CSSB report

**Agenda Item 5 - Agreement of Central Schools Services Block 2025-2026**

**Date Prepared: 8 January 2025**

**Date to present the paper to Schools Forum: 15 January 2025**

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**Details on who has been consulted with on this paper to date:**

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**Executive Summary**

This report outlines the policy and allocation estimates for the 2025-2026 Central Schools Service Block (CSSB) of the Dedicated Schools Grant (DSG). Schools Forum are asked to agree the proposed budgets in principle, allowing budget setting to proceed.

**Details of recommendations and timescales for decisions:**

Schools Forum are asked to consider and agree the proposals

1. **Background**

1.1 The Central School Services Block (CSSB) is issued according to the CSSB National Formula Funding (NFF) regime. The final pupil numbers available in December 2024 are now published with the final block allocation confirmed.

1.2 These proposals are to be considered and the Local Authority seeks agreement in principle.

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| **Table 1** | **CSSB Funding 2024-2025** | **Proposed CSSB Funding 2025-2026** | **Variance** | **Variance (%)** |
| Per Pupil Rate Ongoing Responsibilities | £54.01 | £60.39 | £6.38 | 11.81% |
| DSG Schools Block Pupil Count | 37,364 | 36,659 | (705) | (1.89)% |
| Total Funding Ongoing Responsibilities | £2,018,003 | £2,213,837 | £195,834 | 9.70% |
| Total Funding Historic Commitments | £911,607 | £729,286 | £(182,321) | (20.00)% |
| **Total CSSB Funding** | **£2,929,610** | **£2,943,124** | **£13,514** | **0.46%** |

1.3 The CSSB allocation for financial year 2025-26 uses the October 2024 roll across all mainstream schools and academies, including High Needs places in units attached to those schools.

1.4 Two elements comprise the CSSB, which can be combined to meet locally determined priorities.

1.4.1 Ongoing responsibilities is formula driven, based on pupil numbers and a per pupil rate that is inflated according to the National Funding Formula. Pupil numbers have reduced by 1.89% when compared with 2024-2025 and the rate per pupil has increased by 11.81%, meaning that overall funding for 2025-2026 has increased by 9.7% when compared with 2024-2025.

1.4.2 Historic commitments funding is subject to an annual 20% reduction, encouraging local authorities to cease expenditure. The principal cost is related to ongoing redundancy costs for staff that left schools in 2013-14, although the costs related to these are reducing at a lower rate than the 20% reduction in funding.

1. **Proposals**

2.1 Certain expenditure budgets require growth in 2025-2026. The budgets for School Admissions, Servicing of Schools Forum and Copyright Licences are proposed to be increased by 2.23% in line with the average National Funding Formula (NFF) per pupil increase of 2.23% in 2025-2026.

2.2 Other budgets have largely remained static as contributions to statutory services affecting all schools continue. The historic costs for prior year school pensions has been decreased by only 0.85% to ensure that the budget remains in line with the actual cost. This budget is of particular concern, because as part of the historic budget is not reducing at 20% annually in accordance with Department for Education (DfE) planned timeline. If current CSSB regulations continue, the council will need to identify other resources to meet these historic costs, as meeting the pension liability is a statutory responsibility.

2.3 To reconcile to the overall reduction in grant, both ongoing responsibilities and historic liability budgets have been targeted to ensure that budgets are sufficient to avoid further overspending and thus increasing the DSG Deficit attributable to the High Needs Block. The proposals are reducing the historic commitment budget by £15k whilst also protecting historic pension costs at the expense of ongoing responsibilities. The historic budgets element represents 67% in excess of the allocation, which in the long term will need to be reviewed as it is not sustainable.

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| **Recommended Distribution of Ongoing responsibilities** | **2024-25 Budget (£)** | **2025-26 Proposed Budget (£)** | **% Movement** |
| School Admissions | 763,980 | 781,017  | 2.23% |
| Servicing of Schools Forum | 35,000 | 35,781  | 2.23% |
| Copyright Licenses | 280,191 | 286,439  | 2.23% |
| Former ESG Duties  | 615,000 | 615,000  | 0.00% |
| **Total Ongoing Duties** | **1,694,171** | **1,718,237**  | **1.42%** |

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| **Recommended Distribution of Historic Commitments** | **2024-25 Budget (£)** | **2025-26 Proposed Budget** | **% Movement** |
| Children in Public Care  | 370,000  | 370,000  | 0.00% |
| Clothing Grant  | 201,000  | 201,000  | 0.00% |
| Primary Ongoing Severance Costs | 358,149  | 352,462 | (1.59%) |
| Secondary Ongoing Severance Costs | 254,599  | 250,555 | (1.59%) |
| Special Schools Ongoing Severance Sosts | 51,691 | 50,870 | (1.59%) |
| **Total** **Historic Commitments** | **1,235,439**  | **1,224,887** | **(0.85)%** |
| **Total CSSB** | **2,929,610**  | **2,943,124**  | **0.46%** |