



Schools Forum

Date: Monday 13th July 2015

Time: 4.00pm

Venue: Scrutiny Room, 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 15 June 2015 (enclosed).
4. Dedicated Schools Grant outturn 2014/15
5. Feedback from National School Funding Conference
6. Launch of Scheme for Financing schools
7. Forward Plan
8. Update on water charges
9. Date of next meetings :
 - 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:

Carolyn Whewell

Tel: 0161 234 3011

Email: c.whewell@manchester.gov.uk

Manchester Schools Forum

Minutes of the meeting held on 15 June 2015

Present:

Members of the Forum

Secondary Sector Head Teachers: Gillian Houghton

Secondary Sector Governors: None

Primary Sector Head Teachers: Patricia Adams, Mike Cooke

Primary Sector Governors: Brendon Jones, John Janulewski

Special School Head teacher: None

Special School Governors: Peter Tite

Academy Representative: Andy Park, Ian Fenn,

Pupil Referral Unit Representative: None

Nursery School Representative: None

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

Bernice Kostick (attending for Alan Braven, Special School Headteacher)

Elizabeth Fritchley (attending for Peter Mulholland, Academy Representative)

Executive Members:

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

Councillor Rosa Battle (Executive Member for Culture and Leisure)

Council Officers:

Rachel Rosewell, Head of Finance, Children and Families

Reena Kohli, Directorate Financial Lead, Children and Families

Adel White, Senior Finance Manager, Children and Families

Mark Baskerville, Auditor

Gavin Sugden, Auditor

Apologies: Sarah Navin, Mary Metcalfe, Collette Plant, Saeeda Ishaq

FF/15/10 Bernice Kostick

The Forum thanked Bernice Kostick who was stepping down as a Forum member, for all her hard work on the Forum over the years.

FF/15/11 Urgent Business

The Chair advised the Forum that he had agreed for an oral report from Mr Park, Academy Representative on the budget setting process for academy schools following the recent financial situation between Chorlton High School and Newall Green High School.

FF/15/12 Minutes

The minutes of the meeting on 23 February were submitted for approval. A member

noted that they attended the February meeting but their presence was not recorded.

Decision

To approve the minutes of the Schools Forum meeting on 23 February subject to the above amendment.

FF/15/13 Dedicated Schools Grant Update 2015/16

The Forum considered a report of the Head of Finance for Children's Services which provided an update on the Dedicated Schools Grant (DSG). 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.

The Directorate Lead Children and Families Finance explained the adjustments to the grant that were highlighted in section 2.2 of the report. This included budget figures following recuperation of funding from academy schools and the final unallocated, 2014/15 early years recalculation which was due to the increase in provision for 3 and 4 year olds.

The Forum noted the report.

Decision

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

FF/15/14 Proposed Revision to Growth Fund Criteria

The Department for Education require local authorities to fund the cost of new schools both before and after they open from the growth fund. This applies to schools that are needed due to local demand for school places. 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.

The Forum was asked to approve the amendment to the criteria so that it included post-opening costs at a new school. In February, 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, Without the means of funding post opening costs, there was a risk that new academy schools would not be able to plan suitable education provision.

The Forum discussed the pressure on school places and the likelihood that new schools would be needed as the increase in the number of pupils at primary schools moved through to secondary schools. The Directorate Lead Children and Families Finance confirmed that the fund could accommodate the predicted growth in school pupils over the next few years, but this could be reviewed. Overall, it is estimated that there will be at least two new secondary schools in Manchester over the next two to three years. The Forum voted unanimously to agree to the amended criteria.

Decision

To approve the amendment to the growth fund criteria to include post-opening costs at a new school.

FF/15/15 Pupil Premium Grant (PPG) – Internal Audit Report

The Forum considered a report of the Head of Finance – Children’s Services that presented the findings from a recent internal audit report. The report aimed to provide assurance to management over the effectiveness of income maximisation, tracking and reporting arrangements of the pupil premium grant. The findings of the report would be communicated to schools through the governors’ networks. The representative from internal audit introduced the report and summarised the main findings.

The Forum discussed the recommendation that encouraged individual schools to review how to maximise applications for PPG and the fact that there had been a reduction in the number of applications for free school meals. Members recognised the need for schools to do their own analysis of projected applications for free school meals and the long term impact on funding. Overall, they did not feel that the number of free school meals was a robust indicator for measuring the need for providing funding for disadvantaged children.

Forum members questioned impact that the introduction of free school meals would have on PPG claims but this was not known but officers were working on the analysis for this. In response to a question, the auditors confirmed that the report was based solely on primary schools as they were not able to gain access to any secondary schools in the timescale allowed.

Decision

To thank the auditors for attending the meeting and to note the contents of the report.

FF/15/16 Update on Special Educational Needs and Special School Place Planning in Manchester

The Forum considered a report of the Head of Education Strategy, Access and

Inclusion which provided information on the numbers of children in the city with SEN compared to national data, the amounts spent on SEN provision and the plans to increase special school and PRU places.

The Head of Education Strategy, Access and Inclusion introduced the report and explained that the Council was required to transfer over the 2823 children with special educational needs to the new Education Health and care assessments by September. The number of children with special needs had increased by 6% in 2014, which was an overall percentage increase as well as the overall increase in pupil numbers. Consequently, this had placed substantial pressure on the high needs block of the Dedicated Schools Grant. The report asked for the Forum to approve the transfer of additional funding from the growth budget to fund additional secondary PRU places to meet the demand.

The Forum discussed the pressure on SEN provision and noted that a case would need to be made to the Department for Education to fund these places in the long term. They referred specifically to former grants for gifted and talented pupils that were now rolled in to the DSG budget.

Decision.

To approve the transfer of £600,000 of the growth fund budget to fund additional secondary PRU places.

FF/15/17 Greater Manchester Devolution

The Head of Children's Finance provided an oral update on the Greater Manchester Devolution Agreement. The 10 local authorities in greater Manchester had agreed to work together with devolved budgets to deliver a number of priorities including health and social care, supporting people to get back into work and closing the productivity gap (the amount of money contributed to the government through taxes compared to the amount claimed in benefits for a local area. This would have a knock on effect for school funding.

In the Manchester context, there is a various economy in school funding. There was an opportunity for Greater Manchester to make a case for certain elements of school funding to be devolved to greater Manchester under the devolution agreement. The Head of Children's Finance highlighted six key areas which could form part of the case to the government. The deadline for making this case was very tight but a more detailed report would be brought to the July meeting of the Forum.

The Forum recognised the opportunities that this presented including reviewing ways in which local authorities could share the cost of back office functions such as school admissions. The Executive Member for Children's Services confirmed that there was substantial potential for combined working under the devolution agreement, and the opportunity to make a case for a fairer funding formula.

Decision

To note the report

FF/15/18 Dates of Future meetings

The Forum agreed the dates of future meetings:

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

FF/15/19 Financial Arrangements between Newall Green High School and Chorlton High School

The Head Teacher of Chorlton High School informed members of the current situation. Chorlton High School was an academy school with a surplus budget. They had been asked by the Department for Education and the local authority to join with Newall Green High School to convert to an academy. This had gone well and a number of cost reductions were achieved. However, funding from the Education Funding Agency was not in line with previous anticipated funding and this had created a deficit in the budget for Newall Green. Chorlton High School had been forced to set a deficit budget for the next financial year because of this reason. He explained that other schools supporting academy conversions should be aware of this situation.

Manchester City Council Report for Resolution

Report to: [Schools Forum](#)

Subject: **Dedicated Schools Grant and School Balances 2014/15 – Outturn Report**

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

Summary

The provisional outturn for schools is an overall revenue surplus of £26.340m, which is a £2.222m increase in the total surplus held compared to 2013/14.

The final position on the centrally retained element of the Dedicated Schools Grant (DSG) was an underspend of £2.833m.

This report summarises the;

- outturn position on school balances as at 31 March 2015; and the
- final outturn position on the DSG including the net surplus on all maintained schools and the final position on the centrally retained DSG.

Recommendations

All members of Schools Forum are asked to:

- Note maintained school balances as at 2014/15.
 - Note the DSG balance carried forward into 2015/16.
 - Approve the proposed use of the £2.833m DSG surplus.
-

Contact Officers:

Name: Reena Kohli
Position: Directorate Lead Children and Families Finance
Telephone: 0161 234 4235
E-mail: r.kohli@manchester.gov.uk

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 purpose of this report is to state and explain the final position of the Dedicated Schools Grant (DSG) for 2014/15 in respect of schools and the Council. The 2014/15 DSG, after academy recoupmnt, was £325.2m, of which £304.3m was delegated to schools and £20.9m was retained centrally by the Council.

2. PROVISIONAL OUTTURN POSITION FOR SCHOOLS

2.1 The provisional outturn position for maintained schools is an overall revenue surplus of £26.340m. This is a £2.222m increase in the total surplus held compared to 2013/14. This excludes school balances held on capital codes. The reported position will be finalised when all Consistent Financial Reporting returns have been uploaded to the Collect system during the summer term.

2.2 Total Balances by Sector 2014/15:

TOTAL						
	2014/15		2013/14		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	2	531	2	335	0	196
Primary	105	19,562	109	16,698	-4	2,864
Secondary	9	3,126	12	4,572	-3	-1,446
Special	14	3,121	14	2,513	0	608
Total	130	26,340	137	24,118	-7	2,222

Schools with SURPLUS revenue balances						
	2014/15		2013/14		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	2	531	2	335	0	196
Primary	104	19,602	109	16,698	-5	2,904
Secondary	8	3,468	12	4,572	-4	-1,104
Special	13	3,152	14	2,513	-1	639
Total	127	26,753	137	24,118	-10	2,635

Schools with DEFICIT revenue balances						
	2014/15		2013/14		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	0	0	0	0	0	0
Primary	1	-40	0	0	1	-40
Secondary	1	-342	0	0	1	-342
Special	1	-31	0	0	1	-31
Total	3	-413	0	0	3	-413

2.3 Annually, an analysis of reserves review is completed for each school deemed to have excess balances. The following table provides detail on all schools

above the allowable revenue balance, which is 8% of the budget share for primary and special schools and 5% of the budget share for secondary schools, at the end of the 2014/15 financial year.

School Sector	No. of schools with excess balances	Total of excess balances £'000
Nursery	2	441
Primary	70	7,362
High School	3	1,342
Special	9	1,512
Total	84	10,657

The table below summarises the categories of commitment for the schools:

School	Amount Over the Threshold £'000	Holding Balances on behalf of other schools £'000	Holding External Balances - eg Banker School Funding £'000	Planned Work, not yet began or completed £'000	Planned asset purchases e.g ICT equipment, Library restocking £'000	To offset future year budget reductions £'000	Contingency for backdated payments £'000	Pupil Premium £'000	Total - Committed spend £'000
Nursery	441			230	25	150			405
Primary	7,362	5	20	6,203	793	440	121	301	7,883
Secondary	1,342			645		631	45	27	1,348
Special	1,512		63	1,196	354				1,613
Total	10,657	5	83	8,274	1,172	1,221	166	328	11,249

2.4 Schools have provided commitments for £11,249k, which is above the level of excess balances that they were required to commit. The majority of commitments were allocated to planned work for which 71 schools held balances, ranging from £2k to £500k per school, totalling £8,274k. The majority of the allocations were for buildings and grounds improvements and extensions.

3. RETAINED SCHOOL BUDGET 2014/15

3.1 The final outturn position on the centrally retained element of the DSG was an underspend of **£2.833m**. The table below sets out the note to the Council's Annual Accounts in respect of the DSG, which has been reported to the Department for Education.

	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2014/15			418,303
Academy figure recouped for 2014/15			98,472

Total DSG after Academy recoupment			319,831
Brought forward from 2013/14			5,415
Carry forward to 2014/15 (agreed in advance)			0
Agreed budgeted distribution in 2014/15	20,939	304,306	325,246
In year adjustments	0	0	0
Final budgeted distribution for 2014/15	20,939	304,306	325,245
Less actual central expenditure	18,106		
Less actual ISB deployed to schools		304,306	
Plus Local Authority contribution for 2014/15	0	0	0
Carry forward to 2014/15	2,833	0	2,833

- 3.2 In February 2015 the Council reported to Schools Forum an estimated DSG underspend of £3.3m. The movement between the projection and final outturn position totals £0.5m and arose as a result of:
- £0.5m of additional service charges at PFI schools in Manchester;
 - (£0.4m) reduction in Growth Fund expenditure due to delayed projects and reduced final costs of completed projects;
 - £0.3m additional SEN fees for pupils placed out of city; and
 - £0.1m additional delegated early years budgets as a result of increased pupil numbers in the City.

4. DSG CARRY FORWARD

- 4.1 In February 2015 Forum discussed earmarking the 2014/15 DSG carried forward for anticipated high needs block budget pressures. The proposed use of the £2.883m underspend is as follows:

	<u>£'000</u>
• Special school places development	1,113
• Post-16 learning disabilities	1,000
• Resource provisions within schools	720
	2,833

- 4.2 The high needs block is a volatile, high risk area due to the static nature of the block and the increasing pupil numbers in the City each year.
- 4.3 The Council has already started to develop more local less costly provision, creating additional special school places to meet demand within Manchester. The growth in the City's pupil numbers continues to feed through to the high needs block and further increases in special school places and resource provision places in mainstream schools will be required in 2015/16.
- 4.5 It is proposed that £1.1m of 2014/15 DSG underspend is used to develop special school places to meet increasing demand. £720k of the underspend is proposed to support the development of resource provision in the central and south areas of the City.
- 4.6 Funding of the additional special school and places going forward are planned

to be met from a reduction in the Out of City budget, anticipated demographic high needs block growth and through finding further efficiencies in High Needs block. Details of planned growth of special school places is provided in another item on the agenda.

- 4.7 In September 2013, local authorities became responsible for funding high need resources for all 16-25 year old high needs learners. An one off DSG underspend contribution of £1m is proposed to support this area of budget pressure.

5. RECOMMENDATIONS

- 5.1 All members of Schools Forum are asked to:
- Note the school balances as at 2014/15.
 - Note the DSG balance carried forward into 2015/16.
 - Approve the proposed use of the £2.833m DSG surplus.

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Update from National Fair Funding Conference**

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

Summary

This paper provides an update following attendance at the National Fair Funding conference. The bi-annual conferences are an established forum for education local government funding policies. It brings colleagues together to communicate directly with DfE representatives and funding experts to share strategies, experiences and concerns through networking. These conferences provide a valuable means of understanding the latest developments and emerging issues. The day was lead by financial, educational and political speakers who identified the important changes and the future outlook for educational funding and how local authorities could be affected.

Recommendations

Members of Schools Forum are asked to note the report.

Contact Officers:

Name: Reena Kohli
Position: Directorate Lead Children and Families Finance
Telephone: 0161 234 4235
E-mail: r.kohli@manchester.gov.uk

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 Once or twice a year there is a national conference about education funding. The speakers include DfE / EFA officials as well as others involved in school and education funding e.g. LAs and schools involved in piloting new funding arrangements. This note provides a summary of some of the key topics covered at the most recent conference held on the 17 June 2015.
- 1.2 There was very little in terms of announcements from DfE, this was probably due to the timing of the conference being scheduled shortly after the general election.

2. HEADLINES FROM THE CONFERENCE

Future Outlook for school funding

- 2.1 Officials indicated that the EFA are currently looking at arrangement for 2016/17 with ministers. Once decisions are made operational guidance or consultations will be issued / launched. Consultation, if required will happen over the summer.
- 2.2 The Institute of Fiscal Studies provided some high level analysis of education funding in the last few years and going forward. Even though a commitment has been given to protect school funding for 5-16 year olds in the next few years was given, increasing pupils numbers and rising employee costs school budgets will be under significant pressure in the next few years. The changes to NI and pension contributions will add a 9-10% pressure on school budgets
- 2.3 It is therefore foreseeable that even though schools may receive the same on a per pupil basis, in cash terms schools will be able to buy less with the money they have. There was agreement in the context of the current education system that schools will have to do more for less in the next few years.

Improving the Funding process

- 2.4 The EFA gave local authorities feedback on the completion of key funding returns. EFA talked through the improvements and changes to the returns required from the LAs. A number of LA officers fed back that it was challenging to confirm the funding levels at school level 2/3 weeks after the December announcement. The EFA indicated that this deadline could not be moved.
- 2.5 In particular the EFA talked through the local authority area funding formula return for 5-16 year olds in mainstream provision. This indicated that the 2016/17 reforms are likely to be on a local authority basis rather than an introduction of a national funding formula at school level.

CIPFA Social Care Benchmarking

- 2.6 The Chartered Institute of Public Finance run a benchmarking club. Local Authorities use this data to assist in the need to reduce expenditure and improve outcomes for children.
- 2.7 One Local Authority presented how they had used the data when reviewing Look After Children budgets.

SEN Transport - reducing expenditure

- 2.8 This session explored the options being pursued by a metropolitan authority. Like Manchester they had looked at what was the statutory minimum requirement and promoting alternative travel solutions, in particular independent travel. The authority were working with O2 and developing a mobile phone application which will enable a young person to undertake a journey independently and enables travellers to make emergency contact.

Alternative provision funding

- 2.9 The EFA and DfE representatives presented a seminar on the changes to AP. From 2015/16 onwards:
- The place value of AP for academies is increasing from £8k to £10k
 - LAs along with their schools need to manage their AP requirements locally
 - In the future the EFA will deduct the AP place funding for AP Academies after 2 years of it opening.
- 2.10 It was queried what course of action was there where academies with a high level of exclusions and were not working within the spirit of local arrangements that focused more on preventing exclusions. The EFA advised that this needed to be discussed with the Local Schools Commissioner and could be addressed through peer pressure. The EFA did not feel there was anything in the Academies Handbook that prevented academies purchasing preventative places in AP.

Local Authority School Improvement Ofsted Inspections

- 2.11 Peterborough shared their experiences of the Ofsted inspection. This session provided information on how to prepare for the inspection and self evaluation.

3. RECOMMENDATIONS

- 3.1 Members of Schools Forum are asked to note the report and consider their response to the forthcoming funding pressures.

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: Scheme for Financing Schools

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

Summary

Every Local Authority has to have a scheme for financing schools. This document defines the financial relationship between ourselves and the maintained schools in our area. The Department for Education (DfE) provides a model scheme. The local authority can amend or add to the scheme to reflect any local changes or policies. Sometimes local authorities have to make revisions to the scheme that are directed by the DfE.

All schools are consulted on any amendments or additions to the scheme and they all have to be approved by the Schools Forum.

The current Manchester Scheme for Financing Schools, as approved by Schools Forum, is available below, and supersedes all previous versions. The link to the current scheme is below:

http://www.manchester.gov.uk/info/500124/teachers_and_practitioners/4996/financial_regulations_for_schools_-_15k

This paper provides an update relating to the proposed review of Scheme For Financing Schools.

Recommendations

Members of Schools Forum are asked to note the report.

Contact Officers:

Name: Reena Kohli
Position: Directorate Lead Children and Families Finance
Telephone: 0161 234 4235
E-mail: r.kohli@manchester.gov.uk

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 This paper provides information about the updates required for the Scheme For Financing Schools.
- 1.2 Local Authorities are required to publish schemes for financing schools, setting out the financial relationship between them and the schools they maintain. They provide schools with a single convenient reference document containing all the essential information about detailed requirements of financial management and administration, whilst also giving practical guidance about standards and good practice.
- 1.3 This document lays down the detailed financial regulations and procedures that schools must follow in order to demonstrate proper accountability and to safeguard the governors and staff of the school.
- 1.4 When making any changes to the scheme, the local authority must consult all schools and receive the approval of the members of the schools forum representing maintained schools.
- 1.5 It has been noted that the Scheme for Financing Schools has not been updated in a while and therefore officers will review the document and consult where changes are required.

2. REVIEW PROCESS

- 2.1 July - September: officers will meet with relevant colleagues to discuss possible changes and updates contained within this guidance.
- 2.2 October: Forum meeting – present feedback and determine if any revision is necessary to the regulations

3. AREAS THAT NEED REVIEWING

Loans

- 3.1 Officers are currently working with colleagues who are working with Greater Manchester Authorities around the authority's rules and regulations around schools applying for Salix loans.
- 3.2 Manchester Schools must liaise with Finance when considering taking out a Salix loan and the authority will borrow the money on behalf of schools.
- 3.3 Guidelines will be written up and added to the Scheme for Financing Schools (3.6 Borrowing by schools and 4.9 Loan schemes).

Purchase Cards

- 3.4 During the recent months the Authority has changed its banking arrangements from The Co operative Bank to The Barclays Bank. It has come to light that due to technical difficulty The Barclays Bank is unable to provide debit cards on the schools bank accounts and as a solution the Authority has made these schools aware of the Purchase Card facility which is available to all Manchester Schools.
- 3.5 Purchase cards are supplied by RBS and are visa branded and therefore can be used all over the world if required.
- 3.6 Many schools use debit cards to make purchases on behalf of the school over the internet. Using debit cards on the internet is very risky.
- 3.7 Purchase cards are far more secure and in the event of fraudulent use of a purchase card the school will be covered by an insurance policy which subject to a few requirements ensures there would be no financial loss.
- 3.8 Guidelines will be written up and added to the Scheme For Financing Schools (2.10 Purchasing, tendering and contracting requirements).

4. RECOMMENDATIONS

- 4.1 Officers will review the Scheme For Financing Schools and work alongside colleagues to update the guidance and bring back to the Forum in October for approval.
- 4.2 Members of Schools Forum are asked to note the report.

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: **Schools Forum: Forward Plan**

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

Summary

Forward plan of Schools Forum business for the forthcoming year.

Recommendations

Members of Schools Forum are asked to note the report.

Contact Officers:

Name: Reena Kohli
Position: Directorate Lead Children and Families Finance
Telephone: 0161 234 4235
E-mail: r.kohli@manchester.gov.uk

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 following report provides a forward plan for essential approvals and reports that will be brought to the Schools Forum by officers throughout the 2015/16 academic year. Further reports will be added to the Forum agenda as and when required.

2. FORWARD PLAN

Meeting	Reports
28th September 2015	<ul style="list-style-type: none">• Update to Scheme for Financing Schools review
16th November 2015	<ul style="list-style-type: none">• Schools Funding 2016/17
14th December 2015	<ul style="list-style-type: none">• DSG Report 2016/17• Outcome of Scheme for Financing Schools consultation
18th January 2016	<ul style="list-style-type: none">• DSG settlement and budget for forthcoming year
22nd February 2016	<ul style="list-style-type: none">• DSG budget monitoring
16th May 2016	<ul style="list-style-type: none">• Outturn report – School Balances and centrally retained DSG• DSG update – adjustment to grant allocations• Benchmarking
13th June 2016	<ul style="list-style-type: none">• Annual Review of Scheme for Financing Schools and School Financial regulations• Update on School Funding reforms
11th July 2016	

- 2.1 Updates to school funding reforms will be provided to Schools Forum as announcements are made.

3. RECOMMENDATIONS

- 3.1 Members of Schools Forum are asked to note the report.

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)
Subject: **Water Charges – an update**
Report of: Senior Finance Manager (School Budgets)

Summary

Following meetings with United Utilities and authorities in the north-west, this reports informs Schools Forum of the progress made to date with regards to water bills across the north-west and nationally.

Recommendations

Members of Schools Forum are asked to note the report.

Contact Officers:

Name: Richard Shirley
Position: Senior Finance Manager (School Budgets)
Telephone: 0161 234 1463
E-mail: r.shirley@manchester.gov.uk

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 Following meetings with United Utilities and authorities in the north-west, this report informs Schools Forum of the progress made to date with regards to water bills across the north-west and nationally.

2. BACKGROUND

- 2.1 In 2007/08 OFWAT recommended that utility companies revised standing water and highways drainage charges to more accurately reflect actual drainage levels of a building. The revised charges were likely to have increased school water bills.
- 2.2 It has previously been brought to Schools Forum's attention that schools in the north-west pay higher comparable water bills than many other geographical areas. Investigation has been undertaken by the LA's Energy Management Team as to why this is and what can be done.

3. UPDATE

- 3.1 Following a multi-authority meeting in 2014, United Utilities have revised their billing policy slightly to reflect north-west concerns. The company have agreed to investigate whether some school sites drain into rivers or brooks, not directly into sewers. Previously the cost of such investigations has fallen on the customer, but United Utilities have agreed to cover the costs of these investigations. If school sites drain into rivers and not sewers then schools are entitled to a drainage charge discount.
- 3.2 It is anticipated that approximately 12 schools in Manchester could fall into this category. The Energy Management Team in Manchester are working with United Utilities to investigate these sites and establish if a discount is available.
- 3.3 It is not anticipated that any other changes will be implemented by United Utilities that will impact on school water bills. It is the opinion of United Utilities that other areas will more likely be required to implement changes to ensure they are compliant with the OFWAT guidance regarding standing water and highways drainage charges. Such changes will be a matter for OFWAT and each utility company to discuss.

4. RECOMMENDATIONS

- 4.1 Members of Schools Forum are asked to note the report.

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 Early Years Foundation Stage Profile Handbook <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 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 £1billion nationally between 2014 and 2016, including £150million of capital funding in 2014-15 to improve kitchen and dining facilities, to support UIFSM.