Legal Cost	0
Extra Pensions costs above the historical commitment*	591,487.00
School Admission Team and improvement central	614,000.00
Finance and Audit	333,000.00
Education welfare service* (General Fund / PH / CSSB)	435,000.00
Health & Wellbeing*(General Fund / PH / CSSB)	0
Safeguarding & multiagency liaison *(General Fund / CSSB)	0
SACRE*(General Fund /CSSB)	19,372.00
Sub- total Ongoing costs	2,473,134.00

This amount represents the extra cost above the historical commitments.

- 2.4** The local authority continued to use the historical commitment to fund other corporate functions included in the legislative instrument. These include the prudential borrowing cost related to PFI transactions and other historical activities related to education functions.
- 2.5** **Audit of the Grant.** The governance of this grant includes internal and external audit review of expenditure as well as the DfE S251 returns the LA is required to submit annually to the DfE after the end of the financial year to account for the grant as part of the validation and checks.
- 2.6** The DfE recently (October 2019) contacted the LA to request for a justification for this funding which the LA did and was noted and agreed by DfE.
- 3** **Conclusion**
- 3.1** The DfE confirmed that the grant will continue but reiterate that the grant will be reduced by 20% in 2022/23 financial year hence potential financial risk for the LA as any shortfall is a potential gap to the overall funds to the LA.

Recommendation: that Schools Forum note the Outturn for Central Services Block 2021/22
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Appendix (a)

Extract from the “The School and Early Years Finance (England) (No. 2) Regulations 2018.

PART 1 Historic commitments

1. CERA incurred for purposes not falling within any other paragraph of this Schedule or Schedule 1.
2. Expenditure in respect of—

(a) Prudential borrowing;

(b) termination of employment costs, where the schools forum has approved the charging of these costs to the schools budget for the funding period in which they were incurred and the revenue savings achieved by the termination of employment to which they relate are equal to or greater than the costs incurred;

(c) services (often known as combined budgets) funded partly from central expenditure and partly from other budgets of the local authority or contributions from other bodies, where the expenditure relates to classes or descriptions of expenditure falling outside those in this Schedule;

(d) special educational needs transport costs; and

(e) purposes not falling within any other paragraph of this Schedule, provided that the expenditure does not amount in total to more than 0.1% of the authority’s schools budget,

which was approved by the schools forum or the Secretary of State before 1st April 2013.

3. Any deductions under any of paragraphs 1 and 2(a), 2(b), 2(c), 2(d) and 2(e) must not exceed the amount deducted under each of the corresponding paragraphs of Part 1 of Schedule 2 to the 2018 Regulations for the previous funding period.

PART 2 Central Schools Expenditure

4. Expenditure due to a significant growth in pupil numbers as a result of the local authority’s duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population of its area, including expenditure resulting from the additional costs associated with establishing a new school.

5. Expenditure to be incurred due to a decline in pupil numbers in—

(a) schools maintained by the authority which were awarded either the highest or the second highest grade in their last inspection under section 5 of the 2005 Act, including those inspected during the funding period; and

(b) academies that have not previously been inspected under section 5 of the 2005 Act and have a predecessor school or schools which were awarded the highest or second highest grade in their last inspection under section 5 of the 2005 Act, including those inspected during the funding period,

where funding is likely to be necessary due to subsequent growth in pupil numbers at such schools before the end of the next three financial years after the funding period.

6. Expenditure to be incurred before the opening of new schools to fund the appointment of staff and to enable the purchase of any goods and services necessary in order to admit pupils.

7. Expenditure to make provision for extra classes in order to comply with the School Admissions (Infant Class Sizes) (England) Regulations 2012⁽¹⁾.

8. Expenditure on licences which are negotiated centrally by the Secretary of State for all publicly funded schools.

9. 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) and in relation to appeals.

10. Expenditure under section 18 of the 1996 Act⁽²⁾ in making any grant or other payment in respect of fees or expenses (of whatever nature) which are payable in connection with the attendance of pupils at a school which is not maintained by any local authority.

11. Remission of boarding fees payable in connection with the attendance of pupils at maintained schools and academies under sections 458 or 514 of the 1996 Act or section 10A of the 2010 Act.

12. Expenditure in connection with the authority's functions under section 47A of the 1998 Act (establishment and maintenance of, and consultation with, schools forums).

13. Expenditure on pay arrears due to staff employed at maintained schools and other staff whose salaries are met from the schools budget, and expenditure on the costs of financing payment of such arrears, where the expenditure is not chargeable to a maintained school's budget share under the terms of the local authority's scheme.

PART 3 Other Central Education Expenditure

Asset management

14. Expenditure in connection with education functions in relation to the following areas of expenditure—

(a) management of the authority's capital programme including preparation and review of an asset management plan and negotiation and management of private finance transactions; and

(b) landlord responsibilities of the authority (including in relation to land leased to academies),

which is not within the description of expenditure at paragraph 77.

Strategic management

15. Expenditure on education functions related to—

(a) functions of the director of children's services and the personal staff of the director;

(b) planning for the education service as a whole;

(c) authorisation and monitoring of expenditure which is not met from the budget shares of schools maintained by the authority, and all related financial administration;

(d) the formulation and review of the methods of allocating resources to schools maintained by the authority, and other bodies;

(e) internal audit and other tasks necessary for the discharge of the authority's chief finance officer's responsibilities under section 151 of the Local Government Act 1972⁽³⁾ in so far as the responsibilities do not relate to maintained schools; and

(f) the preparation and review of plans involving collaboration with other local authority services or with public or voluntary bodies.

Other functions

16. Expenditure arising from the authority's functions under Chapter 2 of Part 6 of the 1996 Act (school attendance).

17. Expenditure in connection with the authority's functions in relation to the standing advisory council on religious education constituted by the authority under section 390 of the 1996 Act⁽⁴⁾ or on the reconsideration and preparation of an agreed syllabus of religious education in accordance with Schedule 31 to the 1996 Act.

18. Expenditure in connection with powers and duties performed under Part 2 of the Children and Young Persons Act 1933⁽⁵⁾ (enforcement of, and power to make byelaws in relation to, restrictions on the employment of children).

19. Expenditure in relation to consultation and functions preparatory to consultation with or by governing bodies, pupils, or with other interested bodies in connection with education functions, which is not within the description of expenditure at paragraph 67 of this Schedule.

20. Expenditure on the authority's functions in relation to the exclusion of pupils from schools.

21. Expenditure in relation to provision of information to or at the request of the Crown and the provision of other information which the authority is under a duty to make available, which is not within the description of expenditure at paragraph 69 of this Schedule.

22. Expenditure on education functions related to revenue budget preparation, preparation of information on income and expenditure relating to education for incorporation into the authority's annual statement of accounts, and the external audit of grant claims and returns relating to education, that is not within the description of expenditure at paragraph 74 of this Schedule.

23. Expenditure in connection with the authority's duty under regulation 9A of the School Information (England) Regulations 2008⁽⁶⁾