

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Central School Services Block

Report of: Head of Finance for Adult Services Directorate and
Children's Services Directorate.

Summary

This report provides Schools' Forum with a line by line breakdown of what is included in the central school services block (CSSB), for 2019/20, and seeks approval for the amounts on each line.

Recommendations

The Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19. All Schools Forums members are asked to confirm the amount on each line:

- Schools Forum £5k - Associated cost of operating Forum
- Unsupported Borrowing against school capital scheme £358k
- Historic PFI DSG commitments for Temple and Wright Robinson

Local Authority intends to retain the following budgets and all Schools Forums members are asked to confirm the amount on each line:

- Admissions team £1.582m – Budget for Admissions Team
- All school responsibilities for LA - £1.335m this provides funding duties that were previously funded by the Education Service Grant. These duties are detailed in the left hand column of appendix one of this report.

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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 of these then please contact one of the contact officers above.

1. INTRODUCTION

1.1 The DfE introduced the central schools services block in the Dedicated School Grant (DSG) 2018-19. This block is made up of:

- Ongoing responsibilities, funding will be formula driven (c.£231m nationally distributed 90% via a per pupil rate and 10% deprivation). During the transition to the new National Funding Formula ongoing responsibilities there is protection with a maximum reduction of -2.5% in 2019-20 and capping of gainers.
- Historic responsibilities are based on the lagged actual cost of the commitment, and will reduce as commitments cease.

2. CENTRAL SCHOOL SERVICES BLOCK

- 2.1 On-going responsibilities covers: Admissions, Schools Forum, Copyright licenses and responsibilities Local Authorities hold for all schools, please see left hand column of appendix one. The indicative funding released in August 2018 for these areas indicates a small decrease of £40k due to a change in the per-pupil rate due to transition to a national funding formula for the central schools block from £43.74 rate to £42.65 rate.
- 2.2 It is proposed the reduction is allocated to the LA all school responsibilities element. Local Authority all school responsibilities funds duties that were previously funded by the Education Service Grant (ESG), further information is provided in appendix one of this report.
- 2.3 Admissions team is a front line, customer facing service with statutory timescales and deadlines to adhere to, with increasing pupil numbers the funding is being maintained.
- 2.4 Servicing of Schools Forum comprises of budgets for support to the Schools Forum by LA officers plus venue costs.
- 2.5 DfE will purchase licenses for the Copyright Licensing Agency (CLA), and the Music Publishers Association (MPA) for all schools and academies, and recharge local authorities. This retained figure forms part of the central schools block.

Table one: Central Schools Block

	Final 2018/19	2019/20	Diff
	£000	£000	£000
Admissions	1,582	1,582	0
Schools Forum	5	5	0
Copyright Licences	347	347	0
LA all school responsibilities	1,375	1,335	(40)
Total On-going functions	3,309	3,269	(40)
Temple	170	170	0
Wright Robinson	152	152	0
Unsupported Borrowing against school capital scheme – Haveley Hey	358	358	0
Total Historic Commitments	680	680	0
Central Schools Block	3,989	3,949	(40)

2.6 Historic Commitments - This funding covers the DSG commitments to PFIs and unsupported borrowing against school capital schemes. No new commitments, as currently will not be allowed.

2.7 Capital expenditure from revenue relates to historic DSG commitments to PFI schemes (Temple and Wright Robinson) and unsupported borrowing against school capital schemes. In 2018/19 Temple PFI and Wright Robinson PFI budget were moved to the school's individual budget shares. Due to the DfE recognising that PFI contract cost inflation cannot be controlled by Councils or schools, the NFF consultation confirmed that the PFI element of funding would be annually inflated with reference to RPIX (Retail Price Index excluding Housing), as this would be unfunded if these budgets were retained in the Central Schools Block. Both schools were consulted on this change last year. However due to conversion of Temple to an academy this year the Local Authority is no longer able to transfer the PFI budget to the schools block due to Temple's solicitor concerns with the block transfer.

- 2.8 Table two below provides level of former in Education Services Grant in Core Cities.

Table Two: Comparison of 'LA all school responsibilities' budget line

Local Authority	2019/20	No. of Pupils	Per Pupil Rate
	£000	Jan 18 Census	£
Manchester	1,335	85,822	15.55
Liverpool	1,018	72,292	14.08
Sheffield	1,150	80,556	14.28
Leeds	1,810	122,742	14.75
Birmingham	2,961	204,019	14.50

3. RECOMMENDATIONS

- 3.1 The Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19. All Schools Forums members are asked to confirm the amount on each line:

- Schools Forum £5k - Associated cost of operating Forum
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Appendix One: Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Director of children’s services and personal staff for director (Sch 2, 15a) • Planning for the education service as a whole (Sch 2, 15b) • Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) • Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c) • Formulation and review of local authority schools funding formula (Sch 2, 15d) • Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) • Consultation costs relating to non-staffing issues (Sch 2, 19) • Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) • Standing Advisory Committees for Religious Education (SACREs) 	<ul style="list-style-type: none"> • Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56) • Budgeting and accounting functions relating to maintained schools (Sch 2, 73) • Functions relating to the financing of maintained schools (Sch 2, 58) • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57) • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58) • Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59) • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60) • Investigations of employees or potential employees, with or

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>(Sch 2, 17)</p> <ul style="list-style-type: none"> • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	<p>without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61)</p> <ul style="list-style-type: none"> • Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 62) • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65) • Consultation costs relating to staffing (Sch 2, 66) • Compliance with duties under Health and Safety at Work Act (Sch 2, 67) • Provision of information to or at the request of the Crown relating

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>to schools (Sch 2, 68)</p> <ul style="list-style-type: none"> • School companies (Sch 2, 69) • Functions under the Equality Act 2010 (Sch 2, 70) • Establish and maintaining computer systems, including data storage (Sch 2, 71) • Appointment of governors and payment of governor expenses (Sch 2, 72)

Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) • School attendance (Sch 2, 16) • Responsibilities regarding the employment of children (Sch 2, 18) 	<ul style="list-style-type: none"> • Inspection of attendance registers (Sch 2, 78)

Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation 	<ul style="list-style-type: none"> • General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>and management of private finance transactions (Sch 2, 14a)</p> <ul style="list-style-type: none"> • General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	<p>Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards • General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974) • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Clothing grants (Sch 2, 52) Provision of tuition in music, or on other music-related activities (Sch 2, 53) Visual, creative and performing arts (Sch 2, 54) Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)

Premature retirement and redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)

Monitoring national curriculum assessment

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Monitoring of National Curriculum assessments (Sch 2, 74)

Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> This is now covered in the high needs section of the regulations and does not require schools

Responsibilities held for all schools	Responsibilities held for maintained schools only
	forum approval

Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval • Admissions (Sch 2, 9) • Places in independent schools for non-SEN pupils (Sch 2, 10) • Remission of boarding fees at maintained schools and academies (Sch 2, 11) • Servicing of schools forums (Sch 2, 12) • Back-pay for equal pay claims (Sch 2, 13) • Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018 to 2019 regulations)¹ 	<ul style="list-style-type: none"> • No functions

Historic commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none">• Capital expenditure funded from revenue (Sch 2, 1)• Prudential borrowing costs (Sch 2, 2(a))• Termination of employment costs (Sch 2, 2(b))• Contribution to combined budgets (Sch 2, 2(c))	<ul style="list-style-type: none">• No functions

School improvement is not included in the arrangements set out in the above tables; local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support