

Manchester City Council Report for Resolution

Report to: **Schools Forum**

Subject: **De-delegated Budgets 2022/23**

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

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 (LA). 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 been applied and individual schools can see the cost of each element in their budget share.

The purpose of the report is to seek permissions from maintained School Forum representatives on the deduction of trade union, education services grant duties, and the on-line free school meals software costs.

This report highlights that the potential that a further proposal for de-delegation 2022/23. The Department of Education (DfE) have recently launched a consultation: [How LA School Improvement Functions are funded](#), which seeks views on the removal of the School Improvement Monitoring & Brokering Grant (SIMBG) and would flexibilities to local authorities to fund via the de-delegation process.

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 £5.45 per school aged pupil (section 2).
- Education Services Grant General Duties: £500k which at current pupil levels equates to £13.56 per school aged pupil (section 3).
- On-line free school meal (FSM) checking software: £55.3k which at current pupil levels equates to £1.45 per school aged pupil (section 4).

Maintained schools’ representatives are asked to note the following:

- Further request for de-delegation 2022/23 may be presented in January 2022 following the outcome of DfE consultation on phasing out the School Improvement Monitoring & Brokering Grant (SIMBG) (section 5).

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Background documents (available for public inspection):

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 2022/23, 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 – £55.3k
- 1.3. The DfE are consulting on reforming how LA school improvement functions are funded, and are proposing on phasing out the SIMBG, starting in financial year 2022/23 and for local authorities to make provision via de-delegation (section 5).

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 May 2021 census, this equates to a de-delegated budget of £200k, which is approximately £5.45 per pupil. This is an increase of 20p per pupil compared to previous financial year at £5.25 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 2021 census data is available and reported to Forum in January 2022.
- 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-five 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 per pupil.
- 2.3. Schools Forum members representing maintained schools are asked to approve the de-delegation of the Trade Union budget 2022/23.

2.4. Education Services General (ESG) Duties for Maintained Schools

- 2.5. 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 £13.56 per pupil, subject to confirmation of the October 2021 census.

Table one: Former Education Services grant duties

General former Education Services Grant Duties	£000	
Human Resources 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.
Governor Support Advice to maintained schools around appointment of governors	68	Contribution to Governor Support Team (not funded from other sources of education funding)
Quality Assurance 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.
Asset Management 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.
Total	500	

- 2.6. Schools Forum members representing maintained schools are asked to approve the de-delegation of the ESG budget 2022/23.

3. On-line Free School Meal (FSM) Checking Software

- 3.1. 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.

- 3.2. The contract was extended in 2021/22 for a period of two years and will expire in March 2023, after which schools are expected to make arrangements directly to access an on-line FSM checker. The cost of this license in 2022/23 will be £55.3k, equating to an estimated £1.45 per school aged pupil, which is a 5p increase to the 2021/22 cost of £1.40. These provisional figures will be re-worked once the October 2021 census data is available and will be reported to Forum in January 2022.
- 3.3. Schools Forum members representing maintained schools are asked to approve the de-delegation of the on-line FSM checker software for 2022/23.

4. SCHOOL IMPROVEMENT MONITORING & BROKERING GRANT (SIMBG)

- 4.1. Nationally the government allocate £50m annually to local authorities to provide school improvement for maintained schools. It is allocated based on the number of schools which continue to be maintained by the LA. and covers an academic year.
- 4.2. In the financial year 2021/22 Manchester's SIMBG was £398k based on 109 schools. The DfE has recently launched a consultation which seeks phase out the SIMBG, proposing to cut the grant by 50% in 2022/23 and from April 2023 it will be fully funded via de-delegation. This means that local authorities would look to replace the grant lost by requesting de-delegation from the Dedicated Schools Grant, which reduces funding paid directly to schools. This request would need to be approved by Schools Forum or the Secretary of State. In line with other de-delegation decisions, the Secretary of State would retain the power to approve the de-delegation contrary to the decision of the Schools forum.
- 4.3. The outcome from the DfE consultation on SIMBG is expected December/January, if funding is cut as per the proposal it is likely at this stage the LA will be requesting maintained Schools Forum members to approve de-delegation of funds.

5. CONCLUSIONS AND RECOMMENDATIONS

- 5.1. 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 £5.45 per school aged pupil (section 2).
 - Education Services Grant General Duties: £500k which at current pupil levels equates to £13.56 per school aged pupil (section 3).

- On-line free school meal (FSM) checking software: £55.3k which at current pupil levels equates to £1.45 per school aged pupil (section 4).

5.2. Maintained schools' representatives are asked to note following:

- Further request for de-delegation 2022/23 may be presented in January 2022 following the outcome of DfE consultation on phasing out the School Improvement Monitoring & Brokering Grant (SIMBG) (section 5).