



Schools Forum

Date: Monday 15th June 2015

Time: 4.00pm

Venue: Ante Chamber, Town Hall Extension

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) Alan Braven

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 23rd February 2015 (enclosed).
4. Dedicated Schools Grant Update 2015/16
5. Growth Fund – Post Opening Costs
6. Pupil Premium Grant (PPG) - Internal Audit report
7. High Needs Block
8. GM – Devolution (verbal update)
9. Date of next meetings :
 - 13th July 2015

Suggested dates for next academic year

- 28th September 2015
 - 16th November 2015
 - 14th December 2015
 - 18th January 2016
 - 22nd February 2016
 - 16th May 2016
 - 13th June 2016
 - 11th July 2016
10. 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:

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Manchester Schools Forum

Minutes of the meeting held on 23 February 2015

Present:

Members of the Forum

Secondary Sector Head Teachers: Gillian Houghton

Secondary Sector Governors: Fergus Kilroy

Primary Sector Head Teachers: Patricia Adams, Sarah Navin

Primary Sector Governors: Brendon Jones, Gabrielle Higham, John Janulewski

Special School Head teacher: Bernice Kostick

Non-School Members: Amanda Corcoran, Steve Scott, 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

Adel White, Senior Finance Manager, Children and Families

Richard Shirley, Senior Finance Manager, Children and Families

Apologies: Fiaz Riasat, Peter Tite, Helen McAndrew, Joshua Rowe, Councillor Stone, Councillor Akbar, Mary Metcalf, Mary Hunter, Collette Plant and Andy Park

FF/15/4 Minutes

The minutes of the meeting on 21 January 2015 were submitted for consideration as a correct record.

Decision

To approve the minutes of the Schools Forum meeting on 21 January 2015 as a correct record.

FF/15/5 2015/16 Two Year old Offer (Early Years Funding)

The Forum considered a report of the Director of Education and Skills and the Head of Finance (Children and Families Directorate).

The report discussed the entitlement to 570 hours of free early education or childcare for targeted two year olds (the 'two year old offer'), which is funded through the Dedicated Schools Grant (DSG). The report highlighted a change to the way the budget will be calculated in the new financial year. Previously the budget had been calculated based on estimated pupil numbers but this would change to actual take up of the offer in the 2015/16 financial year. It was anticipated that this would lead to a reduced income from the DSG for that year.

The Forum discussed the way in which the fund had been calculated, the estimated income that would be generated through the fund for the 2015/16 financial year and how this would be used to cover administrative costs and support a discretionary fund.

The Forum was asked to take a vote on the recommendation to agree that the rate paid to providers of the two year old offer remains at the current level of £4.85 per hour. Some members abstained due to the lack of time to consult with providers to establish their views.

Decision

To agree that the rate per child paid to providers of free early education or childcare to targeted two year olds remains at the current level of £4.85 per hour.

(The Forum voted 7 members for, 0 against and 3 abstentions)

FF/15/6 High Needs Funding consultation

The Forum considered a report of the Head of Finance (Children and Families) which discussed the Department for Education (DfE)'s review of the distribution of funding for pupils with high cost Special Educational Needs (the 'High Needs block') to facilitate the move to the distribution of funds at local level. The DfE had commissioned research through the ISOS partnership to ask interested parties about how funding for Special Educational Needs could be distributed more fairly. This consultation would end on 27 February 2015.

The report set out the way in which the high needs block is currently allocated and discussed the scope of the current consultation across 13 councils to focus on finding new and improved formulae to distribute funds from national to local level and subsequently from local level to institutions. Key factors under consideration were how the DfE allocates the high needs block, how this would then be managed and distributed by local authorities and the role of special schools and specialist provision.

The Head of Education Strategy, Access and Inclusion summarised the emerging themes of a recent engagement programme which involved representatives from schools, including some of the Forum's own members and local authority officers as a formal part of the consultation process.

The Forum was invited to consider whether it wished to submit a stand alone response to the consultation. Despite the short time available in which to feed into the consultation, the Forum agreed to submit its own formal response to consultation and nominated 3 members to contribute to this.

Decision

To agree that the following Schools Forum members will approve the Forum's formal response to the consultation.

- Elizabeth Fritchley
- Gillian Houghton
- Bernice Kostik

FF/15/7 2014/15 Dedicated Schools Grant Monitoring

The Forum considered a report of the Head of Finance (Children and Families) which set out the monitoring position of the centrally held Dedicated Schools Grant (DSG)

The report highlighted an estimated underspend of £3.3M which the Council was seeking to carry forward to the next financial year in order to earmark the reserve for anticipated pressures in the 'high needs block.' The Forum was invited to comment on the proposed earmarking of the reserves.

There was a discussion about the importance of targeted mental health services for children and young people and early access to assessment services, eg assessments. Whilst the Forum noted that the statutory target of 20 weeks waiting time for assessments was being met and that overall timescales were linked with a limited supply of Education Psychologists both locally and nationally, members stressed the role of Health partners in the provision of early, appropriate and specialist support for young people.

Decision

To note the projected Dedicated Schools Grant balance for 2014/15.

FF/15/8 Proposed Revision to Growth Fund Criteria

The Forum considered a report of the Head of Finance (Children and Commissioning) which discussed proposed changes to the Growth Fund criteria (the ring fenced fund that is solely used to support growth in pre-16 pupil numbers to meet basic need; additional classes to meet the infant class size regulation and the costs of necessary new schools). The Forum was invited to comment on the implications of changing the criteria to incorporate the costs of new school pre-opening costs and to take a vote on whether to approve the proposed criteria. The Directorate Lead (Children and Families Finance) gave an explanation of the type of costs that would be payable under the Fund and that these would vary depending on the size and nature of the school. The Forum noted that the proposals were in line with other authorities.

Decision

To approve the proposed revised Growth Fund criteria.

(The Forum voted 10 for, 0 against and 4 abstentions)

(Elizabeth Fritchley declared a personal interest as a member of a free school)

FF/15/9 Date of Next meetings

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

- 18th May 2015
- 15th June 2015
- 13th July 2015

DRAFT

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: **Dedicated Schools Grant Update 2015/16**

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

Summary

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 follows on from the DSG settlement figure reported to Schools Forum in January 2015 and provides updated budget figures following academy recoupment and the final, unallocated, 2014/15 early years adjustment payment.

Recommendations

Schools Forum is requested to note:

- Movements in DSG budget allocations since January 2015
- Final confirmed non-recoupment academy cash transfer impact and the allocation of this funding to new local authority responsibilities for non-recoupment academy central costs
- The adjustment to early years 2014/15 funding and the allocation of this funding to fund the anticipated increase in 2015/16 early years pupil numbers
- Level of academy recoupment

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 Local authorities receive funding for education and educational establishments through Dedicated Schools Grant (DSG), Pupil Premium and Education Services Grant. DSG funds mainstream schools, special schools, early years provision and alternative provision (such as pupil referral units). The government provides the DSG to local authorities and each local authority distributes the grant to the local educational establishments based on the local funding formula.
- 1.2 This report sets out the proposed use of the DSG in 2015/16 and movement in budgets since the settlement was reported to Schools Forum in January 2015.

2. CHANGES TO 2015/16 DSG

- 2.1 The 2015/16 DSG was first reported to Schools Forum in January 2015 and totalled £445.151m, Manchester's allocation has changed by approximately £0.951m, this is as a result of the 14/15 early years budget adjustment, confirmation of non recoupment academies budget transfer and high needs block post 16 adjustment. The DfE have also confirmed academy recoupment.

- 2.2 Table 1: DSG movement Jan 2015 – May 2015

	£'000
DSG at Jan 2015	445,151
Add: Former Non Recoupment Academies central budgets adjustment	229
Minus: High Needs block post 16 adjustment	(87)
Add: Early Years 14/15 pupil number adjustment	809
DSG at May 2015	446,102
Academy recoupment: primary and secondary	131,709
Academy recoupment: high needs block	3,768
	310,625

Former non-recoupment academies budget adjustment

- 2.3 Academies with no predecessor (that did not convert from a local authority maintained school) or that were established before 2008 are categorised as 'non-recoupment' academies.
- 2.4 Prior to 2015/16 funding for most academies (around 90%) was included in the local authority area DSG, for these academies the EFA recoups the academies share of the DSG in order to pay the academy their budget share. Funding for around 10% of academies known as 'non recoupment academies' (including free schools) had not previously been included in each local authority's DSG. In 2015/16 all non recoupment academies were converted to

recoupment academies. The situation for free schools will be the same except a new free school will be funded by the DfE in the first year of opening.

- 2.5 In December Manchester's indicative non-recoupment academy budget transfer was £25.780m. The budget transfer was finalised in March 2016 and is £0.229m higher than previously expected.
- 2.6 This increase will be allocated to central costs to meet new budget responsibilities that were previously met by the EFA, such as pupil growth in non-recoupment academies.

High needs block post 16 adjustment

- 2.7 The EFA has changed the way in which post-16 places are planned. Previously, post-16 places have been planned on a residency basis (by the local authority in which the student is resident) but, with effect from the 2015/16 academic year, these places are now planned on a location basis (by the local authority in which the institution is located), to align with pre-16 funding. In March 2015 the high needs block was adjusted to reflect the change from residency to location basis for post-16 before the addition of places from the exceptional cases process. This adjustment led to a high needs block reduction of £0.087m.

Early years block 2014/15 budget adjustment

- 2.8 Each year the EFA adjust DSG budgets to reflect any increase / decrease in early years pupil numbers between the two most recent January census.
- 2.9 Three and four year old pupil numbers rose between January 2014 and January 2015, resulting in an additional payment of £809k, relating to the 2014/15 DSG. This was unallocated in 2014/15 and will fund the anticipated increase in take-up of early years free entitlement this financial year. It is likely that the increase in pupil numbers will match the increase in DSG, but any anticipated under / over spends will be reported to Forum when final EY pupil numbers are known later in the year.

Academy recoupment

- 2.10 Academy school pupils are funded in the DSG at the same rate as the DfE fund maintained school pupils, at a rate of £5,080.79 per pupil. DSG is then recouped by the EFA using the Manchester funding formula allocation for the 2015/16 financial year and this budget is paid to recoupment academies using the same formula on an academic year basis.

2.11 The table below sets out the school status breakdown. Table 2: School status breakdown

	Local Authority Maintained Schools	Recoupment Academy Schools	Former Non recoupment Academy Schools	Total
Nursery	2	-	-	2
Mainstream primary	105	24	-	129
Mainstream secondary	7	13	3	23
Mainstream all through	1	-	1	2
Special schools	14	2	-	16
Free schools	-	-	3	3
Studio school	-	-	1	1
Total	129	39	8	176

2.12 Budgets for recoupment special school academies and post-16 pupils are included in the high needs block allocation. The EFA then recoups place funding from the DSG allocation at a rate of £10k per place and pays this directly to schools and post-16 providers. Local Authorities funds the top ups at all schools. The level of EFA academy recoupment is provided in table one.

3. RECOMMENDATIONS

3.1 Schools Forum is requested to note:

- Movements in DSG budget allocations since January 2015
- Final confirmed non-recoupment academy cash transfer impact and the allocation of this funding to new local authority responsibilities for non-recoupment academy central costs
- The adjustment to early years 2014/15 funding and the allocation of this funding to fund the anticipated increase in 2015/16 of early years pupil numbers
- Level of academy recoupment

**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 Families

Summary

The Department for Education require Local Authorities to fund pre-opening and post 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 include the pre start-up costs and post start-up costs.

The growth fund covers all maintained and academy schools, and free schools after the first year of opening.

Recommendations

Forum Members are asked to approve the amendment to the growth fund criteria to include post-opening costs at a new school.

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 post set-up of new schools.

2. CURRENT GROWTH FUND DEFINITION

- 2.1 Manchester’s current growth fund criteria, as approved at School Forum February 2015, is:

1. Pupil places

- 1.1 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).
- 1.2 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.
- 1.3 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.
- 1.4 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).
- 1.5 Where a significant expansion takes place over a number of year groups schools will immediately receive pro-rata full year funding of £4,234 in primary schools and £6,168 in secondary schools for each additional pupil.

2. Temporary accommodation

2.1 Fund temporary accommodation at actual cost.

3. New schools pre-opening costs

3.1 Fund new school pre-opening costs, such as Head teacher and other staffing and recruitment costs, through a one off lump sum of £75,000 for a primary school and £125,000 for a secondary school or all through school, payable two terms before opening.

3.2 Fund initial equipping at £75 per primary pupil place and £150 per secondary pupil place, payable two terms before opening.

3. POST OPENING COSTS

3.1 Currently a new academy which is established to meet basic need and not the free school route should receive pre and post opening costs from the local authority the academy is based in. Overall, it is estimated that there will be at least two new basic need secondary schools in Manchester over the next two to three years.

3.2 In the February 2015 Forum meeting the Forum approved changes to the Growth Fund criteria to fund pre-opening and start up costs for a new academy. There is currently no provision in the Growth Fund for cost pressures in the initial years after an academy opens, which arise due to the diseconomies of scale. There is risk if the criteria does not have clear provision for post opening funding that new academies cannot adequately plan and adhoc requests are made to the local authority for support.

3.3 Post opening funding should enable a new school to cover essential costs after opening to support leadership and premises costs that cannot be fully funded from funding formula when school numbers are low in the early years of a new school. It is proposed that the growth fund is used to support these schools for three year post opening, by appending the following section to the growth fund criteria:

3.4 Proposed new schools post-opening costs

Fund diseconomies of scale in new schools at a rate of average per pupil amount per sector per percentage point below 90% of planned capacity for the first three years after opening. The current average per pupil amount is £4,234 for primary and £6,168 per secondary pupil.

3.5 For example in a new one form entry school opening with places of 20 places in year one instead of 30 places the growth fund post opening costs funding would be £97k in year one, £30k in year two and £4k in year three, please see illustration below.

3.6 Table 1: One form entry post opening costs

School A	One form entry school places		
	Year one	Year two	Year three
Class one	20	30	30
Class two		20	30
Class three			20
Planned Capacity	30	60	90
% points school is full	67%	83%	89%
90% ceiling	90%	90%	90%
Diseconomies on	23%	7%	1.11%
Per Pupil Primary Proposed opening costs	£000 97	£000 30	£000 4

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 is a call on the school block budget. 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 post opening costs at a new school.

5. RECOMMENDATION

- 5.1 All School Forum members are asked to approve the amendment to the growth fund criteria to include post opening cost at a new school.

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: **Pupil Premium Grant (PPG) – Internal Audit Report**

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

Summary

Internal Audit recently undertook an audit to provide assurance to management over the effectiveness of income maximisation, tracking and reporting arrangements of the pupil premium grant. This report presents the findings of the audit to Forum.

Recommendations

Forum Members are asked to note the content of the audit report and comment where appropriate.

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 Internal Audit recently undertook an audit to provide assurance to management over the effectiveness of income maximisation, tracking and reporting arrangements of the pupil premium grant. This report presents the findings of the audit to Forum.

2. BACKGROUND

- 2.1 Pupil premium was introduced in April 2011. This gave schools extra funding to close attainment gaps for disadvantaged pupils (measured through free school meals eligibility and looked after pupils in care) and to assist with the pastoral needs of children with parents in the armed forces.
- 2.2 The pupil premium is paid to schools and Ofsted inspections report on how schools' use of the funding affects the attainment of their disadvantaged pupils.
- 2.3 Schools are also held to account through performance tables, which include data on:
- the attainment of the pupils who attract the funding
 - the progress made by these pupils
 - the gap in attainment between disadvantaged pupils and their peers

3. AUDIT SCOPE

- 3.1 The audit aimed to provide assurance over the effectiveness of income maximisation, tracking and reporting arrangements of the pupil premium grant. Specifically the audit focused on the following:
1. Clearly understood roles and responsibilities of school staff and Governors involved in managing and challenging PPG spend;
 2. Approach taken to maximise parental awareness and uptake of PPG;
 3. Effective processes for confirming eligibility and recording information are in place; and
 4. Management information and reporting arrangements are sufficient to inform monitoring, challenge and decision making.

4. FINDINGS

- 4.1 Overall, audit were able to provide moderate assurance to management over the effectiveness of income maximisation, tracking and reporting arrangements of the pupil premium grant as there were a number of moderate

and a significant risk identified, preventing a higher assurance opinion at this time.

4.2 Audit identified some areas of good practice across the schools visited including:

- Roles and responsibilities had been clearly allocated to the Head Teacher, the Senior Leadership Team and the School Business Manager, with a shared responsibility to plan and track grant expenditure, to support learning and developmental outcomes.
- Use of different methods to maximise parental awareness of the Pupil Premium Grant, taking into consideration methods of communication, especially for those parents who speak English as an additional language.
- Clearly allocated and understood responsibilities for recording and retaining evidence of pupil eligibility.
- Regular reporting to Governors on academic attainment of eligible pupils in comparison to their non-eligible peers, demonstrating effective use of funding.
- Use of software packages to track pupil attainment on a half-termly basis, allowing Leaders and Governors to challenge, where necessary, the effectiveness of specific interventions, ensuring that money was being spent in the right areas.
- Utilising a “pool” of Teaching Assistants, completing targeted interventions with specific objectives, matching capabilities and skills to the intervention, tracking costs and reporting these on school web-sites.
- Eligible pupils had a high profile in all schools visited, with processes being in place to target these for interventions, with overall expenditure and progress reported to Governors.

4.3 Audit did, however, identify some gaps in processes that have prevented a higher assurance opinion at this time. Specifically:

- Overall, there was a lack of detail provided to Governors in relation to specific intervention costs which would prevent them from challenging whether value for money was being achieved for individual interventions. There was isolated evidence that this was possible, either by using a software package to track intervention and expenditure or by populating manual spreadsheets with interventions, time and cost elements and pupils that had taken part.
- Not all schools had a linked Governor that would demonstrate additional challenge to Head Teachers and have involvement in making decisions on how grant income would be spent.
- A lack of analysis in projecting future Pupil Premium Grant income and the impact this could potentially have on the schools overall longer term funding and strategic approach.

5. AUDIT RECOMMENDATIONS

5.1 Whilst acknowledging limitations in the ability of the Council to direct activity in schools as well as pressures on Council budgets, resources and capacity audit consider there is scope to further develop the guidance and support to

schools in respect of maximising the uptake of the Pupil Premium Grant and wider responsibilities. The recommendations in the actions plan reflect their suggestions for further improvement and include issuing a circular to schools including guidance on:

- Maximising parental applications for the Pupil Premium Grant.
- Approach to analyse individual school data and establish the likely impact on future Pupil Premium budgets.
- Increased Governor challenge and strategic involvement.

5.2 In addition, there are improvements that audit felt the Council can make by:

- Considering implementation of the DfE's on-line Eligibility Checking Service (ECS) and on-line Free School Meal application process.
- Providing all schools with a standard template on which they can base on-line applications for Free School Meals / Pupil Premium via their own school web-site, linking to the Council's web-site, should the decision be taken to use the ECS.
- Providing more information on the Council web-site, promoting the benefits of applying for Pupil Premium, including monetary value.

6. PLANNED ACTION

6.1 The above audit recommendations have been agreed by Officers and will be taken forward.

6.2 At this point in time it is not possible to report on the impact of the UIFSM grant on pupil premium grant allocations, as the 2015/16 allocations have not yet been announced by the EFA. Once this impact is known the LA will report to the Forum on any findings.

7. RECOMMENDATION

7.1 Forum Members are asked to note and comment on the report and findings.

Manchester City Council Report for Resolution

Report to:	Schools Forum
Subject:	Update on Special Educational Needs (SEN) and special school place planning in Manchester
Report of:	Amanda Corcoran – Head of Education Strategy, Access and Inclusion

Summary

This report provides Forum with information on the numbers of children in the city with SEN compared to national data, spend on SEN provision and outlines plans to increase special school and PRU places.

Recommendations

The emerging pressures in the High Needs block are a concern to the council. In order to ensure there are sufficient high needs places the council will look to make efficiencies in areas funded by the high needs block in addition to making an exceptional needs business case to the EFA.

All Forum members are asked to:

- Note on the pressure on high needs places
- Approve the transfer of £600k growth fund to high need block pressures relating growth in demand for secondary pupil referral unit places.

Contact Officers

Name: Amanda Corcoran
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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 A revised Code of Practice for children and young people with SEN which provides statutory guidance on the policies, procedures and requirements of Part 3 of the Children and Families Act was published in September 2014. Changes outlined in the new legislation have been implemented in the City over the last year. Changes to the way that schools and colleges are funded for children and young people have been implemented since April 2013, when these were introduced.
- 1.2 This paper will provide an update on the impact of the changes on numbers of pupils with SEN, how this compares with national data recently released and the impact on the high needs block which is used to fund SEN. The paper will also outline proposals to increase the number of special school places across the city including at the pupil referral units (PRUs).

2. STATEMENTS OF SEN AND EHC PLANS: ENGLAND 2015

- 2.1 In May 2015 the Department for Education (DfE) issued the statistical first release (SFR) of published data from the annual SEN2 data return, which is mandatory for local authorities to complete. The return is the only source of data to report on all statements of SEN and Education, Health and Care (EHC) plans maintained by individual local authorities.
- 2.2 Education, Health and Care (EHC) plans for children and young people aged up to 25 were introduced on 1 September 2014 as part of the Special Educational Needs and Disability (SEND) provisions in the Children and Families Act 2014. From 1 September 2014, any children or young people who were newly referred to a local authority for assessment were considered under the new EHC plan assessment process. The legal test of when a child or young person requires an EHC plan remains the same as that for a statement under the Education Act 1996 meaning a child or young person will need to go through statutory assessment to be issued with an EHC plan.
- 2.3 Transferring children and young people with statements and young people receiving support as a result of a Learning Difficulty Assessments (LDAs) to EHC plans will be phased. All young people who receive support as a result of an LDA who need an EHC plan should have one by September 2016 and the process of transferring statements to EHC plans should be complete by April 2018. In April 2014, Manchester had a total of 2,823 statements/resource agreements or LDAs needed to be converted to EHC plans by these dates. Manchester has received an SEN implementation grant of £828k to support the implementation of the SEN reforms. The vast majority of this funding has been used to increase education, health and care staffing capacity within the statutory assessment team in order to complete the conversion of statements and LDAs to EHC plans within these timescales. This, however, remains a challenge for the Local Authority.
- 2.4 There were 4,205 statutory EHC plans and 235,980 statements maintained by local authorities at 15 January 2015. EHC plans make up 1.7% of the combined total number of statements and EHC plans. This combined total is broadly consistent with the increasing trend from previous years. However, EHC plans cover 0 to 25-year-olds, although numbers remain low for 20 to 25-year-olds. In

Manchester, we currently maintain a total of 2,397 statements / EHC Plans. This includes 1,925 statements, 60 new EHC plans and 412 EHC plans which have been transferred from statements. (There are still a number of children and young people with resource agreements and LDAs which will need converting to EHC plans but are not counted in numbers above). The numbers of young people aged 20 to 25 remain low but the Local Authority is starting to receive requests for EHC plans for individuals in this age group.

2.5 The table below shows the percentage of EHC plans and statements in place by age groups nationally and in Manchester. (Manchester numbers vary from those in the paragraph above because they are the numbers Manchester submitted at time of statistical return and the data the DFE have used to compile national data).

2.6 Table one: EHC plans and statements in place nationally and locally

	National % EHC plans (4,205)	Manchester % EHC plans	National % Statements (235,980)	Manchester % Statements (2,318)
Under 5 years of age	16.1%	n/a	4.5%	3.5%
Aged 5-10	44.8%	100%	37.8%	40.1%
Aged 11- 15	31.6%	n/a	47.0%	47.7%
Aged 16- 19	7.3%	n/a	10.7%	8.7%
Aged 20- 25	0.2%	n/a	n/a	n/a
Total	100%	100%	100%	100%

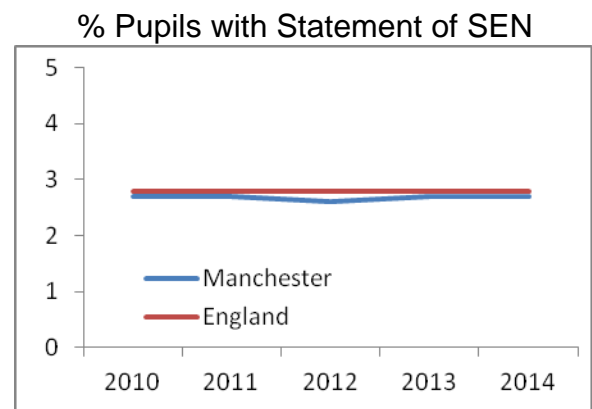
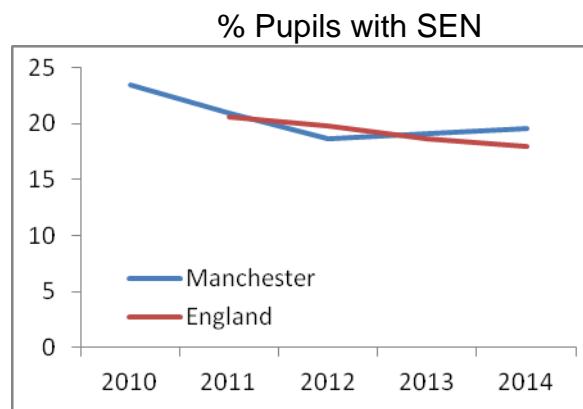
3. STATEMENTS OF SEN AND EHC PLANS: MANCHESTER 2015

3.1 The table below illustrates the current activity in Manchester. The number of statements issued increased by 6% in 2014 and this is in line with other local authorities who also saw a similar rise. It is thought the increase could have been reaction by schools and families to the impending changes in legislation. The figures show the number of requests for new statements/EHC plans, the number issued and proportion within timescale for the last 2 calendar years and current activity this calendar year. Some requests that are not successful are re-submitted with more evidence.

3.2 Table two: Statements and EHC activity

(Years are calendar years)

	2013	2014	2015 (Cumulative)		
			Jan - Mar	Apr-Jun	
Number of requests	488	495		135	190
Number of statements issued	381	442	▲	33	33
Number of EHC plans issued				23	36
% within timescale (Excl. Exceptional Cases)	89%	83%	▼	100%	100%
% within timescale (Of all plans issued)	85%	80%	▼	96%	96%
No. of Statements converted to EHC plan					242



Statements of SEN and EHC plans within the new time limits

3.3 Early indications show that nationally 64.3% of new EHC plans issued from September to December 2014 were within the 20 week time limit. Currently, Manchester is completing 96% of all EHC plans within this timescale.

4. TYPES OF NEED

4.1 This table shows the changes in primary need for children and young people with a statement or at school action plus over the last 3 years in Manchester and how this compares with national data. This data has been taken from the annual census. The table shows that percentage of SEN pupils with autism in Manchester, (although this declined in 2015) and speech, language and communication difficulties, is higher than nationally. The percentage of SEN pupils with moderate learning difficulties increased significantly in 2015 in Manchester but remains below the national.

4.2 Table 3: Profile of SEN Pupils in Manchester Schools

Primary Need	Manchester					England
	2013	2014		2015		2014
Autistic Spectrum Disorder (ASD)	9.2%	10.0%	▲	9.1%	▼	5.8%
Behaviour, Emotional & Social Difficulty (BESD)	26.5%	22.7%	▼	18.4%	▼	21.4%
Hearing Impairment (HI)*	2.0%	2.2%	▲	2.2%	▲	2.2%
Moderate Learning Difficulty (MLD)	20.8%	20.5%	▼	26.6%	▲	28.5%
Multi-Sensory Impairment* (MSI)	0.1%	0.1%	▼	0.1%	▲	0.2%
Other Difficulty/Disability	5.0%	6.4%	▲	6.5%	▲	4.1%
Physical Disability (PD)	3.5%	3.7%	▲	2.9%	▼	4.2%
Profound & Multiple Learning Difficulty (PMLD)	2.2%	1.9%	▼	1.4%	▼	1.3%
Speech Language & Communication Difficulty (SLCD)	13.6%	16.1%	▲	17.5%	▲	12.0%
Severe Learning Difficulty (SLD)	7.9%	6.4%	▼	4.4%	▼	5.2%
Specific Learning Difficulty*	8.2%	8.9%	▲	9.8%	▲	13.8%
Visual Impairment* (VI)	1.1%	1.2%	▲	1.0%	▼	1.2%

* items marked are not funded categories of need in special schools

4.3 Table 4 shows the primary need of the current population of children and young people with a statement of EHC plan. Pupils with autism are now the largest group in this cohort.

4.4 Table 4: Current Statement/EHC Plan numbers by Primary need

Primary Need of Current Statements	Num	%
Autistic Spectrum Disorder	620	27%
Behaviour, Emotional & Social Difficulty	429	19%
Emotional, Behavioural & Mental Health	7	0%
Hearing Impairment	43	2%
Moderate Learning Difficulty	214	9%
Multi-Sensory Impairment	10	0%
Other Difficulty/Disability	0	0%
Physical Disability	113	5%
Profound & Multiple Learning Difficulty	73	3%
Speech Language & Communication	323	14%
Severe Learning Difficulty	479	21%
Social, Emotional and Mental Health	1	0%
Specific Learning Difficulty	27	1%
Visual Impairment	19	1%

The figures show the primary need identified in a SEN statements/EHC plan currently maintained by the LA.

5. FUNDING OF HIGH NEEDS

5.1 Special school places and element 3 (top up) funding for mainstream schools linked to statements/EHC plans are met through the high needs block budget. The tables below show the average cost linked to pupils with a statement/EHC plan in Manchester by type of need and the change in cost over the last 3 years. For mainstream schools the way that pupils with statements/EHC plans are funded changed in April 2013 when schools were required to provide the first £6,000 towards the cost of a pupil's additional support. This is why the average cost of a statements/EHC plan has reduced since 2012/13. Overall spend in mainstream primary schools has reduced but is increasing in secondary schools. The area of highest spend in mainstream primary is autism, followed by speech, language and communication needs. In secondary schools this is significantly more spend linked to behaviour, social, emotional needs than other types of need.

5.2 Table 5: Primary Mainstream Schools – average annual cost per statement/Resourcing Agreement

	2012/13	2013/14	2014/15
	£	£	£
ASD	9,967	8,077	8,212
BESD	10,440	8,200	7,377
HI	8,921	7,133	6,717
MLD	8,578	6,457	6,065
MSI	8,808	7,772	7,920
PD	9,289	7,249	6,834
PMLD	12,682	10,214	9,863
SLCN	9,495	7,149	6,887
SLD	10,530	7,975	8,208
SpLD	7,688	6,670	6,773
VI	8,928	5,279	4,426

5.3 Table 6: Primary Mainstream Schools – annual cost Statement/Resourcing Agreement

	2012/13	2013/14	2014/15
	£	£	£
ASD	1,069,167	944,957	1,094,634
BESD	1,356,693	1,092,447	902,221
HI	57,485	48,188	65,642
MLD	505,615	451,985	368,451
MSI	25,374	31,143	47,970
PD	262,480	287,415	268,877
PMLD	43,577	41,699	30,731
SLCN	1,328,253	1,012,698	937,368
SLD	861,003	580,284	510,134
SpLD	39,629	33,511	33,008
VI	58,376	38,204	21,905
Total	5,607,652	4,562,531	4,280,941

5.4 Table 7: Primary Mainstream Schools – average annual cost per statement/Resourcing Agreement

	2012/13	2013/14	2014/15
	£	£	£
ASD	9,617	7,582	6,074
BESD	9,649	8,104	6,975
HI	8,130	7,679	5,137
MLD	8,277	7,909	5,323
MSI	0	0	7,814
PD	9,583	9,376	6,844
PMLD	8,000	8,000	6,443
SLCN	8,281	6,712	5,262
SLD	9,716	9,308	6,313
SpLD	6,908	2,289	4,499
VI	12,013	8,052	5,808

5.5 Table 6: Secondary Mainstream Schools – annual cost Statement/Resourcing Agreement

	2012/13	2013/14	2014/15
	£	£	£
ASD	337,797	157,771	263,751
BESD	725,388	287,953	594,435
HI	49,842	26,193	43,130
MLD	344,727	214,466	265,034
MSI	0	0	7,163
PD	217,930	132,117	167,684
PMLD	8,000	5,543	9,610
SLCN	346,361	219,334	379,899
SLD	327,578	117,549	193,268
SpLD	22,795	954	19,049
VI	24,025	14,755	20,866
Total	2,404,443	1,176,635	1,963,889

6. SPECIALIST PROVISION

6.1 Currently, 49% of pupils with statements/EHC plans in Manchester attend a special school and 2% attend an alternative provision (this including the PRUs, Hospital school or Home education). There has been a steady increase in the numbers of pupils attending Manchester special school.

6.2 Table 7: Special schools pupil numbers

	2012	2013	2014	2015
All Pupils	1,078	1,095	1,156	1,181

Special school population - figures are from the January school census in each year shown.

- 6.3 The tables below show the average costs of a special school place by type of need and overall spend on special school places by type of need. This shows that, since the introduction of the schools funding reforms in April 2013, the highest area of spend across this sector is on SLD and autism (ASD).

Table 8: Average annual cost per pupil 2013-2016

Category of need	Cost per pupil (£)
ASD	17,525
BESD	20,436
MLD	10,888
PD	17,416
PMLD	18,590
SLCN	14,925
SLD	17,525

Table 9: Total spent in year (£'000)

Category of need	2013/14 (£)	2014/15 (£)
ASD	4,580	5,065
BESD	4,264	4,326
MLD	152	65
PD	772	517
PMLD	2,429	2,559
SLCN	308	109
SLD	7,127	7,390
TOTAL	19,633	20,031

Resourced provision in mainstream schools

- 6.4 In addition to this, a number of places have been created in resourced provision in mainstream schools for pupils with statements/EHC plans and this has increased each year as new provisions have been developed. Currently, there are currently 86 pupils placed in resourced provision.

Table 10: Resource Provision

Financial Year	Places	Total cost (£'000)
2013/14	125	2,049
2014/15	146	2,473
2015/16	143	2,431

Placement in independent schools

- 6.5 The growth in the city's school population and the resulting pressure this has put

on specialist placements for some types of need such as autism has meant that there has been an increase in spend on day placements in the specialist independent sector as shown in the table below. However, the number of placements in residential provision has continued to decrease.

6.6 Table 11: Independent school placement

	2012/13	2013/14	2014/15	Spend 2014/15
Day placements	73	86	90	£2,102,987
38 week residential	5	5	5	£223,375
52 week residential	37	34	26	£3,209,561

6.7 The number of day placements will increase in 2015/16. This will potentially put an additional pressure on the high needs block and may tie up funding which has been used in previous years to create additional and new specialist places within the city.

7. PRU PLACE

7.1 The number of places at both the primary and secondary PRUs have increased year on year over the last 3 years and both provisions also now offer a number of specialist places for pupils with statements/EHC plans.

Table 12: PRU places

PRU	2013/14		2014/15		2015/16	
	Places	Budget (£'000)	Places	Budget (£'000)	Places	Budget (£'000)
Primary	18	669	36	1,156	48	1,426
Secondary	310	4,241	310	4,241	320	4,736

7.2 The school population in Manchester has been increasing significantly since 2008. This has led to an increased demand for school places across the city including places offering specialist provision. Currently, 1.6% of the school population attend specialist provision either within a special school or resourced provision and this continues to be factored into future planning for school places. The picture mirrors that of mainstream growth and the increased demand for special school places is now impacting on secondary specialist provision. In September 2015, an additional 62 places have been put in place across the special school sector to meet demand, with a further 24 to be in place in January 2016. This will cost £1.1m in place and top-up funding and £1.5m to fund expansions or new provisions. A further 107 places across the system have been planned for 2016/17 which includes a free school proposal for a new secondary special school. These plans will cost £3.3m for setting up the new provisions and an additional £2.2m in place and top-up funding.

- 7.3 All of these places will need to be funded from the high needs block which does not fully reflect the growth in pupil numbers. Going forward this will place a significant pressure on this funding and the Local Authority will have to look at reductions in other areas funded by the high needs block to meet this demand in addition to making a business case to the EFA.
- 7.4 The capital funding required to create these places will need to come from the Local Authority's basic need capital allocation and through Free School proposals. In addition, the Local Authority will need to use the DSG underspend and growth fund for some of these expansions.
- 7.5 In addition, there is currently pressure on places at the PRUs. Some of these children have statements of SEN/EHC plans and other demand has come from the increased school populations and the additional pressure that this creates on the school system e.g. lack of space, flexibility, staff capacity and funding pressures to meet high levels of social emotional mental health needs. The local authority commissions places at both PRUs and in addition schools buy places as an alternative to exclusion. The place level funding for the school commissioned places are funded by the high needs block. The secondary PRU has increased by 80 places this year. The PRU currently holds a £200k budget which is allocated to the Behaviour and Attendance partnerships in the first instance to assist placement of children who fall into the In Year Fair Access Protocol. It is proposed that the £200k funding is redirected to meet the costs of additional places and a further £600k is met through a permanent transfer of £600k from the growth fund. This expansion is directly linked to the recent growth in pupil numbers in the secondary phase. An additional 12 primary PRU places have been put in place already this year, funded by the high needs block and a further 12 are planned for 15/16.

8. RECOMMENDATION

- 8.1 This report provides a summary of high need block for 2015/16 and a breakdown of the emerging pressures in the high needs block, which are a concern to the Council. In order to ensure there are sufficient high needs places the Council will look to make efficiencies in areas funded by the high needs block in addition to making an exceptional needs business case to the EFA.
- 8.2 All School Forum members are asked to:
- Note and comment on the report
 - Approve the transfer of £600k of the growth fund budget to fund additional secondary PRU places. There is capacity in the growth fund budget to do this.

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 design³ <p>The learning characteristics:</p> <ul style="list-style-type: none"> • playing and exploring • active learning • creating and thinking critically
Free School Meals (FSM)	<p>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.</p>
Education Services Grant (ESG)	<p>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.</p>
Executive	<p>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.</p>
Free Schools	<p>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.</p>
Growth Fund	<p>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.</p>
Headroom	<p>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.</p>
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	The new funding formula to be introduced in 2013/14 contains three funding blocks (Early Years, Schools and High Needs). The Schools Block will fund all pupils not funded through High Needs or Early Years and consists of the following factors: <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)	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. Section 251 replaces section 52 of the School Standards and Framework Act 1998 in England. Section 52 still applies in Wales. 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.
Sparsity	The DfE have defined sparsity as: "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. We will be introducing an optional sparsity factor based on the above model for 2014-15."
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	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. Schools will be funded £2.30 for every meal taken up by newly eligible pupils (those not currently eligible to a FSM). 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.