

The National Funding Formula for Central School Services

Purpose of the Paper

1. To report on the government's proposals for central schools services block funding in 2018-19 and 2019-20 and potential implications for Wiltshire.

Main Considerations

2. The government issued its policy document on a national funding formula for schools and high needs on 14th September 2017. The documents can be accessed [on-line](#) via the government website.
3. The policy document outlines the government's intention to allocate funding for schools through 4 Dedicated Schools Grant (DSG) blocks. This includes a new central schools services block (CSSB) which will comprise funding for ongoing responsibilities and a cash sum for historic commitments.
4. The CSSB is to be created from two existing funding streams: the DSG funding that is held centrally by the LA for central services, and the retained duties element of the Education Services Grant (ESG), which is funding for duties which LAs hold in respect of all schools.
5. The formula for the ongoing responsibilities element of the CSSB will be as proposed in the second stage consultation ie., 90% of funding according to a per pupil factor and 10% according to a deprivation factor. Both elements are adjusted for area costs.
6. Funding for historic commitments will be based on the baseline returns submitted by LAs (based on 2017-18 spend) and there is an expectation that the historic commitments will unwind over time. Historic commitment spend year on year will be monitored by the Education & Skills Funding Agency (ESFA) and will be challenged if not reduced as expected.
7. The operational guidance for 2018-19 lays out the retained duties that may be funded from the CSSB and also the decision making process for centrally retained services. As for 2017-18 many elements of the CSSB will require approval by Schools Forum on a line by line basis and in the case of funding for historic commitments Schools Forum will need to consider the evidence for each commitment.
8. Because of the wide range in current expenditure for ongoing responsibilities across different LAs there will be a transition to the new formula with gains and losses capped each year. In 2018-19 and 2019-20 reductions will be limited to 2.5% per pupil per year. In 2018-19 gains of up to 2.5% per pupil will be allowed. Funding for historic commitments will be based on actual cost and will cease as commitments end, therefore there is no protection for this element of the CSSB.

Impact on Funding For Wiltshire

9. Without transitional arrangements Wiltshire would gain 3.6% compared with the 2017-18 baseline. This will be limited to 1.9% overall after transitional arrangements are applied. The estimated CSSB for Wiltshire in 2018-19, based on October 2016 pupil numbers, is £2.497m compared with a 2017-18 baseline of £2.450m.

Proposals

10. Schools Forum is asked to note the content of this report

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