



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**Thursday, 14 March 2024**

**Report of the Director - Finance and ICT, Executive Director - Children's Services**

**Central School Services Block and Pupil Growth / Falling Rolls Fund allocations 2024-25**

**(Cabinet Member for Education)**

**1. Divisions Affected**

1.1 County-wide

**2. Key Decision**

2.1 This is not a key decision.

**3. Purpose**

3.1 Cabinet is asked to note the decisions of the Schools Forum regarding the allocation of Central School Services Block (CSSB) and Pupil Growth Funds (PGF) / Falling Rolls Fund (FRF) for 2024-25

**4. Information and Analysis**

4.1 Central School Services Block (CSSB)

Details of local authorities' CSSB allocations for 2024-25 were published on 19<sup>th</sup> December 2023, the grant for Derbyshire is published in Table 1 below.

**Table 1 – CSSB Grant 2024-25**

	2024-25	2023-24
CSSB Rate per pupil	£39.20	£37.40
October 2023 & 2022 census counts	98,773.5	98,948.5
Total ongoing responsibilities	£3,871,922	£3,700,674
Historic commitments	£569,181	£711,476
Total Central School Services Block	£4,441,103	£4,412,150

The ongoing commitments funds the Authority for a range of education functions that it retains for both schools and academies, including Admissions, Schools Forum, defined copyright licences and a range of services previously funded by the former Education Services Grant (Retained Duties).

In Derbyshire's case the historic commitments element reflects a long-standing contribution from the Dedicated Schools Grant (DSG) towards our Early Help offer. This element of the CSSB grant for 2024-25 has been reduced by 20%, from £0.711m to £0.569m as the DfE gradually phase out non-formula allocations. This reduction was expected and broadly in line with previous assumptions.

Decisions on the CSSB are a matter for the Schools Forum and the budgets in Table 2 below were approved at the Forum's meeting on 11<sup>th</sup> December 2023.

**Table 2 – Proposed Central Schools Block spend**

	2024-25
<u>Item</u>	£m
<u>Ongoing responsibilities</u>	
Admissions Service	0.630
Schools Forum	0.046
Former ESG Retained duties	1.978
Pensions for centrally funded teachers	0.140
Copyright Licences*	0.778
Ongoing responsibilities sub total	3.572
<u>Historic commitments</u>	
Contribution to combined budgets	0.569
Historic commitments sub total	0.569
Total	4.141

Total Central Services Schools Block	4.441
Balance – (towards DSG deficit)	0.300

\* This item does not require Forum approval, the DfE negotiate the licences on behalf of all LAs and recharge the costs.

The balance of the CSSB remains uncommitted and will therefore contribute to reducing the accumulated DSG deficit which is estimated to reach ~£15.499m by 31<sup>st</sup> March 2024.

#### 4.2 Pupil Growth Fund (PGF).

PGF allocations are a subset of local authorities' Schools Block resources. The fund is permitted to be used, if needed, to support formula budgets for all schools and academies. The fund also provides additional resources to schools and academies with in-year increases in pupils, including new free schools, as well as contributing to the extra costs of meeting national Key Stage 1 class size requirements.

The PGF allocation was also announced on 19<sup>th</sup> December 2023, the details are provided in Table 3 below.

**Table 3 – Pupil Growth Fund allocation 2024-25**

	Pupil Increase	2024-25 Rate	Pupil growth funding
Primary	397	£1,550	£615,350
Secondary	662	£2,320	£1,535,840
Sub total			£2,151,190
New Institutions			-
Total allocation			£2,151,190

LAs' allocations are calculated using a formula which measures the increases in pupil numbers at Middle Super Output Area (MSOA) level: net reductions at MSOA level are ignored. The allocations for 2024-25 compare increases between October 2023 and 2022 pupil census data with each additional primary pupil attracting £1,550 and each secondary pupil £2,320. In addition, LAs receive £76,195 for each new institution registered for the first time on the October 2023 census.

The allocation of the PGF was considered by the Schools Forum at its meeting on 29<sup>th</sup> January 2024 and the following budgets were approved.

**Table 4 – Approved Pupil Growth allocations 2024-25**

	2024-25
Budget	£m
In year pupil growth – Free Schools	0.300
Support for formula budgets	0.400
Contribution to Free School reserve	0.450
In year pupil growth – Other schools	0.300
Key Stage 1 class sizes	0.350
Residual contingency	0.351
<b>Total</b>	<b>2.151</b>

The first two items in the table provided a total of £0.700m towards funding mainstream schools' 2024-25 formula budgets and were included in the report to Cabinet on 22<sup>nd</sup> February 2024.

The contribution to the Free School reserve will help meet the costs of pre and post-opening support for the five new and three planned free schools.

The in-year pupil growth is available to provide support for schools and academies arising from significant in-year increases in pupil rolls. This support is needed because of the lagged nature of the funding system. Increases in pupil numbers in September 2024 would not result in additional institutional funding until April 2025 (LA maintained schools) or September 2025 (academies). However, DfE Guidance "Schools revenue funding 2024 to 2025 Operational guide" only allows support to be provided where in-year increases in numbers arise as a direct consequence of a basic need issue i.e. where the Authority requires the school or academy to admit a significant number of children. The guidance specifically prohibits supporting general growth due to popularity.

Locally, the eligibility criteria approved by the Forum ensure that funding is targeted only at those schools that need the resource, institutions with significant balances are expected to meet any short-term costs themselves.

The Key Stage 1 class sizes helps support infant and primary schools to meet national infant (Key Stage 1) class size requirements. The remaining allocation (residual balance) is unallocated and will therefore contribute towards the accumulated DSG deficit.

Cabinet is asked to note the decisions of the Schools Forum.

### 4.3 Falling Rolls Fund (FRF).

The FRF is also a subset of the local authorities' Schools Block resources. The fund is permitted to be used to support schools whereby school capacity survey (SCAP) data shows that school places will be required in the subsequent three to five years.

The latest guidance has removed a previous requirement that for schools to be eligible for falling rolls funding they must be judged Good or Outstanding at their last Ofsted. Derbyshire has not operated such a fund in the past after consulting with Schools Forum.

For the first time Local Authorities have been allocated specific funding for FRF's and on the 19<sup>th</sup> December 2023 Derbyshire's allocation was announced as set out in table 5 below.

**Table 5 –Falling Rolls Fund allocation 2024-25**

	MSOA	2024-25 Rate	Falling Rolls funding
Primary - Growing (for information)	36		
Primary - Falling (for information)	63		
of which :Lower than -10%	1	£140,000	£140,000
Secondary – Growing (for information)	83		
Secondary – Falling (for information)	16		
of which :Lower than -10%	0	£140,000	£0
Total allocation			£140,000

As with the Pupil Growth Fund, allocations are based on a formula associated with Middle Super Output Areas (MSOA). For each MSOA that sees a 10% or greater reduction in the number of pupils on roll between the October 2022 and October 2023 census data, Local Authorities are allocated £140,000.

Both the value of a FRF and the criteria to be applied for allocation are decisions for Schools Forum and at their meeting on 29<sup>th</sup> January they agreed that the full £0.140m should be allocated and paid to schools. This is based on a criteria of where schools have a 20% or greater reduction on the census data and need to make redundancies to contain spending within its formula budget. SCAP data would need to show a need for these posts to be refilled within the next 3-5 years.

Cabinet is asked to note the decisions of the Schools Forum.

## **5. Consultation**

- 5.1 The income and proposals outlined in this report were shared and agreed with Schools Forum at the meetings in December 2023 and January 2024.

## **6. Alternative Options Considered**

- 6.1 None.

## **7. Implications**

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

## **8. Background Papers**

- 8.1 Schools Funding settlement announcement 19<sup>th</sup> December 2023.
- 8.2 DfE document: - Schools revenue funding 2024 to 2025 Operational guide December 2023 Publication
- 8.3 DfE document: - Growth and falling rolls fund guidance: 2024 to 2025 December 2023 Publication

## **9. Appendices**

- 9.1 Appendix 1 – Implications

## **10. Recommendation(s)**

That Cabinet notes the Central School Services Block, Pupil Growth Fund and Falling Rolls Fund settlements and the budget decisions approved by Schools Forum.

## **11. Reasons for Recommendation(s)**

- 11.1 To ensure the Authority is aware of the decisions of the Schools Forum.

## **12. Is it necessary to waive the call in period?**

12.1 No

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## **Implications**

### **Financial**

- 1.1 The Central Schools Service Block (CSSB) grant allocation for 2024/25 is £4.441m. Decisions on the CSSB are a matter for the Schools Forum and the budgets in Table 2 above were approved at the Forum's meeting on 11<sup>th</sup> December 2023. The decisions of the Schools Forum are within the grant totals for 2024-25. The uncommitted CSSB and Pupil Growth resources will contribute £0.651m towards the Authority's accumulated DSG deficit. The deficit stood at £4.750m at the end of the 2022-23 financial year and is expected to rise to £15.499m by the end of this financial year.

### **Legal**

- 2.1 The proposed allocations are in line with Department for Education Schools operational guide: 2024 to 2025, dated 15 February 2024.

### **Human Resources**

- 3.1 None

### **Information Technology**

- 4.1 None

### **Equalities Impact**

- 5.1 None.

### **Corporate objectives and priorities for change**

- 6.1 The proposals will support the Council's objective to work creatively together to inspire and empower children, young people and their families and communities to be the best they can be: safe, healthy, happy, learning and working.

### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 None.