



Department
for Education

Central school services block national funding formula: technical note

July 2022

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Introduction

1. This technical note provides the detailed methodology for the central school services block (CSSB) national funding formula (NFF) that is used to generate the local authority (LA) funding allocations for financial year 2023 to 2024 (denoted “2023-24” for the remainder of this note, with other financial years denoted in similar shorthand).
2. The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies in England. CSSB funding is split into two elements: funding for ongoing responsibilities and funding for historic commitments, and LAs’ total CSSB NFF funding is the sum of these two values.
3. The Isles of Scilly and City of London have been excluded from these allocations, as these LAs will receive a central grant from the government which will include funding for central schools' services.
4. Cumbria will split into two LAs (Cumberland, and Westmorland and Furness) in April 2023. The published 2023-24 provisional allocations do not currently reflect this split but will be updated in the 2023-24 DSG to provide separate allocations for the two new authorities.

Baselines for ongoing responsibilities and historic commitments

5. In December 2021, the ESFA published each LA's 2022-23 DSG allocations, including those for both ongoing responsibilities and historic commitments in the CSSB. These allocations (updated in March 2022) form the 2022-23 LA baselines for the CSSB in 2023-24 and, along with the 2022-23 total schools' block (SB) allocations, are used to apply year-on-year protections to each LA's 2023-24 CSSB allocations.

Funding for local authority ongoing responsibilities

6. This section explains how each LA's CSSB NFF allocation for ongoing responsibilities has been calculated. The provisional allocations for 2023-24 reflect any protections affecting LAs' funding for ongoing responsibilities, the calculation of which is explained in the final section of this note.
7. The CSSB NFF allocates funding to LAs for ongoing responsibilities using a pupil-led formula. The formula uses two factors: a basic per-pupil factor, through which LAs receive the majority of funding, and a deprivation per-pupil factor.
8. The pupil counts used to calculate CSSB allocations are LAs' schools block pupil counts, taken from the 2022-23 DSG allocations – that is, pupils in mainstream schools in year groups reception to year 11 inclusive, including pupils occupying places in special educational needs (SEN) units. Detailed guidance on these pupil numbers are given alongside the allocations.

Basic factor funding

9. LAs will receive the majority of their CSSB NFF ongoing responsibilities funding through a basic per-pupil rate. This subsection explains how LAs' allocations, through this factor, have been calculated. This calculation uses, for each LA, a general labour market (GLM) area cost adjustment (ACA). More information about the ACAs, including the ACA figure for each LA, is provided in the ACA technical note, which is published alongside this technical note.
10. Each LA's GLM ACA weighted pupil count is calculated as:

the LAs schools block pupil count

multiplied by

the LA's GLM ACA.
11. The total budget for ongoing responsibilities in 2023-24 is c.£292m. 90% of this (c.£263m) forms the budget to be allocated to LAs through the basic per-pupil factor (the remaining 10% (c.£29m) will be allocated through the deprivation factor, as explained in the next subsection).
12. The total budget for the basic per-pupil factor is divided by the national GLM ACA weighted pupil count to give the 'national basic per-pupil funding rate pre-ACA'.
13. Each LA's CSSB NFF funding rate for the basic per-pupil factor is this national rate multiplied by the LA's ACA, and their resulting allocation for the basic per-pupil factor is then calculated as:

the LA's funding rate for the basic per-pupil factor

multiplied by

the LA's schools block pupil count as given by the 2023-24 DSG allocations.

Note that for the provisional allocations accompanying this publication, the 2022-23 pupil count that has been used as the 2023-24 count will not be available until Autumn 2022.

Deprivation factor funding

14. The remaining 10% of the national total budget for ongoing responsibilities is allocated to LAs through the deprivation factor.
15. This factor uses the proportion of FSM6 pupils in mainstream schools as indicated in LAs schools block data. For each school in an LA, the primary and secondary FSM6 proportions are multiplied by the primary and secondary schools block pupil counts, respectively, and the results summed across all schools in the LA to derive a total FSM6 pupil count. This LA level FSM6 count is divided by the total pupil count for the LA to produce an LA Level FSM6 proportion. This proportion is then applied to the 2022-23 adjusted schools block pupil count to produce the CSSB FSM6 pupil count. The adjusted schools block pupil counts differ to the initial schools block pupil counts, in that they account for any adjustments made between the October 2021 census, and the March 2022-23 DSG publication.
16. In a similar approach to the basic factor, a GLM ACA weighted CSSB FSM6 count is calculated for each LA. We calculate:

the LA's CSSB FSM6 pupil count (as described above)

multiplied by

the LA's GLM ACA.

17. The total budget for the deprivation factor is then divided by the national GLM ACA weighted FSM6 pupil count: this gives the 'national deprivation funding rate pre-ACA'.
18. Each LA's CSSB NFF funding rate for the deprivation per-pupil factor is this national rate multiplied by their ACA, and their resulting allocation for the deprivation per pupil factor is then calculated as:

the LA's funding rate for the deprivation per pupil factor

multiplied by

the LA's FSM6 pupil count

Protection

19. LAs that are set to face reductions in per-pupil funding for ongoing responsibilities, compared to their 2022-23 baseline, will be protected against large losses year-on-year. This year-on-year protection is paid for by placing a maximum on the year-on-year gains an LA can receive in per-pupil funding. This protection operates on LA's overall ongoing responsibilities funding rate, that is, their total ongoing responsibilities funding divided by their 2022-23 DSG allocations pupil count.
20. The maximum per-pupil reduction in funding for ongoing responsibilities each LA will receive is -2.5%. Permitted gains in per-pupil funding are set at the highest level possible that ensures the total CSSB funding does not exceed the available budget. In 2023-24 LAs will be able to gain a maximum of 5.86%.

Funding for historic commitments

21. In 2023-24, for LAs that receive it, their historic commitments funding will be reduced by 20% compared to their 2022-23 baseline.
22. As in 2022-23, historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing or termination of employment costs, based on evidence received by the department. This protection will be applied in the DSG, and so will not be shown in NFF allocations.



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