

## REPORT FOR ROTHERHAM SCHOOLS FORUM

1.	<b>Date of meeting:</b>	16th January 2026
2.	<b>Title:</b>	2026-27 Central Schools Services Block Funding
3.	<b>Directorate:</b>	Corporate Services

### PURPOSE OF THE REPORT

1. The purpose of this report is to outline the proposed Central Schools Services Block (CSSB) budgets for 2026-27 including the respective expenditure lines within the block funding.
2. DSG funding for 2026-27 is provided through 4 separate funding blocks, namely Schools, Early Years, High Needs and Central Schools Services. This report deals with the distribution of DSG funding within the Central Schools Services Block.

### RECOMMENDATION(S)

3. The required actions and approvals by the Schools Forum are
  - Note the DSG Allocation for Central Schools Services Block for 2026-27.
  - Approve the proposed 2026-27 budget allocation as outlined in the table in paragraph 16.

### BACKGROUND INFORMATION

4. As part of the implementation of the schools fairer funding, a Central Schools Services Block of DSG has been created to reflect the ongoing local authority role in education. This will ensure local authorities are appropriately resourced to continue to carry out their important role in supporting the provision of education to all pupils within their local area.
5. The Central School Services Block (CSSB) includes retained duties previously funded from elements of the defunct education services grant (ESG). These are duties which LAs undertake in respect of all schools/academies (e.g. asset management).
6. It should be noted that the Central School Services Block excludes other DSG funding that are centrally retained and managed by the authority, namely:
  - Schools block: - growth funding and de-delegated budgets (for maintained schools);

- High Needs block: - budget held by the LA include SEN support services; Out of Authority SEN budgets; post schools funding; etc
- Early Years block: - 3&4 year old; 2 year old free entitlement funding; etc.

7. Consultation with the Schools Forum on the level of retention of the above funding by the Council will be determined through the various budget reports to the Forum.

## CENTRAL SCHOOLS SERVICES FUNDING ALLOCATION 2026-27

8. Funding allocation for LAs central schools services responsibilities is determined through the CSSB national funding formula (NFF). In 2025-26 LAs received additional funding through separate funding streams to support increased costs associated with centrally retained teachers, namely pay award and increased National Insurance contribution rate.

- National Insurance Contributions Grant (NICs) £451k
- Schools Budget Support Grant (SBSG) £247k

9. These separate funding streams have been rolled into the baseline for ongoing responsibilities in 2026-27, SBSG increasing to £338k to include full year effect of pay award.

10. The table below compares the 2026-27 allocation for the Central School Services Block to the current 2025-26 year (including additional in year funding).

	Allocation 2025-26 £'000	Allocation 2026-27 £'000	Change £'000
Ongoing responsibilities	1,794	2,488	694
Historic Commitments	0	0	0
NICs & SBSG Additional Funding	698	0	-698
<b>Total Central Services Funding</b>	<b>2,492</b>	<b>2,488</b>	<b>-4</b>

11. The CSSB NFF is designed to provide funding for 2 distinct elements, namely for ongoing responsibilities and historic commitments.

12. Funding for ongoing responsibilities is distributed using a simple formula based on a per-pupil factor (90%) and a deprivation factor (10%). The CSSB funding allocation for ongoing responsibilities has increased by £694k in 2026-27 due to

- the roll into the baseline of the NICs and SBSG funding (+£779k)
- Percentage rate reduction (2.5%) for ongoing responsibilities in 2026/27 (-£64k)
- reduction in pupil numbers based on October 2025 Census (-£21k)

13. However, when comparing 2026-27 funding against 2025-26, the additional £694k funding within the CSSB is offset by removal of the separate funding streams (£698k) in 2025-26, resulting in an **overall Central Services funding decrease of £4k in 2026-27.**

14. Funding for *historic commitments* is a fixed cash amount based on historic (baseline) spend by the LA. There are no remaining historic commitments and associated funding within Rotherham's allocation.

15. The expectation is that LAs consult with their schools forum on how to allocate their central services block funding in accordance with the published DfE operational guidance. The guidance sets out required approvals and restrictions on how LAs can allocate the funding.

## BUDGET ALLOCATION 2026-27

16. The **ongoing responsibilities** of the Council that can be funded from the central school services block are outlined in regulations/issued guidance, including the respective approvals and spend limitations. The proposed respective budgets and the approval requirements for 2026-27 are outlined as follows

Budget Allocations 2026-27	Allocation 2025-26 £'000	Allocation 2026-27 £'000	Change £'000
<b>Total Central Services Funding</b>	<b>2,492</b>	<b>2,488</b>	<b>-4</b>
<b>Schools Forum approval <u>NOT</u> required for the following commitments</b>			
National Copyright Licences	324	312	-12
Centrally Employed Teachers Cost	411	434	23
Centrally Employed Non Teaching Staff	698	672	-26
	<b>1,433</b>	<b>1,418</b>	<b>-15</b>
<b>Schools Forum <u>approval</u> required for the following commitments</b>			
Schools Admissions	250	261	11
Schools Forum Servicing	5	5	0
SACRE	6	6	0
School Improvement - Safeguarding	41	41	0
Retained Duties (Former ESG)	757	757	0
	<b>1,059</b>	<b>1,070</b>	<b>11</b>
<b>Total Commitment</b>	<b>2,492</b>	<b>2,488</b>	<b>-4</b>

Annual allocations not subject to schools forum approval

17. The annual budgets for these ongoing responsibilities are not subject to Schools Forum approval, as they are pre-determined nationally by DfE. The proposed 2026-27 budgets in this category and detailed in the below:

- Copyright Licences (£312k): relating to all schools/academies are now managed nationally by the DfE on behalf of all local authorities. An adjustment is made annually to LAs funding allocation to recover the amount paid by the DfE. The amount for 2026-27 has not yet been confirmed by the DfE, with a **£12k estimated reduction** included based on the 2025-26 baseline, adjusted for the reduction in pupil numbers and an assumed inflationary cost increase.
- Centrally Employed Teachers Costs (£434k): relates to grant funding (pay & pension and NICs & SBSG) for centrally employed teachers' that was rolled into the ongoing responsibilities element of the CSSB in 2025-26 and previous years. The budget allocation has been **increased by £23k** to cover full year effect of the pay award and National Insurance Contribution increases in 2025-26.
- Centrally Employed Non Teaching Staff (£672k) reflects grant funding (NICs and SBSG) for centrally employed non teaching staff (catering, cleaning etc) that has been rolled into the ongoing responsibilities element of the CSSB in 2026-27.

Annual allocations subject to schools forum approval

18. This category of ongoing responsibilities requires Schools Forum approval on a line by line basis.

- Schools Admissions Service (£261k): Under the Schools and Finance Regulations this budget allocation can be increased for new/additional commitments or expenditure for the schools admissions service. It is proposed that an additional £11k commitment is included in the budget for 2026-27 to cover cost increases relating to pay award and National Insurance Contributions.
- Retained Duties (Formerly ESG Funded) reflect responsibilities that were previously funded by the Education Services Grant (ESG) but have now been subsumed within the CSSB. It should be noted that these **budgets cannot be increased and no new commitments can be entered into for 2026-27**. It is proposed that the costs of these duties be maintained at the current 2025-26 level. The breakdown of the ESG retained duties is outlined below;

Budget Allocations 2026-27	Allocation	Allocation	Change
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	2025-26 £'000	2026-27 £'000	£'000
Access to Education (Formerly Education Welfare)	68	68	0
Asset Management	67	67	0
Statutory/Regulatory Duties	622	622	0
<b>Total Retained Duties</b>	<b>757</b>	<b>757</b>	<b>0</b>

- Other budget allocations (£52k): It is proposed that the funding for 2026-27 commitments for Schools Forum, SACRE and Schools Improvement (Safeguarding) be maintained at the current 2025-26 level.

### Name and contact details

Joshua Amahwe  
 Head of Finance (CYPS)  
 email [joshua.amahwe@rotherham.gov.uk](mailto:joshua.amahwe@rotherham.gov.uk)

Paul Jackson  
 Principal Finance Officer (Education & Inclusion)  
 email [paul.jackson@rotherham.gov.uk](mailto:paul.jackson@rotherham.gov.uk)