



ISLINGTON SCHOOLS FORUM

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SCHOOLS FORUM

MEETING DATE	22 October 2020
AGENDA ITEM 8	Central School Services Block
RECOMMENDATIONS	To note the reduction CSSB funding in future years and the steps being taken to manage this.

1 Background

1.1 The Central School Services Block (CSSB) provides funding for the provision of central services to schools and academies by local authorities (there must be equality of access for schools regardless of status). Allocations are agreed by Schools Forum on a line by line basis annually in accordance with the DSG operational guidance. Funding for this block is split into 2 elements:

- An element for ongoing duties that local authorities have a statutory duty to deliver for all pupils in maintained schools and academies, such as school admissions and servicing of Schools Forum. The Council will provisionally receive a £0.021m (2.15%) increase in funding for this element in 2021/22. This allocation will be updated in the autumn to reflect October 2020 pupil numbers.
- An element for historical commitments that pre-date 2013/14, funding for which is being reduced by £0.131m (20%) in 2021/22. This follows a 20% (£167k) reduction in 2020/21, in line with the DfE's plans to phase this funding out for local authorities.

1.2 The reduction in CSSB funding in 2020/21 was managed without impacting on the services provided. Following a comprehensive review of the DSG in 2017/18 by the Council and Schools Forum to meet increasing cost and demand pressures in relation to high needs, funding within the CSSB was freed-up for investment in high needs. Given the increase in HNB funding for 2020/21 this contribution has been reversed by Schools Forum, to meet the shortfall in CSSB funding.

2 Future levels of CSSB funding

2.1 The forecast level of CSSB funding for the next 5 years, including 2020/21 is shown below. This indicates that that the Council is likely to see a further reduction in CSSB funding of £366k by 2024/25, which is equivalent to 23% of the CSSB allocation of £1.627m in 2020/21. This takes into account a likely reduction in the per pupil unit of funding for the ongoing duties element (estimated at 1% per annum), and movements in the pupil number projections for each year from the school place planning report.

Central School Services Block estimated allocations						
	2020/21 allocation	2021/22 provisional adjusted	2022/23 estimate	2023/24 estimate	2024/25 estimate	Total
	£k	£k	£k	£k	£k	
Ongoing duties:						
- CSSB unit of funding per pupil ¹	0.04657	0.04757	0.04757	0.04757	0.04757	
- CSSB pupil numbers ²	20,790	20,755	20,766	20,859	20,835	
Ongoing duties allocation	968	987	988	992	991	
Historic commitments ³	659	527	422	338	270	
Total CSSB allocation	1,627	1,515	1,410	1,330	1,261	
Movement		-113	-105	-80	-69	-366
Percentage reduction on 2020/21		-7%	-6%	-5%	-4%	-23%
Notes:						
¹ assumed CSSB unit of funding per pupil will remain unchanged over review period from 21/22 onwards. Previously it has reduced by an average of 1% but is increasing by 2.2% in 21/22.						
² Pupil numbers forecast in with percentage movements in the 2020 School Place Planning Report.						
³ Assumed historic commitments funding continues to reduce by 20% per annum.						

- 2.2 Funding for school support services was agreed by Schools Forum for 2020/21 on 16 January 2020. The agreed allocations of CSSB funding for school support services is shown below. When allocations are agreed The CSSB makes up 50% of the budget for these services, therefore a reduction of 23% of CSSB funding by 2024/25 is the equivalent of an overall reduction in funding of 11% for these services. Other sources of funding include de-delegated budgets, traded income and other grants.
- 2.3 Some costs are fixed. For example, the cost of copyright licence charges is determined by the DfE each year, and is automatically top-sliced from our CSSB allocation. This has seen significant above inflation increases in recent years. We do not receive funding adjustments to meet any increases in cost.

	CSSB
	£k
Admissions	735
School Admission Appeals	45
Access and Engagement Service	284
Schools Finance (Servicing School Forums)	71
Capital and Asset Management	128
Directors and Assistant Directors	77
Equalities	30
Legal Services SLA	30
Sports Co-ordinators	30
Licences	143
NQTs	54
	1,627

3 Managing the reduction in CSSB funding

- 3.1 In order to manage the expected reduction in CSSB funding for these services the Council and schools need to consider:

- What services schools would like us to continue to provide, and are therefore happy to pay for. This could, where appropriate be through alternative mechanisms such as trading or polled budgets. However this may not be practical in all cases as it will introduce more volatility, risk and uncertainty into Council budgets, therefore will need to be carefully assessed and considered. In particular, it would not be appropriate for statutory services.

- What costs are essentially fixed? For example, the cost of copyright licence charges is determined by the DfE each year, and is automatically top-sliced from our CSSB allocation. This has seen significant above inflation increases in recent years.
- What can we do for less?
- Are there any discretionary services we can reduce / cut and what are the implications?

4 Options being considered to manage the reduction in funding for 2021/22

4.1 The following options are currently being considered to manage the reduction in CSSB funding for 2021/22:

- Admission appeals – we are exploring whether the cost of the admission appeals clerking service can be reduced by using remote forums for this service, such as Zoom and MS Teams.
- Sports co-ordinators – contribution towards cost of school sports advisor / coordination of school sports competitions. We are exploring alternative means for paying for the provision of this service to schools.
- Legal services SLA – we are exploring whether this can be offered on a traded basis to schools. There is risk in this option in that the SLA effectively acts as like an insurance policy for schools, ensuring they access appropriate legal advice when necessary, minimising potential liabilities. Under a traded option, they may be less likely to do so.
- NQTs – review of the costs of service / level of service that schools require. Provision of a training programme for each NQT as required by statutory guidance / statutory induction monitoring and guidance service provided by the Council. Training could be provided on a 'pay as you go' basis or more realistically left to schools to organise for themselves – an option which is easier for large secondaries than for primaries.
- Overheads (see below) – overheads against CSSB services were last reviewed in 2017/18 through Schools Forum and are due to be reviewed again to ensure that they are still proportionate as CSSB funding reduces.

More detailed proposals will be prepared for Schools Forum to consider in November.

Council Overheads

4.2 Included within the allocations are a contribution towards Council overheads of £433k, as permitted by the DSG operational guidance. Overheads are attributed to individual centrally retained services, in line with best practice, to show the true cost associated with each service; this is also an ESFA requirement. Overheads represents the ongoing costs of operating an organisation, such as premises costs, utilities, professional services (corporate finance, legal and HR), IT infrastructure and insurance. In a local authority such costs are usually pooled and shared out among services on a formula basis as overheads. In a school funding for such costs is included within its budget share.

5 Recommendations

5.1 To note the reduction CSSB funding in future years and the steps being taken to manage this with Schools Forum.

Contact

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