



Schools Forum

Date: Monday 23rd February 2015

Time: 4.00pm

Venue: Scrutiny Room

Everyone is welcome to attend this committee meeting.

Membership of the Forum

Secondary Sector Headteachers (1) Gillian Houghton

Secondary Sector Governors (2) Fergus Kilroy, Fiaz Riasat

Primary Sector Headteachers (4) Patricia Adams, Mike Cooke, Sarah Navin, Saeeda Ishaq

Primary Sector Governors (4) Brendon Jones, Gabrielle Higham, Robin Pinner, John Janulewski

Special School Headteachers (1) Bernice Kostic.

Special School Governor (1) Peter Tite

Academy Representative (5) Peter Mulholland, Andy Park, Liza Carr, Ian Fenn, Collette Plant

Pupil Referral Unit Representative (1) Helen McAndrew

Nursery School Representative (1) Mary Metcalf

Non-School Members (9) Amanda Corcoran, Councillor Stone, Harry Spooner, Steve Scott, Mary Hunter, Cath Baggaley, Joshua Rowe, John Morgan, vacancy

Agenda

1. Urgent business
To consider any items which the Chair has agreed to have submitted as urgent.
2. Appeals
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
3. Minutes
To approve as a correct record the minutes and notes of the meeting held on 17th November 2014 (enclosed).
4. Early Years – 2 Year Old Offer
5. DfE Funding Consultation
6. DSG Budget Monitoring
7. Growth Fund – set up costs of new schools
6. Date of next meetings :
 - 18th May 2015
 - 15th June 2015
 - 13th July 2015
7. Any other business

Information about the Forum

Schools are represented on the Forum by headteachers and school governors, elected to reflect all categories of school. In Manchester; there are non-school representatives from the teacher associations; additional non-voting places are reserved for invited elected members and representatives of other interested bodies.

The Forum members work together to provide a clear consensus of professional advice to education decision-makers, to achieve a transparent deployment of available resources. The Forum provides a formal channel of communication between the Council and schools for consultation concerning the funding of schools, and aims to agree recommendations which present the best possible compromise between competing claims on limited resources; has strategic oversight of ALL funding decisions affecting schools, and is involved in annual consultation in respect of the Council's functions relating to the schools budget in connection with the following:

- pupils with SEN (Special Educational Needs)
- early years
- revisions to the Council's scheme for the financing of schools
- administration of central government grants to schools including Standards Funds
- arrangements for free school meals

The Forum must be consulted on any proposed changes to the Council's school funding formula, and the financial effects of any proposed changes.

Sir Howard Bernstein
Chief Executive
Town Hall, Albert Square
Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact:

Carolyn Whewell

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Manchester Schools Forum

Minutes of the meeting held on 19 January 2015

Present:

Members of the Forum

Secondary Sector Head Teachers: Gillian Houghton

Secondary Sector Governors: Fiaz Riasat, Fergus Kilroy

Primary Sector Head Teachers: Patricia Adams, Mike Cooke

Special School Head teacher: Bernice Kostick

Special School Governor: Peter Tite

Academy Representatives: Andy Park (in the Chair), Colette Plant

Nursery School Representative: Mary Metcalf

Non-School Members: Councillor Bernard Stone, Amanda Corcoran, Harry Spooner, Steve Scott, Mary Hunter, Cath Baggaley, John Morgan

Executive Members:

Councillor Sheila Newman (Executive Member for Children's Services),

Council Officers:

John Edwards, Director, Education and Skills

Rachel Rosewell, Head of Finance, Children and Families

Reena Kohli, Directorate Financial Lead, Children and Families

Beth Morgan, Governance and Scrutiny Support Unit

Adel White, Senior Finance Manager, Children and Families

Richard Shirley, Senior Finance Manager, Children and Families

Others:

Paul Lucas (EFA Observer)

Apologies: John Janulewski, Ian Fenn, Helen McAndrew, Joshua Rowe, Elizabeth Fritchley.

FF/15/1 Minutes

The minutes of the last meeting were submitted for approval.

Decision

To approve the minutes of the Schools Forum Meeting on 17 November 2014.

FF/15/2 2015/16 Dedicated Schools Grant

The report of the Head of Finance for the Directorate for Children and Families was submitted to the Forum.

The Dedicated Schools Grant is the source of funding for the majority of school related operational expenditure. It comprises schools, early years and high needs funding blocks.

This report detailed the 2015/16 Dedicated Schools Grant (DSG) settlement received on the 17 December 2014. This report contained a proposal to distribute £1.877m of unallocated DSG to deal with growth in pupil numbers. The DSG settlement and proposed budget is scheduled to be presented to the Council's Executive for approval in February 2015.

It was suggested that the majority of the unallocated funds be put into the Growth Fund to support additional school places through the provision of extra staff and the physical expansion of some schools where necessary. The need for this provision is particularly acute in the secondary sector.

It was also suggested that part of the funds be used to provide additional special school places.

Decision

1. To agree the allocation of unallocated DSG to the Growth Fund.
2. To agree to use some of the unallocated DSG funds to be used to provide additional special school places.

(Mike Cook and Gillian Houghton declared a personal interest as they were from schools that were potentially part of the proposed expansion scheme)

FF/15/3 Council Budget Savings Options

The report of the Head of Finance for the Directorate for Children and Families was submitted to the Forum.

The provisional local government finance settlement was released on 18 December 2014 and showed a 15.77% reduction from Manchester's adjusted 2014/15 Settlement Funding Assessment to the provisional 2015/16 figures. The settlement gave no indication of how local authorities will be affected in 2016/17 and beyond.

The change in the financial position has meant that the level of savings that the Council will need to deliver has reduced. Savings options of a lower amount of £55.244m, rising to £70.224m in total in 2016/17 can now be considered. The total for 2016/17 takes into account the full year effect of the 2015/16 options alongside £3.7m of options for 2016/17 identified as part of the savings options which it is recommended are progressed.

The report detailed the saving options deemed to potentially impact on schools. Some savings options relate to the development of transformed models of delivery, with associated efficiencies, whilst others constituted service reductions whilst sustaining the Council's core and statutory duties. The Forum discussed the options which were set out in detail in the report.

The Executive Member for Children's Services explained that the proposals were still out for consultation in the Draft budget.

Decision

To note the report.

FF/15/3 Date of Next meetings

The Chair informed the Forum that the following dates were approved for meetings over the next academic year:

- 23rd February 2015
- 18th May 2015
- 15th June 2015
- 13th July 2015

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: **2015/16 Two Year Old Offer Early Years Funding**

Report of: Director of Education and Skills
Head of Finance - Directorate for Children and Families

Summary

Some two year olds are entitled to 570 hours of free early education or childcare a year. The Department for Education (DfE) introduced targeted free early years education funding for two year olds in September 2013.

Authorities are required to consult Schools Forum on the hourly rate paid to providers of two year old free early years education.

Recommendations

Schools Forum members are asked to recommend the continuation of the two year old hourly funded rate of £4.85.

Contact Officers:

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Name: Richard Shirley
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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 From September 2013 a targeted free education offer for two year olds was introduced. Some 2 year olds are entitled to 570 hours of free early education or childcare a year, the current DfE eligibility criteria is provided in appendix one. The 2 year old offer is often taken as 15 hours each week for 38 weeks of the year. Funding for the offer currently sits within DSG.
- 1.2 From 2014/15 the Council will be funded on actual take up of offer. Previously this budget has been funded on estimated pupil numbers. This is likely to lead to reduced income from DSG in 2015/16.
- 1.3 Authorities are required to consult Schools Forum on the hourly rate paid to providers of this two year old free early years education each year. It is proposed that this rate remains at £4.85 per hour in 2015/16.

2. Two Year old funding 2015/16

- 2.1 In 2014/15 £140k worth expenditure relating to administration and relevant expenses will be incurred. Administration of the grant is carried by a team of five.. This is currently funded from the two year old offer Trajectory Fund within DSG. This was designed to further develop the two year old offer. The Trajectory Fund is time limited and ends in 2014/15. Administration of the two year old offer is estimated to cost £140k 2015/16.
- 2.2 Manchester City Council will receive £4.95 per estimated child per hour in respect of eligible two year olds next year and is proposing to fund providers at a rate of £4.85 per child per hour. The Council is proposing to retain 10p per child per hour to cover administration costs. It is estimated that retaining 10p per hour in 2015/16 will generate in the region of £170k per annum, based on estimated take up levels.
- 2.3 There are no recorded instances of concerns from providers in relation to the £4.85 received for two year olds. Providers are receptive to the two year old funding, with many developing business models to maximise use of the funding.
- 2.4 Although the criteria for two year old funding is relatively broad, encompassing financial criterion as well as social factors, occasions arise when two year olds not meeting the criteria are presented by professionals as requiring some additional support. It is requested that £30k of the £170k budget proposed to be retained is for the purposes of a discretionary fund. The discretionary fund will be used to support a small number of children whose families do not meet the criteria but where professionals have particular concerns about the child.
- 2.5 It is recommended that there be no change to the hourly rate passed on to providers for 2 year old funding. It is crucial that sufficient funding is retained to maintain the back office functions underpinning the administration of the

fund. It is requested that the service be able to retain the small surplus for use either to cover any underfunding or alternatively to fund exceptional cases.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report provides a summary of proposed free early years education funding rates for providers and central budgets for 2015/16.
- 3.2 Schools Forum members are recommended to agree the continuation of the two year old hourly funded rate of £4.85 and to approve the retention of approximately £170k of central budget charges.

Appendix one

2-year-olds

Some 2-year-olds in England can also get free early education and childcare.

You must be getting one of the following:

- Income Support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- support through part 6 of the Immigration and Asylum Act
- the guaranteed element of State Pension Credit
- Child Tax Credit (but not Working Tax Credit) and have an annual income not over £16,190
- the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)
- Working Tax Credits and earn £16,190 a year or less

Children are also entitled to a place if:

- they're looked after by a local council
- they have a current statement of [special education needs \(SEN\)](#) or an education health and care plan
- they get [Disability Living Allowance](#)
- they've left care under a special guardianship order, child arrangements order or adoption order

If your child is eligible, you can start claiming after they turn 2. The date you can claim will depend on when their birthday is.

Manchester City Council Report for Resolution

Report to: [Schools Forum](#)

Subject: **High Needs Funding Consultation**

Report of: Head of Finance - Directorate for Children and Families

Summary

The Department for Education (DfE) have stated that they wish to review the distribution of funding for pupils with high-cost Special Education Needs. The review is planned to cover the distributing of funds relating to high needs from national to local level and from local level to institutions.

The DfE have commissioned Isos partnership to undertake research. The call for evidence was issued on the 13 November 2014 and asked interested parties about how SEN funds can be distributed more fairly. The call for evidence ends on the 27 February 2015.

Recommendations

Schools Forum members are asked to consider their approach to the consultation response.

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Name: Reena Vandhna Kohli
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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 The DfE currently allocate the Dedicated Schools Grant (DSG) in three notional blocks (i.e. early years, schools and high needs). The high needs block allocation is based on historical allocations for pupils with special educational needs (SEN) with a partial update for post-16 learner numbers with SEN.
- 1.2 The DfE have launched a consultation and research on the high needs funding block. The department has asked organisations to help the DfE work out ways in which they can distribute special educational needs and disability (SEND) funding on a more formulaic basis.
- 1.3 Manchester is one of the 13 councils selected to undertake in depth research fieldwork. The research focuses on finding new and improved formula factors for distributing funds relating to SEND from national to local level and from a local level to institutions.

2. Manchester's High Needs Block

- 2.1 The 2015/16 grant allocations and planned budget across the blocks is shown in the table one below. The high needs block currently totals £64.3m. This block supports pupils or students who require provision that would not normally be available in mainstream settings within the delegated resources of a mainstream school, and who would require additional targeted resources in order to meet their needs in a mainstream setting, or placement in a specialist setting. Provided in table one is Manchester's 2015/16 DSG grant across the three blocks.

- 2.2 Table one: DSG 2015/16

Block	Grant Allocations £'000	Transfers £'000	Proposed Budget £'000		Total £'000
			Retained	Delegated	
Schools	(349,492)	(9,200)	6,875	351,817	349,492
Early Years (indicative)	(31,353)	9,200	2,021	20,132	31,353
High Needs including post 16 High Needs	(64,306)	-	18,754	45,552	64,306
Total Funding	(445,151)	-	27,650	417,501	445,151

3. High Needs Funding Review

- 3.1 Manchester is one of the 13 local authority areas involved in that fieldwork research. In January Isos representatives undertook an engagement programme and interviewed School Forum representatives, schools representatives and local authority officers.

- 3.2 Alongside the field work the DfE have launched a consultation, deadline for a response is 27 February 2015. The consultation document provides all local authorities with a data pack (see [hyperlink below](#)) about children and young people with SEND, and how they have been funded and are funded now. The DfE is interested in any analysis of this data, and conclusions that may be drawn, that can contribute to this project.

<https://www.gov.uk/government/consultations/funding-for-children-and-young-people-with-send>

- 3.3 A draft response to the consultation will be provided at February's schools forum meeting.

4. Recommendation

- 4.1 The local authority would like to thank Schools Forum members and schools for participating in the engagement programme and interviews. It believes this participation is key in shaping and influencing future funding mechanisms.
- 4.2 Schools Forum is asked to consider whether it would like to submit its own response to the consultation.

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Dedicated Schools Grant Monitoring 2014/15**

Report of: Head of Finance - Directorate for Children and Families

Summary

The purpose of this report is to inform the Schools Forum monitoring position of centrally held **Dedicated Schools Grant (DSG)**. The forecast year end position on the centrally retained DSG is a net underspend of £3.3m.

Members of Schools Forum are asked to:

- Note the projected DSG balance for 2014/15.
- Comment on the proposed use of the £3.3m projected DSG surplus to High Needs Block.

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Background documents (available for public inspection):

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1. Introduction

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced specific grant paid by the Education Funding Agency to local authorities in support of the schools budget. The grant has either to be delegated to schools or used for centrally managed provision for pupils. The projected DSG underspend is £3.3m.
- 1.2 The DSG current projected to underspend of £3.3m largely relates to underspends in the funding for places for disadvantaged two year olds and special educational needs external placement budget. These underspends are partly off-set by cost pressures in the growth fund.

2. Key Dedicated Schools Grant variances

- 2.1 The key DSG variances to relate to the:
- Early years block - £3.5m underspend
 - High needs block - £1m underspend
 - Schools block - £1.2m overspend

Early Years Block

- 2.2 Two year old places underspend. Take up of the two year old offer is less than the places funded by the DfE and this budget is expected to underspend by £3.3m. In 2015/16 the two year old offer will be funded based on actual take-up rather than DfE estimate of demand.
- 2.3 Three and four year olds entitlement to free early education places - early years budgets are adjusted termly for three and four year olds in schools and private, voluntary and independent (PVI) settings. The final termly adjustment will be based on the January census and budgets will be adjusted at the end of the financial year. Current projections are based on historic take up and will be amended when further information is known, it is expected that these budgets will underspend by £0.2m.

High Needs Block

- 2.4 The High Needs Block budgets support specialist and alternative provision. It is made up of place and top up funding for pre 16 direct provision in mainstream and special schools, specialist units and pupil referral units, independent post 16 placements and central services provided on behalf of all schools and academies. It also includes the top up funding for post 16 students in all settings (place funding being paid by the EFA via a separate grant) and a subsidy for the impact of lagged post 16 place numbers in special schools.
- 2.5 Manchester has recognised the need to grow high needs placements both in mainstream and special schools. Most local special schools have been expanded and are operating at capacity. There has also been growth in the number of pupils with high needs in mainstream schools and additional special

school places, this growth has led to an £700k underspend on the SEN external placement budget. The payments to schools during the year for new and changes to SEN Statements and Education, Health and Care plans is currently budgeted to underspend by £300k.

Schools Block

- 2.6 The growth fund is to meet teaching and learning and accommodation cost of school expansions to provide additional school places. There is a £1.452m pressure due to additional payments made to academies and maintained schools, cost of removal of temporary accommodation and furniture for new accommodation. This pressure is partly off-set by an underspend on the Admissions budget.

	Annual Budget £'000	Actual Spend YTD £'000	Projected Full Year Spend £'000	Projected Year End Variance £'000
Growth Fund				
Temporary Accommodation		2,380	4,713	
Teaching and Learning		924	1,082	
Exceptional Costs		704	1,148	
Subtotal - expenditure	2,505	4,008	6,943	4,438
Contribution from 2013/14 DSG underspend		(2,985)	(2,985)	
Growth Fund Total	2,505	1,023	3,957	1,452

3. Potential Use of Projected DSG underspend

- 3.1 Overall the current projection for the DSG retained budget is an underspend of £3.3m. The Council seeks to carry this forward to 2015/16 and to earmark the reserve for potential pressures in the high needs block. At this stage it is anticipated that the need for additional special schools and resource unit places September 2016 will be greater than the number of places available.

4. Recommendations

- 4.1 Members of Schools Forum are asked to:
- Note the projected DSG balance for 2014/15.
 - Comment on the proposed earmarking of the £3.3m projected DSG surplus to carry forward for management of high needs block pressures in 2015/16.

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Proposed Revision to Growth Fund Criteria**

Report of: Head of Finance - Directorate for Children and Commissioning

Summary

The Department for Education require Local Authorities to fund pre-opening costs of new schools that are required to meet localised demand (demographics, housing developments) – known as “basic need”, these costs should be met from the growth fund.

The DSG growth fund is ring-fenced so that it is only used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of necessary new schools. New schools opening costs includes the lead-in costs, post start-up costs and any diseconomy of scale costs.

Recommendations

Forum Members are asked to comment on the implications of changing the Growth Fund criteria to incorporate the costs of a new school pre-opening costs

Forum Members are recommended to approve the proposed revised Growth Fund criteria.

Contact Officers:

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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 Under the Schools Finance (England) Regulations 2013, Councils with the agreement of Schools Forum are permitted to retain Dedicated Schools Grant (DSG) to form a specific schools contingency to support those schools that, with the prior agreement of the Council, are permanently expanding. This contingency is known as the “growth fund”.
- 1.2 The growth fund can only be used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need. Funds must be used on the same basis for the benefit of both maintained schools and academy schools.
- 1.3 Currently additional funding is made available to schools in circumstances where: the council approves an increase in the capacity or the council requests a school to increase their planned admission number to meet local demand for one year only. The council would like to extend this criteria to include costs associated with set-up of new schools.

2. CURRENT GROWTH FUND DEFINITION

- 2.1 Manchester’s current Growth Fund criteria, as approved at School Forum July 2014, is:

1. Fund extra support staff costs and additional supervision requirements of children taught in temporary accommodation due to school expansions (who will join the school in September, but will not be recognised in the formula until the following April – ‘bulge’ classes).

Primary schools will be funded at a rate of £1,004 per additional child, until the expansion reaches Year 6, when the additional funding will cease. £1,004 is 7/12ths of the teaching and learning element of Manchester’s primary age-weighted pupil unit (AWPU) funding.

Secondary schools will be funded at a rate of £1,311 per additional child, until the expansion reaches Year 11, when the additional funding will cease. £1,311 is 7/12ths of the teaching and learning element of Manchester’s KS3 AWPU funding.

Where a bulge class is taking place in an academy, due to the additional lag in funding as academies are funded by academic year budgets (Sept – Aug), academies will receive 12/12ths of the teaching and learning element of the AWPU (£1,721 in primary schools, £2,247 in secondary schools).

Where a significant expansion takes place over a number of year groups immediately schools will receive pro-rata full year funding of £4,234 in primary schools and £6,168 in secondary schools for each additional pupil.

2. Fund temporary accommodation.

3. PRE-OPENING COSTS OF NEW SCHOOL

- 3.1 The DfE require start-up costs are payable to a new school for pre-opening costs (such as Headteacher and other staffing and recruitment costs prior to opening), and initial equipping allowance where the school is opening in response to basic need in the area.
- 3.2 These will vary depending on the size and nature of the school. It is recommended Leadership, management and administration: a one off lump sum of £125,000 payable two terms before opening for a secondary school or all through school and £75,000 for a primary school. Initial equipping: £75 per primary pupil place and £150 per secondary pupil place payable two terms before opening.

4. DSG IMPLICATIONS

- 4.1 Whilst the growth fund is an essential part of DSG and is used to support expanding schools and academies, it is worth noting that the fund must be top sliced from school budgets. A growth strategy is essential to ensure funding is not withheld unnecessarily from delegated school budgets. It is therefore recommended that the Schools Forum approve the proposed amendment to the growth fund criteria to include start-up costs of a new school.

5. RECOMMENDATION

- 5.1 Forum Members are asked to comment on the implications of expanding the growth fund criteria to include pre-opening schools start-up costs.

Glossary of Terms and Acronyms

New additions to the glossary are coloured blue

Academies	Publicly funded independent schools that are free from local authority control. Other freedoms include setting their own pay and conditions for staff, freedoms concerning the delivery of the curriculum, and the ability to change the length of their terms and school days.
Alternative Provision (AP)	Education outside of school, when it is arranged by LAs or schools, is called alternative provision. It can range from pupil referral units (PRUs) and further education colleges to voluntary or private-sector projects.
Carbon Reduction Scheme (CRC)	The Carbon Reduction Commitment Energy Efficiency Scheme (often referred to as simply 'the CRC') is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. These organisations are responsible for around 10% of the UK's greenhouse gas emissions. The CRC affects large public and private sector organisations across the UK. Participants include supermarkets, water companies, banks, local authorities and all central government departments. The CRC will cease for schools from 2014-15.
Dedelegation	Under the new school funding arrangements it is the Government's intention to achieve maximum delegation of funding to schools, meaning that only in exceptional circumstances should funding be held centrally by the LA for the provision of central education services. In addition, schools can agree to return funding delegated to them to provide some services centrally; this is termed de-delegation. De-delegation takes place after calculation of the formula but before the budget has been provided to the school. It has the effect of giving money back to the LA to provide for some services centrally.
Dedicated Schools Grant (DSG)	The ring-fenced specific grant paid by the Department to local authorities from April 2006 in support of the Schools Budget. The money has either to be delegated to schools or used for centrally managed provision for pupils. It can only be spent on other children's services with the approval of the schools forum and where an educational benefit can be justified.
Department for Education (DfE)	UK government department with responsibility for infant, primary and secondary education.
Early Intervention Grant (EIG)	A grant from Government to local authorities in England to fund early intervention and preventative services. The grant is not ring-fenced and, subject to local decision making, the EIG can be used to support a full range of services for children, young people and families.
Education Funding Agency (EFA)	A new DfE executive agency that, from April 2012, will be responsible for capital and revenue funding for 3-19 education and training. The EFA will directly fund Academies, Free Schools, and 16-19 providers; it will fund local authorities for maintained primary and secondary schools; and it will be responsible for the distribution of capital funding and advice on capital projects.
Element 1 Element 2 Element 3	Element 1 is the basic entitlement every pupil receives, regardless of whether they are deemed to have 'high needs'. This varies by setting (special / mainstream schools) and key stage (KS1 and 2, KS3 and KS4). Element 2 is an additional £6,000 that schools contribute towards pupils with high needs. In special schools all pupils have high needs and receive this allocation. In mainstream schools is called the 'notional SEN' budget. Element 3 is the additional funding provided by the Council above element 1 + element 2.
Early Years Block	The new funding formula to be introduced in 2013/14 contains three funding blocks (Early Years, Schools and High Needs). The Early Years block will now fund all factors relating to 3 and 4 years olds in nurseries, PVI's and maintained schools. The funding consists of: <ul style="list-style-type: none"> • An hourly rate based on provider type • IDACI deprivation funding (by each child's postcode) • FSM eligibility • Mainstream grants (only applicable to Nurseries)
Early Years Single Funding Formula (EYSFF)	The single local funding formula that each local authority is required to develop and implement to fund all free entitlement to early education and care for 3 and 4 year olds.

Early Years Foundation Stage Profile	<p>The statutory means of recording each child's attainment against the early learning goals. An assessment of Nursery pupils completed at the end of the Early Years Foundation Stage. Based on ongoing observation and assessment in the three prime and four specific areas of learning:</p> <p>The prime areas of learning:</p> <ul style="list-style-type: none"> • communication and language • physical development • personal, social and emotional development <p>The specific areas of learning:</p> <ul style="list-style-type: none"> • literacy • mathematics • understanding the world • expressive arts and design <p>The learning characteristics:</p> <ul style="list-style-type: none"> • playing and exploring • active learning • creating and thinking critically
Free School Meals (FSM)	Known eligibility for Free School Meals is commonly used as an indicator of deprivation. FSM eligibility is based on whether the child's parents are in receipt of certain non-work benefits, including Income Support, Job-Seeker's Allowance and Tax Credits.
Education Services Grant (ESG)	The Education Services Grant (ESG) is paid to local authorities and academies and is intended to provide various education services. In 2014/15, the ESG totals £1 billion nationally, with around £200m allocated to academies and £800m to local authorities. In 2014/15, Manchester City Council received an initial ESG allocation of £8.1m.
Executive	The Executive is the main decision making body of the Council, responsible for implementing the budgetary and policy framework of the Council. In Manchester each of the 9 members also has individual special responsibility for a particular area of the Council's services and policies.
Free Schools	All-ability state-funded schools set up in response to what local people say they want and need in order to improve education for children in their community. These new schools have the same legal requirements as Academies and enjoy the same freedoms and flexibilities.
Growth Fund	The total increase in primary numbers requires additional DSG as temporary provision is required in order to build capacity in schools. On 28th June DfE announced that LAs can create a growth fund within centrally retained DSG. Any underspend needs to be allocated through the formula in the following financial year. Once the requirement for this growth fund has been determined it will need to be created by a reduction to the delegated element of the schools block.
Headroom	Amount of funding which remains after all budgets (see ISB / RSB) have been allocated. In 2014-15 it is estimated that, if the school funding formula remains as agreed prior to receipt of the DSG budget from the EFA, this budget will be £3.1m.
High Needs Block	<p>The High Needs Block is the funding the Local authority (LA) will receive from the Education Funding Agency (EFA). It comprises of :</p> <ul style="list-style-type: none"> • Special school budgets • Centrally funded LA provision for individual children • Special Educational Needs (SEN) Support Services • Support for Inclusion (outreach) • Independent school fees • Inter authority recoupment • Pupil referral units • Education out of school • Delegated allocations relating to individual children • Delegated allocations to special units and specialist resourced provision • All post 16 SEN expenditure, including provision for 16-25 year olds in FE colleges and independent providers that the Authority is currently not responsible for • High Needs expenditure on under 5's

High Needs Block (new funding formula)	The new funding formula to be introduced in 2013/14 contains three funding blocks (Early Years, Schools and High Needs). Currently schools in Manchester are expected to support pupils with high needs up to £10,000 from the school's budget share. Any pupil requiring funding of above £10,000 is deemed a 'high needs' pupil and will be funded through the High Needs block. This will consist of base funding of £10,000 per pupil and individually assigned 'top-up' funding, which will be unique to each child and based on an assessment of the child's needs.
High Needs Pupils (HNP)	Pupils with very specific needs, mainly those with high cost Special Educational Needs (SEN) and in Alternative Provision. It is defined roughly as children whose provision costs around £6,000 more per annum than the average.
Income Deprivation Affecting Children Index (IDACI)	A measure of financial deprivation that affects children: a score and rank is provided for each Lower Super Output Area.
Individual School Budgets (ISB)	School budgets distributed mainly through the school funding formula. This is the budgets that will be received by schools.
Key Stage	There are four distinct stages of schooling: Key Stage 1: pupils aged 5 to 7 - year groups 1 to 2 Key Stage 2: pupils aged 7 to 11 - year groups 3 to 6 Key Stage 3: pupils aged 11 to 14 - year groups 7 to 9 Key Stage 4: pupils aged 14 to 16 - year groups 10 to 11.
Local Authority Central Spend Equivalent Grant (LACSEG)	A grant paid to Academies in recognition of the fact that as independent schools they no longer receive a number of services from local authorities, and must make appropriate provision for themselves.
Local Funding Formula	The Local Authority (LA) is required to fund individual schools on a formula basis in accordance with the Schools Finance (England) Regulations 2011. The schools' formula is reviewed on a regular basis, culminating in a formal consultation process with all schools.
Maintained Schools	A school which is funded via the local authority and therefore subject to local government control.
Minimum Funding Guarantee (MFG)	The MFG stipulates the minimum amount by which a school's budget must increase (or maximum decrease) when compared with its budget for the previous year, before allowing for changes in pupil numbers. Some specific items of expenditure (such as rates and resources specifically assigned to individual pupils with special needs) are excluded from the coverage of the MFG. The local authority can modify the operation of the MFG with the approval of the Secretary of State.
Non-recoupment academies	Academies with no predecessor (that did not convert from a school) or that were established before 2008 are funded directly by the EFA. Manchester receives no funding for these institutions and their budgets are not included in the original DSG allocation. As a result, these academies are categorised as 'non-recoupment' academies (see 'recoupment' definition, below).
Notional SEN	Also referred to as 'Element 2' – this is the funding schools are expected to contribute towards each pupil with high needs. The budget is not ringfenced and schools do not receive this budget based on specific children, but must find the funds from other funding factors received above the basic entitlement for each child. In exceptional circumstances, if a school is deemed to have too little notional SEN to meet the needs of its high needs pupils the Council may allocate additional funds to assist the school. In 2013-14 this occurred if a school had more than 4% of the total pupil population statemented.
Place-plus funding model	A set of funding arrangements for pupils and students with high needs that is responsive to the needs of individual pupils and students. The approach is based more on actual pupil numbers combined with a base level of funding to offer specialist providers some stability.
Pupil Premium	Targeted funding (in addition to the DSG) paid to schools via the local authority, specifically aimed at the most deprived pupils to enable them to receive the support they need to reach their potential and to help schools reduce educational inequalities. In 2011-12, the premium was distributed to pupils known to be eligible for Free School Meals and was £430 per pupil.
Pupil Referral Unit	An establishment maintained by a local authority which is specifically organised to provide education for children who are excluded, sick, or otherwise unable to attend a mainstream or special maintained school.

Recoupment	DSG is allocated to Manchester City Council for all pupils in maintained and recoupment academies. When financial year budgets have been calculated for Manchester's academy schools the EFA reduce the DSG allocation in order to pay academies their budgets. The process of reducing DSG allocations is called recoupment.
Retained School Budgets (RSB)	The school budgets that are not distributed to schools, but which are retained centrally and managed by the Council on behalf of schools.
School Funding Reform	In March the DfE issued 'School Funding Reform: Next Steps towards a fairer system.' This document set out important changes to the way schools and academies will be funded from 2013-14, including the introduction of new basis for funding high needs pupils.
Schools Block	<p>The new funding formula to be introduced in 2013/14 contains three funding blocks (Early Years, Schools and High Needs).</p> <p>The Schools Block will fund all pupils not funded through High Needs or Early Years and consists of the following factors:</p> <ul style="list-style-type: none"> • Basic Entitlement – Pupil number funding • Social Deprivation (FSM and IDACI) • Low Cost, High Incidence SEN • EAL – English as an additional language • Mobility • Lump Sum • Split Sites • Rates
Schools Forum	A statutorily required body which represents the governing bodies and head teachers of local authority maintained schools and Academies, together with other members. The purpose of the forum was originally to advise the local authority on matters relating to schools budgets. The membership and role of the forum has been progressively extended (see annex below).
Section 251 (S251)	<p>Information to help local authorities prepare and submit annually to the Secretary of State separate budget and outturn statements about their planned and actual expenditure. The statements cover expenditure for education and children's social care functions as required under section 251.</p> <p>Section 251 replaces section 52 of the School Standards and Framework Act 1998 in England. Section 52 still applies in Wales.</p> <p>The statements are the primary means of informing schools and the public in general about local authority funding and expenditure plans. They provide detailed information in a form that allows benchmarking by schools forums and authorities.</p>
Sparsity	<p>The DfE have defined sparsity as:</p> <p>"We have now developed a sparsity factor which measures the distance pupils live from their second nearest school. In rural areas where schools are few and far between, pupils could face the choice of either attending their nearest school or travelling a long way to the second nearest. In some cases, the distance to their second nearest school can be unacceptably long, putting a premium on ensuring that the pupil's nearest school stays open. Therefore, we think it is appropriate to enable local authorities to target additional funding to support these schools where per pupil funding alone may not be enough to ensure their viability.</p> <p>We will be introducing an optional sparsity factor based on the above model for 2014-15."</p>
Special Educational Needs (SEN) Special Educational Needs and Disability (SEND)	Children have special educational needs if they have a learning difficulty, which calls for special educational provision to be made for them.
Universal Infant Free School Meals (UIFSM) Grant	<p>The Government announced that from September 2014 funding will be provided to enable schools to offer a free lunch to every primary school child in reception, year 1 and year 2.</p> <p>Schools will be funded £2.30 for every meal taken up by newly eligible pupils (those not currently eligible to a FSM).</p> <p>The Government has allocated over £1 billion nationally between 2014 and 2016, including £150 million of capital funding in 2014-15 to improve kitchen and dining facilities, to support UIFSM.</p>