

## Manchester City Council Report for Resolution

**Report to:** Schools Forum

**Subject:** De-delegated Budgets 2021/22

**Report of:** Directorate Finance Lead – Children’s and Schools

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### Summary

De-delegation is an option that enables some services to maintained schools to be provided centrally, and the funding to do so is retained by the local authority. If de-delegation stops, then the centrally retained funding would be delegated in the main school budget and the local authority would either stop providing or would charge for the service.

The “de-delegation” approach means that the deductions occur after the formula has run and individual schools can see the cost of each element in their budget share.

The purpose of the report is to seek permissions on the deduction of trade union and education services grant duties, and the on-line free school meals software costs, from maintained school budgets, with the approval of the relevant sector representative of Schools Forum.

### Recommendations

In accordance with Schools Forum powers, maintained schools’ representatives are asked to approve de-delegation for the following:

- Trade Union Duties: £200k which at current pupil levels equates to £5.18 per school aged pupil (section 2).
- Education Services Grant General Duties: £500k which at current pupil levels equates to £13.01 per school aged pupil (section 3).

Maintained school representatives are asked to recommend on one of two following options regarding the on-line free school meal (FSM) checking software (section 4).

- **Option A:** LA to seek extension of on-line FSM checking software contract for 12 months and include in de-delegation.
- **Option B:** Current contract to end and schools to seek contracts with providers directly.

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

## **1. INTRODUCTION**

- 1.1. Schools Finance Regulations sets out that certain amounts can be deducted from maintained school budgets with the approval of the sector representative at Schools Forum. Most of the items concerned were previously centrally top-sliced so that the funding was not included in the total available for distribution by formula. The “de-delegation” approach means that the deductions occur after the formula has run and individual schools can see the cost of each element in their budget share.
- 1.2. In line with Schools Finance Regulations, the Local Authority (LA) is seeking Forum (maintained school representatives only) approval to the proposed schools block de-delegation of budgets 2021/22, in respect of maintained primary and secondary schools only:
  - Trade Union Facility £200k
  - Education Services General Duties (ESG) £0.5m
  - On-line Free School Meal (FSM) checking software – Options A & B listed in section 4

## **2. Trade Union Facility Arrangements**

- 2.1. Facilities time is provided for specific Trade Unions representatives to represent staff in other schools and academies where required, and cover for these representatives are reimbursed to the employing school through this budget. This covers the support of staff at all levels of seniority and includes representatives for a range of teaching and support staff from Trade Unions. Based on current academy conversions and pupil numbers based on January 2020 census, this equates to a de-delegated budget of £200k, which is approximately £5.18 per pupil. This is an increase of 36p per pupil compared to previous financial year at £4.82 per pupil, but lower than 2019/20 rate of £6.14 rate. The increase this financial year is mainly due to the increase of salary costs and the union recharge. These provisional figures will be re-worked once the October 2020 census data is available and reported to Forum in January 2021.
- 2.2. The Union also offers this service on a traded basis to academies, special and nursery schools, at the same rate as maintained schools. Currently fifty-three academies (79%), all sixteen special schools, and both nursery schools purchase this SLA. There has been an increase in the take-up of the traded offer since 2019/20, which has enabled the rate to be maintained below the 2019/20 rate of £6.14.
- 2.3. Schools Forum members representing maintained schools are asked to approve the de-delegation of the Trade Union budget 2021/22.

## **3. Education Services General (ESG) Duties for Maintained Schools**

- 3.1. It is proposed that £0.5m is held by the LA to cover statutory general duties which were previously covered through general element of education services grant. Table one below provides an outline of the contribution to current general rate ESG funded budgets. Based on current academy conversions and estimated pupil numbers, this equates to a budget of £0.5m, which is approximately £13.01 per pupil, subject to

confirmation of the October 2020 census.

**Table one: Former Education Services grant duties**

<b>General former Education Services Grant Duties</b>	<b>£000</b>	
<b>Human Resources</b> advice to maintained schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff, determination of conditions of service for nonteaching staff, appointment or dismissal of employee function	61	Contribution to cost of Schools Humans Resources Manager post.
<b>Governor Support</b> Advice to maintained schools around appointment of governors	68	Contribution to Governor Support Team (not funded from other sources of education funding)
<b>Quality Assurance</b> To monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate.	321	Contribution to cost of six Senior Quality Assurance posts. Plus supports the moderation of assessments for National Curriculum monitoring.
<b>Asset Management</b> General landlord duties for all maintained schools. General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).	50	Contribution to cost of Asset Management post.
<b>Total</b>	<b>500</b>	

- 3.2. Schools Forum members representing maintained schools are asked to approve the de-delegation of the ESG budget 2021/22.

#### **4. On-line Free School Meal (FSM) Checking Software**

- 4.1. At present, maintained schools use the online free school meals (FSM) software to check pupils' eligibility to free school meals. The online FSM system has helped schools maximise funding through DSG and Pupil Premium, identifying additional eligible pupils sooner.
- 4.2. The current contract, a three-year software licence with Capita, was secured by the LA in May 2018, at a significant discount for maintained schools at a total cost £123k. The cost of this license in 2020/21 was £42k, equating to £1.10 per school aged pupil. The current contract is expected to end at the end of March 2021, it was intended that when this contract ended schools would go directly to the

provider for the software licence.

4.3. For the year 2021/22, the Local Authority advises of two options for schools to continue accessing the on-line FSM checking software:

- **Option A:** The LA appreciates the burdens on schools due to COVID-19 pressures and would like to seek Forum's opinion on facilitating this transition by seeking an extension of the current FSM checking software contract with Capita for an additional 12 months. If an extension is possible under the contract the LA would continue to de-delegate budgets from schools accordingly. The 2021/22 contract value is to be determined but is expected to be higher than the 2020/21 discounted cost of £42k. The LA can report back further details regarding the contract extension, anticipated costings in the January 2020 Forum meeting.
- **Option B:** LA to cease de-delegation of school budgets for FSM checking software from 2021/22, with the end of the current contract (31 March 2021) and maintained schools to be advised to seek contracts with providers directly. Schools would need to have this in place for the start of the next financial year, 2021/22.

4.4. Schools Forum members representing maintained schools are asked to vote on the suggested approach: Option A or B for the de-delegation of the FSM software budget 2021/22.

## 5. CONCLUSIONS AND RECOMMENDATIONS

5.1. In accordance with Schools Forum powers, maintained schools' representatives are asked to approve de-delegation for the following:

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5.2. Maintained school representatives are asked to recommend on one of two following options regarding the on-line free school meal (FSM) checking software (section 4).

- **Option A:** LA to seek extension of on-line FSM checking software contract for 12 months and include in de-delegation.
- **Option B:** Current contract to end and schools to seek contracts with providers directly.