

## Schools Forum – 14 January 2025

<b>Title of paper:</b>	Central Expenditure Budget 2025-26
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### Summary

Funding for some central services provided by the Local Authority (LA) to schools are funded through the Central Schools Services Block (CSSB) within the Dedicated Schools Grant (DSG).

The funding given through the CSSB is split into two streams, funding for historic commitments and funding for ongoing commitments.

This report requests approval of both the historic commitments and the ongoing commitments within the CSSB for the financial year 2025/26.

Approval is also being sought for the allocation of funding for SEN Transport in the financial year 2025/26. This is funded from the High Needs Block but is also classed by the Education Skills Funding Agency (ESFA) as a historic commitment, hence why it has also been included in this report.

The supporting documentation is included in appendix A

### Recommendations:

<b>1</b>	To approve the historic and ongoing commitments (as set out in table 1 of section 2.1 below) totalling £3.906m for the financial year 2025/26, noting the additional detail set out in appendix A and the increase to the admissions budget of £0.045m.
<b>2</b>	To approve the SEN Transport budget of £1m.
<b>3</b>	To note the estimated cost of £0.334m of the copyright licences (this element does not require approval as the licences are managed and procured by the DfE).

### 1. Reasons for recommendations

- 1.1 Under the Schools & Early Years Financial Regulations 2023 and the Schools Operational Guide issued on 28 November 2024. Schools Forum approval is required on a line by line basis for each item funded from the CSSB.
- 1.2 In 2020/21 The Department for Education (DfE) committed to reduce historic commitments funding within the CSSB. This has been done at a rate of a 20%

reduction year on year. Nottingham City has reduced its historic commitments funding in line with DfE guidance. The allocation for historic commitments has reduced by £4.111m since 2020/21.

- 1.3 To aid Forums decision making, appendix A provides an overview of the service and how the funding is used to deliver that service.

## 2. Background

- 2.1 The Central Schools Services Block (CSSB) is made up of two categories of funding: Historic commitments and Ongoing commitments.

Table 1 below shows the breakdown and total funding for the CSSB in 2025/26:

CSSB Funding 2025-26				
Commitment	Classification	2024-25 Allocation	Proposed 2025-26 Allocation	Variance 2024-25 to 2025-26
				(reduction of 20% on historic commitments)
Prudential Borrowing	Historic Commitment	54,000	54,000	0
Termination of employment costs	Historic Commitment	1,609,244	1,433,495	-175,749
Contribution to combined budgets (Virtual school)	Historic Commitment	196,000		-196,000
<b>Total Historic Commitments</b>		<b>1,859,244</b>	<b>1,487,495</b>	<b>-371,749</b>
Admissions	Ongoing Commitment	585,000	630,000	45,000
Copyright Licenses	Ongoing Commitment	264,000	333,713	69,713
Schools Forum	Ongoing Commitment	39,000	39,000	0
Statutory and Regulatory Duties	Ongoing Commitment	461,000	461,000	0
Education Welfare Service (retained Duties)	Ongoing Commitment	165,000	165,000	0
Education Welfare Service (High Needs Block Transfer)	Ongoing Commitment	508,000	508,000	0
Asset Management (Retained Duties)	Ongoing Commitment	186,000	186,000	0
TPG and TPECG for centrally employed teachers	Ongoing Commitment	96,000	96,000	0
<b>Total Ongoing Commitments</b>		<b>2,304,000</b>	<b>2,418,713</b>	<b>114,713</b>
<b>Total CSSB</b>		<b>4,163,244</b>	<b>3,906,208</b>	<b>-257,036</b>
<b>Funded by</b>				
DfE Allocation 2025-26			3,511,693	
HNB Transfer For Education Welfare Service			508,000	
			4,019,693	
Balance			<b>113,485</b>	
			Funded from HNB Transfer	
SEN Transport	Historic		1,000,000	

- 2.2 The Virtual School funding of £0.196m in 2024/25 has been removed from the CSSB for 2025/26 in line with DfE policy.

- 2.2 The termination of employment costs has been reduced by 20% in line with DfE requirements.

- 2.3 The prudential borrowing funding requirement will remain the same each financial year until 2052/53 when the repayments will end.

## 3. Other options considered in making recommendations

- 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG.

#### **4. Outcomes/deliverables**

4.1 To obtain an agreed Central Schools Services Budget for 2025/26.

#### **5. Consideration of Risk**

5.1 The forecast reduction in historical commitments has been built into the LA's Medium Term Financial Plan (MTFP).

5.2 If the DfE were to increase the cuts placed on LA's who are in receipt of historical commitments funding from the current 20%, the MTFP would need to be updated to reflect this change. The additional budget pressure would remain with the LA.

#### **6. Finance colleague comments (including implications and value for money/VAT)**

6.1 This report seeks approval from Schools Forum for both the ongoing and historical commitments within the CSSB for the financial year 2025/26.

6.2 The provisional budget for 2025/26, as detailed in table 1 of section 2 above, is based on the October 2024 pupil numbers and is reconciled to the CSSB allocation from the DSG of £3.5m and a transfer from the High Needs Block of £0.508m.

6.3 Any items not approved through this report will not necessarily create a full year saving in 2025/26 due to the implementation time required to initiate a service reduction (consultation/approval/notice etc).

6.4 The items seeking approval in this report are detailed in appendix A, other than for Licenses which are mandatory. In addition, the SEN Transport budget of £1m, which is classed as a historic commitment but is funded from a transfer from the high needs block, also requires approval.

6.5 As per recommendation 1 of this report the Authority is seeking approval of £1.487m for historical commitments and £2.419m for ongoing commitments in the financial year 2025/26.

6.6 As per recommendation 3 of this report the Authority is seeking approval of £1m for the historical funding of SEN transport.

#### **7. Legal colleague comments**

7.1 The current law in force in this area is the School and Early Years Finance and Childcare (Provision of Information about Young Children) (Amendment) (Regulations) 2024 in particular Regulation 8 and Schedule 2.

7.2 These Regulations make provision for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England, for the financial year 2025-2026 and the Council must ensure that it complies with its obligations in accordance with these Regulations. Financial advice in that respect is given above.

7.3 The Forum has decision making powers in relation to (amongst other things,) agreeing centrally retained budgets and funding for central early years expenditure and the local authority must obtain authorisation from the Forum before deducting

such expenditure. The recommendations therefore appear to be within the Forum's decision making powers.

Ann Barrett, Team Leader, Legal Services – 3 January 2025.

**8. Other relevant comments**

8.1 None.

**9. Crime and Disorder Implications (If Applicable)**

9.1 N/A

**10. Social value considerations (If Applicable)**

10.1 N/A

**11. Equality Impact Assessment (EIA)**

11.1 An EIA is not required.

**12. Data Protection Impact Assessment (DPIA)**

12.1 A DPIA is not required.

**13. Carbon Impact Assessment (CIA)**

13.1 A CIA is not required.

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None.

**15. Published documents referred to in this report**

15.1 ESFA – Schools operational guide October 2023.

15.2 DfE Schools and Early Years Financial Regulations 2023.

Appendix A

**TABLE 2: CENTRAL EXPENDITURE - APPROVALS REQUIRED**

Service Description	2025/26 £m	Narrative
<b>HISTORIC COMMITMENTS – CENTRAL SCHOOLS SERVICES BLOCK</b>		
<b>Termination of Employment Costs</b>	1.433	This budget is used to pay for ongoing pension and redundancy from historic restructures pre 1st April 2013.  Detailed information on the termination of employment costs cannot be included due to data protection confidentiality.
<b>Prudential Borrowing</b>	0.054	This funding is used to meet the borrowing commitments around the initial set up costs of the Building Schools for the Future programme and Nottingham Academy. The original loan was for £4.113m. Nottingham Academy is the only commitment left and will be funded at a rate of £0.054m per annum until the loan is repaid in 2052/53. The value of this loan repayment is fixed.
<b>SUB-TOTAL</b>	<b>1.487</b>	
<b>HISTORIC COMMITMENTS – HIGH NEEDS BLOCK</b>		
<b>1. SEN Transport</b>	<b>1.000</b>	SEN transport where the Schools Forum agreed prior to April 2013 a contribution from the schools budget (this is treated as part of the high needs block but requires Schools Forum approval as a historic commitment).
<b>SUB-TOTAL</b>	<b>1.000</b>	
<b>GRAND TOTAL FOR HISTORIC COMMITMENTS</b>	<b>2.487</b>	
<b>ONGOING COMMITMENTS</b>		
<b>School Admissions</b>	<b>0.630</b>	Provide a statutory provision of coordinated admission scheme for first entry to school at primary and secondary phase. It Provides scrutiny of application of Admissions Code and management of compliance relating to all aspects of school admissions legislation.

The service have requested an increase to this budget of £0.045m. The increased provisional budget has been included in table 1.

Below is a more detailed description of what the Admissions team provides for this service and details of why the additional funding is required.

- **Stagnant DSG Allocation**

The DSG allocated to the Admissions team has remained unchanged for several years which is currently £584,914, despite consistent increases in operational costs. During this period, we have absorbed the impact of local pay awards and inflationary pressures without corresponding increases in funding. This has placed a strain on our budget, which we can no longer sustain.

- **Increased Demand on the Service**

Over recent years, the demand for the Admissions team has grown substantially. Specifically:

- Appeals have increased from an average of 300 per year to 950 per year, necessitating additional support for our Appeals Manager to manage this workload effectively.

- In-year movement has risen by 30%, requiring us to fill previously unfilled vacancies to ensure compliance and service continuity. This has led to an unavoidable increase in salary costs.

- **Workforce Changes and Rising Costs**

We now have a more stable workforce, and as staff progress through the pay scale, salary costs have naturally risen. While digitalisation efforts have helped reduce some expenditure, the overall running costs of the staff group and associated operational expenses have exceeded the current DSG allocation.

- **Statutory Responsibilities and Risk Mitigation**

Following a recent restructure, we aim to use a portion of the requested funds to strengthen support for the Local Authority and enhance compliance and governance for own-admission authorities. This is critical, as the current reliance on a single point of failure for these statutory functions poses significant risks.

With that, we are asking for the following:

**1** – This year, prior to the pay award would have been the final year that we would have balanced, however with the pay award included, we are now £1,654 short based on projected income (£50,000) which is yet to be confirmed as we are part way through the financial year.

		<p><b>2</b> – For 2025/2026, on the current pay scales with colleagues anticipated progression up the scales with annual increments, we anticipate a shortfall of £13,859.</p> <p><b>3</b> – It has been identified that additional resource is required to enable us to recruit a new position to focus on policy and compliance in respect of admission arrangements, own admission authority compliance with the School Admissions Code and consultation work. This post will also support with the increase in delayed and deferred admission requests to ensure full and careful consideration is given to each. This is anticipated to be a H Grade position, therefore, we would like to ask for an increase of £49,176. We feel this bring with it significant safeguarding benefits which we are looking to continuously build on.</p>
<b>Servicing of Schools Forum</b>	<b>0.039</b>	<p>The servicing of schools forum; this cost relates to:</p> <ul style="list-style-type: none"> <li>• The activities undertaken by Constitutional Services to ensure that Schools Forum complies with legislation in its function and membership;</li> <li>• Governance Officer time – general administration of the Forum, meeting scheduling, provision of advice, checking and collation of reports for Chairs Briefing, attending Chairs Briefing, checking reports and agenda collation and publication, management of meetings, support to Chair / Vice-Chair and provision of procedural advice at meetings, writing and publishing minutes. These costs equate to 0.71 FTE on average supporting the above services;</li> <li>• Managerial time;</li> <li>• Use of Mod.Gov licence and support for collating reports and publishing agendas and minutes on-line;</li> <li>• Use of Zoom licence for holding meetings;</li> <li>• Attendance at meetings – chairs briefings, Schools Forum, Sub-Groups, fact finding meetings.</li> </ul>
<b>Statutory Retained Duties</b>	<b>1.320</b>	<p>These duties were previously funded from the Education Services Grant (ESG). This relates to the statutory duties held by the local Authority for all pupils. The three main areas this budget covers are;</p> <p>Director of Childrens services and personal staff for the Director, including Religious Education (SACRE) and other duties – £ 0.461  Education Welfare - £0.165  Asset Management - £0.186</p>

<p><b>Education Welfare</b></p>	<p><b>0.508</b></p>	<p>This element of the service is funded from a High Needs Block transfer but the whole budget including the element contained within statutory retained duties is £0.673m.</p> <p>The funding covers the entire cost of the Education Welfare Service bar the Legal Intervention work. This includes the Team Manager, two Education Welfare Specialists, the Education Welfare Officers and the Electively Home Educated cohort of children, plus two of the Legal Intervention Officers. This year the team have worked with and supported schools to adopt the new statutory Working Together to Improve School Attendance guidance through the delivery of training to schools and direct work in settings. The number of children who are Electively Home Educated has increased by 30% and the number of elective home education enquiries the team process has also grown. In these cases, the Education Welfare Officers are assigned a child and their family to support from the moment they are removed from a school roll.</p> <p>Where there is a true intention to home educate, these families are supported to complete the necessary paperwork and to get a plan for education in place. But where children are removed from a school roll in response to challenges they are facing in school, the Education Welfare Officer role becomes more complex and the team must work to safeguard children until they are back in education.</p> <p>For 2025/26, we plan to look at the roll of the Education Welfare Service following the implementation of Working Together to Improve School Attendance and the development of daily attendance data and continue to develop a service that supports schools and safeguards children in equal measure.</p>
<p><b>Teachers Pay and Pension costs for Centrally Retained staff</b></p>	<p><b>0.096</b></p>	<p>In 2021/22 funding for centrally employed teachers which was previously included in the Teachers Pay and Teachers Pension Employers Contribution Grants was added to the CSSB.</p>
<p><b>Copyright Licences</b></p>	<p><b>0.334</b></p>	<p>The Department for Education (DfE) have been negotiating copyright licences for schools since 2013/14, prior to this; schools were responsible for purchasing their own licences. Schools Forum is not required to approve this. The £0.264m is the estimated cost of the licences in 2024/25. The final figure will be confirmed in December 2023 and the final schools' budget will be adjusted accordingly.</p> <p>The licences that are covered by the DfE are:</p> <ul style="list-style-type: none"> <li>Copyright Licensing Agency (CLA);</li> <li>School Printed Music Licence (SPML);</li> <li>Newspaper Licensing Authority (NLA);</li> <li>Educational Recording Agency (ERA);</li> <li>Performing Rights Society for Music (PRS);</li> </ul>



		Phonographic Performance Ltd (PPL); Motion Picture Licencing; Filimbankmedia; Christian Copyright Licensing International.
<b>SEN Transport</b>	<b>1.000</b>	Funded by a high needs block transfer but it is required to be agreed at Schools Forum as it is a historical commitment.