



Schools Forum

Date: Monday 18th January 2016

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) Fiaz Riasat, vacancy

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

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

Special School Headteachers (1) Alan Braven

Special School Governor (1) Peter Tite

Academy Representative (5) Elizabeth Fritchley, Andy Park, Liza Carr, Ian Fenn, Collette Plant

Pupil Referral Unit Representative (1) Helen McAndrew

Nursery School Representative (1) Liz Hardy

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 14 December 2015 (enclosed).
4. Dedicated Schools Grant update 2016/17
5. Date of next meetings :
 - 22nd February 2016
 - 16th May 2016
 - 13th June 2016
 - 11th July 2016
9. 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 14 December 2015

Present:

Members of the Forum

Secondary Sector Head Teachers: Gillian Houghton

Secondary Sector Governors: None

Primary Sector Head Teachers: Patricia Adams, Mike Cooke, Sarah Navin, Saeeda Ishaq

Primary Sector Governors: None

Special School Head teacher: Alan Braven

Special School Governors: None

Academy Representative: Andy Park, Elizabeth Fritchley Ian Fenn, Collette Plant

Pupil Referral Unit Representative: None

Nursery School Representative: Liz Hardy

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

Executive Member: None

Council Officers:

John Edwards, Director of Education and Skills

Reena Kohli, Directorate Financial Lead, Children and Families

Richard Shirley, Senior Finance Manager, Children and Families

Adel White – Senior Finance Manager

Apologies: Fiaz Rasat, Brendon Jones, Councillor Rosa Battle, Joshua Rowe

FF/15/35 Minutes

The minutes of the meeting on 16 November 2015 were submitted for consideration as a correct record. A member highlighted that the following people were present at the Forum's last meeting: Councillor Rosa Battle (Executive Member), John Edwards (Director of Education & Skills), Adel White (Council Officer)

Decision

To approve the minutes of the Schools Forum meeting on 16 November 2015, subject to the amendment above.

FF/15/36 Election of the Chair, Vice Chair and oral update on Forum membership

Nominations for Ian Fenn as Chair and Andy Park as Vice Chair were proposed and seconded. The Forum agreed to this.

The Directorate Financial Lead, Children and Families informed members that John Janulewski had resigned from his position on the Forum as Primary Sector Governor

representative. There is a secondary governor vacancy and a primary governor vacancy.

Decision

1. The Forum agreed to elect Ian Fenn as Chair, and Andy Park as Vice Chair of Forum for the year.
2. To note the resignation of Mr Janulewski as Primary Sector Governor representative on the Forum.

FF/15/37 Dedicated Schools Grant 2016/17

The Forum considered a report of the Interim Head of Finance – Directorate for Children and Families which summarised the Spending Review education funding announcements that impact on Schools Forum. Due to its statutory role in the management of the schools block element of the Dedicated Schools Grant (DSG), the Forum was asked to approve the amounts for specific budget headings which would in turn form part of the overall budget planning process for 2016/17.

The Forum noted that the formula for the schools block element was compliant with the DSG's current requirements and, in view of the Government's commitment to introduce funding formulae from 2017/18 onwards, no changes to the formula for 2016/17 had been proposed. The Directorate Financial Lead, Children and Families informed the Forum that Manchester Schools were unlikely to gain as a result of reform.

Discussions turned to the further reduction of the Education Services Grant to Local Authorities and Academies and the forthcoming consultation to be launched in the New Year. The Forum discussed ways in which to gather information in order to prepare and establish its formal response. It also discussed ways in which to illustrate the interrelated factors that impact on pupils/families who experience multiple levels of deprivation or present with complex needs, and how as a consequence this is reflected across Manchester schools. Officers were therefore asked to explore the most appropriate ways in which to illustrate the predicted significant effects on outcomes for Manchester's school children in the approach to the opening of the consultation. A suggestion was made that an interim meeting of the Forum could be convened in order to finalise its response. The Forum also stressed the importance of encouraging as many people as possible to engage in the consultation as it was acknowledged that response rates have been historically low.

Decision

1. To note the annual redistribution of early years block funding formerly used to fund the targeted full time early years funding (£9.2m) back to primary schools in the schools block funding formula.
2. To approve de-delegation for Trade Union Duties at £279k, based on current pupil estimates this would equate to £6.29 per pupil in maintained schools.

3. To agree to retain the following budgets
 - Admissions Team at a level of £1,582,000
 - Schools Forum (including associated operating cost) at a level of £5, 000 -
 - Revenue Capital Expenditure at a level of £737, 000
 - Special Educational Needs transport at a level of £500, 000
 - Growth Fund budget at a level of £6.7m

4. To request that officers explore the most appropriate ways in which to illustrate the predicted significant effects on outcomes for Manchester's school children as part of the Forum's formal response to the consultation.

FF/15/38 Early Years Funding Update

The Forum considered a report of the Interim Head of Finance – Children, Adults and Public Health which discussed the findings of a benchmarking exercise to compare early years hourly funding rates across the North West Authorities. The Forum had been asked to compare rates of pay for registered childminders with neighbouring authorities by the Young People and Children's Scrutiny Committee.

The Senior Finance Manager (School Budgets) explained to members the difficulties that are associated with comparing rates of pay in a clear and transparent way. This was largely due to variations in the ways in which authorities fund early years settings, as no standardised funding criteria had yet been introduced for this particular block. As result the information had been expressed at group provider level into categories of private, voluntary and independents (PVI) school nurseries and nursery schools with estimated average hourly rates.

There was a discussion about the methodology of the exercise – a member felt that the figures demonstrated that Manchester's rates of pay could be viewed as being average when compared with other North West Authorities. Another member felt that when compared with statistical neighbours Manchester paid the lowest rates. He indicated that there was a growing sense of dissatisfaction amongst the PVI sector with regard to the current rates of pay. The Forum noted however that the Government's recent spending review had announced additional investment to increase average hourly rates for childcare providers on which the Forum would be informed. In addition, a national Early Years Funding Formula would be introduced in 2017/18 and the Authority was planning to undertake a review of the formula in the interim.

Decision

To note the update.

FF/15/39 Consultation outcome for the change to the scheme for financing schools

The Forum considered a report of the Interim Head of Finance Children, Adults and Public Health which summarised the consultation outcome on changes to the Scheme for financing schools some of which were either directed or proposed. The revised changes would affect the register of business interests of the Governing Body, borrowing by schools, provision of financial information, purchase cards and loan schemes, with effect from January 2016. The Forum noted that the majority of schools that had responded to the consultation were in agreement to both the directed and proposed changes to the Scheme and members who were representatives of maintained schools approved the revisions.

Decision

To approve the directed and proposed changes.

FF/15/40 Date of next meetings

Decision

To approve the dates of the meetings for the forthcoming year:

- 18th January 2016
- 22nd February 2016
- 16th May 2016
- 13th June 2016
- 11th July 2016

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Dedicated Schools Grant 2016/17

Report of: Interim Head of Finance - Children, Adults and Public Health

Summary

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

This report details the 2016/17 £471m Dedicated Schools Grant (DSG) settlement received on the 17 December 2015 and contains the intention to distribute £2.3m of unallocated DSG across mainstream schools and the high needs block.

The DSG settlement and proposed budget is scheduled to be presented to the Council's Executive for approval in February 2016.

Recommendations

Schools Forum is requested to comment and note:

- The 2016/17 Dedicated Schools Grant settlement.
- Notification of adjustment to funding of the two, three and four year old offer will be received in June 2016.
- Formula funding of 235 DSG unfunded primary places and 104 DSG unfunded secondary places, in line with Department for Education guidance.
- Potential risk with the high needs budget for 2016/17 due to Department for Education not fully recognising pressures on the high needs block budget.
- Approach to allocate deprivation funding.
- The creation of an additional 160 special school places.

All Schools Forum members are asked to provide a view on:

- The intention to allocate £2.3m of unallocated DSG funding to the high needs block pressures (£1.8m) and schools block individual school budget shares (£0.5m).

The Council is reviewing the spend in the high needs block over the coming year alongside the imminent consultation on the national funding review, therefore decisions made now will be subject to review in a year's time.

Contact Officers:

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Name: Richard Shirley
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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1. INTRODUCTION

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant and may only be applied to meet costs that fall within the Council's Schools' Budget. Any under or over spend of grant from one year must be carried forward and applied to the budget in future years. The government provides the DSG to councils and each council distributes the grant to the schools and local educational establishments based on the local funding formula.
- 1.2 This report sets out the DSG allocation in 2016/17, as announced by the Department for Education (DfE) on 17 December 2015.
- 1.3 The DfE needs notification of individual school budgets for 2016/17 by the deadline of 21 January 2016. Final school budgets will be issued to schools in February 2016.

2. DEDICATED SCHOOLS GRANT 2016/17

Background

- 2.1.1 The Government started the reforms to the school funding system in April 2013. The reforms are intended to ensure that all schools are funded in accordance with a simpler, more consistent funding framework as a transitional arrangement towards a national funding formula. The Dedicated Schools Grant (DSG) funds school budgets and is split in three blocks: the schools block, early years block and high needs block.
- 2.1.2 At a national level DSG funding for schools has not recognised inflationary pressures. Schools are reporting that inflationary increases are being experienced in both pay and non-pay related costs. Academies are reporting reductions in a number of academy specific budget protections. The DfE recently stated in the Autumn Statement that it expects schools at a national level to find £1bn of 'back office efficiency savings' in order to meet these pressures.
- 2.1.3 The DfE is planning to introduce a new national funding formula for schools, early years and high needs through the DSG, with a consultation in early 2016 and implementation of changes from 2017. The new system will aim to level out funding across councils. As Manchester is currently relatively highly funded, there is risk of a reduction in funding for Manchester maintained and academy schools. However, assurances have been given that the new funding formula will take into account the needs of disadvantaged pupils. Historically the DfE has sought to protect individual school budgets from significant year on year changes and it is anticipated that the transitional arrangements to the national funding formula will include a form of individual school budget protection. DSG funded central services have historically not been given the same level of budget protection.

DSG 2016/17 Allocation

2.2.1 This funding is provided in two stages: first, the Government provides the grant to councils, and then councils distribute the grant to local educational establishments. Councils receive the DSG for all maintained and academy schools in the area.

2.2.2 The key movement in Manchester's DSG between 2015/16 - 2016/17 is as a result of increases in pupil numbers. The basis of 2016/17 DSG funding to Manchester is as follows:

- Schools block – funded through schools Guaranteed Unit of Funding (GUF) **£5,157.84** multiplied by the 70,706 Manchester funded pupil numbers at October 2015.
- Early years block – funded through early years GUF **£5,822.91** multiplied by January 2015 three and four year old free entitlement take up but revised later for January 2016 and January 2017 take up, plus two year old offer funding based on level of take-up of offer and early years pupil premium.
- High needs block – based on historical allocations for pupils with special educational needs (SEN). The high needs block allocation increased by £1.8m in 2014/15 and £0.97m in 2015/16 in recognition of demographic changes in the 2 to 19 year old population. Manchester has received a proportion of the £92.5m allocated nationally by the DfE. The high needs block adjustment does not adequately reflect Manchester's growth in pupil numbers.

2.2.3 The table below sets out the key movements in DSG allocation.

Table one – DSG Allocation Movements 2015/16 - 2016/17

Dedicated Schools Grant Movements	15/16 £m	16/17 £m
Previous years' DSG	418.63	455.07
Changes to LA Responsibilities		
Non recoupment academies	25.83	0.5
Early years pupil premium	0.89	-
Demographic changes		
Change in two year old funding	-4.46	TBC
Pupil number increases	13.22	14.58
High needs block increases	0.96	0.83
DSG allocation	455.07	470.98

Schools Block - £365m allocation

- 2.3.1 The schools block funds the delegated budgets of compulsory school age pupils in primary and secondary schools and a number of services and costs in support of education in schools.
- 2.3.2 Manchester's funded pupil numbers increased between October 2014 and October 2015 by 2,951. The change in compulsory school age pupil numbers is shown in table two below:

Table two - October Census 5-16 year olds

Sector	Pupil numbers on roll				
	2013/14 Oct-12	2014/15 Oct-13	2015/16 Oct-14	2016/17 Oct-15	Change (15/16 – 16/17)
Primary	40,198	41,925	44,511	46,643	2,132
Secondary	19,696	19,564	23,373	24,195	822
Alternative provision	16	2	-	-	-
Resource units	(233)	(113)	(129)	(132)	(3)
Total	59,677	61,378	67,755	70,706	2,951

- 2.3.3 The 2,132 increase in the primary sector; 822 increase in the secondary sector and 3 pupil decrease in mainstream school resource units, which are funded through the high needs block, as at the October census leads to a £15m increase in the schools block funding allocation.
- 2.3.4 In addition to funding 70,706 pupils through the mainstream formula, in line with DfE guidance an additional 235 primary places and 104 secondary places in new mainstream settings that do not have a full compliment of year groups will be funded. In normal funding arrangements with no planned place funding, additional pupils would start in September and be recorded on the census for the first time in October. The school would not receive funding until the following April for the additional year group. This is unmanageable in new schools that are growing a year group per year. In line with DfE guidance Manchester currently allocates place funding for autumn and spring terms for new year groups as the school admits another year group at the start of each academic year. This needs to be extended to summer term for academy schools and free schools that are funded on an academic year basis as their funding lag is longer. Forum is asked to note that Manchester has not received DSG funding for the 235 primary and 104 secondary places being funded in the schools formula.

Early Years Block - £41m allocation

- 2.4.1 The early years block will be used to fund two, three and four year olds' early education in schools and private, voluntary and independent settings and the early years pupil premium.

- 2.4.2 The estimated grant allocation for three and four year olds is based on the number of three and four year olds on the January 2015 census multiplied by a figure of £5,822.91 per full time equivalent three and four year old pupil. The early years allocations are provisional and will be updated based on January 2016 and January 2017 data.
- 2.4.3 The two year old grant allocation rate is currently £4,702.50 per full time equivalent eligible child taking up the offer. Changes to next year's two year old funding and early years pupil premium allocation levels will be confirmed at a later date.
- 2.4.4 In December 2013 the Council's Executive agreed that from September 2014 the funding previously passed to schools to fund the additional 10 hours for full-time nursery places will remain within the school block budgets and was to be distributed based on deprivation indicators relating to pupils in individual schools. This enabled schools to opt to use this funding to provide full-time nursery places, in addition to the 15 hours per week early education to which all three and four year olds are entitled. In 2016/17 £9.2m of early years block funding will move to the schools block.

High Needs Block Allocation - £64m

- 2.5.1 The 17 December 2015 DSG announcement confirmed that Manchester will receive an additional £0.8m high needs funding in recognition of demographic growth in the City. Based on current levels of spend and factoring in plans to create an additional 160 special school places and pressures on post-16 budgets it is estimated there are £1.8m of pressures in this block, after factoring the additional grant. Given this outcome the budget will be difficult to manage in 2016/17, the additional high needs block grant allocation does not adequately reflect Manchester's growth in pupil numbers.
- 2.5.2 Manchester's planned high needs places across special schools and other education providers, is provided in appendix one of this report.

3. MANCHESTER'S DSG BUDGET TO SCHOOLS AND OTHER EDUCATION PROVIDERS

- 3.1.1 The Council is not seeking to change the composition of the schools and early years funding formula to schools. However, due to a significant change in datasets from the DfE deprivation unit values in the schools block deprivation IDACI unit values have been reviewed in order to minimise large budget movements. The 2015/16 and proposed 2016/17 schools block and early years formula unit values and allocations are provided in the appendices of this report. Further information on the IDACI is provided in paragraph 3.3.1-3.3.2.
- 3.1.2 Manchester is a high delegating area; most of the DSG is delegated out to schools or other education providers. Approximately 92% of the DSG will be allocated to schools and other providers, the balance will be retained by the

Council. 71% of the retained schools budget is allocated to schools in-year, such as: in-year SEN / Education Health and Care plan adjustments.

3.1.3 Table three sets out the breakdown of DSG blocks. The table provides a summary of the split between individual school budgets (ISB) and those budgets retained centrally by the authority (RSB) across each of the blocks in 2015/16 and 2016/17. Forum made a number of decisions on the amount of DSG to be centrally retained by the Council in 2016/17 for specified purposes at the December 2015 meeting.

Table three – DSG individual school budgets and retained school budget split

	Schools £m	Early Years £m	High Needs £m	Total DSG £m
Individual Schools Budget 2015/16	341.6	38.6	40.2	420.4
Retained Schools Budget 2015/16	8.6	2.2	23.9	34.7
Total 2015/16	350.2	40.8	64.1	455.1
DSG grant income	(365.3)	(40.8)	(64.9)	(471.0)
Transfer from EY to Schools Block	(9.2)	9.2	-	-
Available budget 2016/17	(374.5)	(31.6)	(64.9)	(471.0)
Individual Schools Budget 2016/17	362.0	29.2	41.4	432.6
Retained Schools Budget 2016/17	10.2	2.4	25.3	37.9
Planned expenditure 2016/17	372.1	31.6	66.7	470.4
Unallocated Headroom 2016/17	(2.3)	-	1.8	(0.5)

3.1.4 Forum is asked to note that after calculating the initial individual schools funding formula there is £2.3m capacity in the schools block and £1.8m pressures in the high needs block.

3.1.5 Given the DSG outcome the high needs block budget will be difficult to manage in 2016/17.

Schools Block

3.2.1 Individual school budget shares are the higher of the local funding formula or Minimum Funding Guarantee (MFG). The MFG requires a funding top-up to be paid to schools where the local funding formula results in a reduction in per pupil funding in excess of the maximum determined by the DfE. It compares

the final budget from one year to the next and adjusts for changes in the number of pupils. The DfE MFG has set a maximum per pupil reduction of 1.5%. This protection is designed to ensure a degree of funding stability to schools and the Council does not have permission from DfE to increase the level of MFG protection. In order to ensure the MFG protection and formula is affordable some schools have their budget gains capped. Capping may only be applied to the extent that it offsets the cost of the MFG and it must be applied on the same basis to all schools. Manchester current cap is set at 4%. In order to maximise potential budget protection prior to the next reforms the Council seeks to move schools off MFG funding.

Table four – Schools protected by MFG, Capped on Formula Funding

Sector – before allocation of headroom	Number of schools			
	MFG	Capped	Formula	Total
Primary	50	3	81	134
Secondary (including two all through schools)	16	0	11	27

Change in DfE Schools Block Data Set - Income Deprivation Affecting Children Index

- 3.3.1 The key determinants of local formula funding are pupil numbers and individual pupil characteristics. Deprivation, English as an additional language and low prior attainment are the main determinants of pupil characteristics. In 2015/16 £22m of the schools block allocation was distributed amongst Manchester schools based on the 2010 Income Deprivation Affecting Children Index (IDACI). The index is sourced from the Department for Communities and Local Government and measures the proportion of children under the age of 16 that live in low income households. For 2016/17 the DfE have updated the IDACI factor in the schools block dataset to include the latest 2015 published data. Under the revised dataset Manchester has experienced significant movement across IDACI bands, due to the large period of time since the index was last updated; pupils have moved out of the more deprived IDACI bands and into less deprived bandings. As a result, if the per pupil amounts remained at the same level as 2015/16, only £17m would be distributed through the IDACI funding factors.
- 3.3.2 In order to prevent large swings in funding the Council has modelled different scenarios to redistribute the 2015/16 IDACI funding at the £22m cash level. Some models were chosen based on neighbouring authority average per pupil unit values (statistical neighbours, geographical neighbours and national averages). Other models were chosen using a flat cash per pupil increase across all bands. Another model introduced a weighted average applied to the unit values across the bands, with larger increases in the bands that saw the largest increase in pupil numbers. The weighted average scenario reduces turbulence the most across schools, with the lowest numbers of schools requiring per pupil funding reduction protection.

3.3.3 Schools Forum has always endorsed that the Council seeks to minimise turbulence to individual schools when modelling. With this in mind the Council is adopting the final scenario, using calculated weighted IDACI banding increases. Forum is asked to comment on this approach.

Schools Block Headroom

3.4.1 Table five sets out £2.3m of unallocated budget, known as ‘headroom’, which is the balance of funding between the DSG allocation and the amount required to fund individual school budgets and other commitments.

Table five - Breakdown of sources of schools block headroom

£m	Source of headroom
2.0	Change in pupil profile and pupil growth
0.1	Reduction Non Domestic Rates due to Academy conversions
0.2	Changes to Pupil and School Characteristics
2.3	Total headroom

3.4.2 Below is a detailed breakdown of how this headroom has arisen:

- Growth in pupil numbers - £2m. The DSG allocation per pupil from the DfE is £5,157.84 per pupil. On average £4,068 per primary pupil and £5,768 per secondary pupil has been re-allocated through formula. Increases in pupil numbers in the primary have created most of the unallocated DSG.
- Reduction Non Domestic Rates - £0.1m. All academies receive mandatory rates relief of 80% and conversions from maintained school to academy status in 2015/16 mean £0.1m of DSG has been freed up.
- Changes to Pupil and School Characteristics - £0.2m. This has arisen due to the combined impact of changes to individual pupil characteristics that determine school budget shares, such as: English as an additional language and prior attainment data sets.

3.4.3 The Council seeks Forum view on re-distribution of the £2.3m. The Council has arrived at an intended approach made on the basis of addressing the City’s priorities for education and supports the strategic goal to maximise protection to school funding reductions in preparation of the 2017/18 funding reforms.

3.4.4 The Council intends to move £1.8m of the headroom to the high needs block and allocate £0.5m across all pupils in the schools block. This would increase baseline funding levels in the schools block and would enable management of some of the known 2016/17 high needs block pressures.

3.4.5 Allocating £0.5m headroom equally across Manchester’s 71k funded pupils would lead to an additional £14 per pupil allocation across mainstream school. This change would lift 11 schools off MFG onto the funding formula and move an additional school onto the formula cap, as set out in table below.

Table six – Schools protected by MFG, Capped on Formula Funding after allocation of £0.5m headroom

Sector – after allocation of £0.5m headroom	Number of schools			
	MFG	Capped	Formula	Total
Primary	40	4	90	134
Secondary (including two all through schools)	15	0	12	27

- 3.4.6 At this stage it is not anticipated that the risks in the high needs block can be managed without transfer of funding from the schools block headroom. The transfer would enable management of known pressures in this block.

High Needs Block pressures

- 3.5.1 Based on current levels of spend and factoring in plans to increase special schools places next year to reflect demographic growth it is estimated there are at least £1.8m of known pressures in the high needs block, after factoring the £0.8m additional grant allocation. The pressures mainly relate to demographic pressures and additional duties around 19-25 years olds with high needs.
- 3.5.2 The Council is reviewing the spend in the high needs block over the coming year alongside the imminent consultation on the national funding review. Therefore decisions made now will be subject to review in a year's time.

Table seven – High Needs Block pressures

	£m
Demographics income	(0.8)
Special school place expansion	1.25
Independent school placements	0.4
Post-16 SEN – no's	0.95
TOTAL	1.8

- Special school expansion – The school population in Manchester has been increasing significantly since 2008. This has led to an increased demand for school places across Manchester 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 160 place expansion mirrors that of mainstream growth and does not increase the proportion of children attending a special school in Manchester. The increased demand for special school places is now impacting on secondary specialist provision. The secondary sector has

raised a number of concerns on the level of Social, Emotional and Mental Health needs places. The planned additional specialist places across type are provided in the table below.

Table eight – New Specialist places

Sector	Social, Emotional and Mental Health needs (PRU)	Social, Emotional and Mental Health needs (Special School)	Other need	New School	Total
Primary	12	14	15	-	41
Secondary	80	-	14	25	119
Total	92	14	29	25	160

- Independent school placements - 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.

Table nine - Independent school placements

	2012/13	2013/14	2014/15	2015/16
Day placements	73	86	97	85
38 week residential	5	5	4	2
52 week residential	37	34	26	19
Total	115	125	129	106

- Post-16 with High Needs - The funding source for these students remains a combination of DfE, through funded places at post 16 institutions, and the DSG. For funding purposes, a high needs student is defined as a young person aged 16-18 who requires additional support costing over £6,000; and any young person aged 19-25 subject to an Education, Health and Care plan (EHC plan) that requires additional support costing over £6,000. Post 16 pressures mainly relate to the growth in learner numbers, additional responsibilities for high needs post 19 year olds that came into force September 2013, and increased complexity of need. In 2014/15 Manchester's post 16 learners totalled 308, in 2015/16 Manchester is currently funding 325 post 16 high needs learners. Due to a relatively large number of complex placements at two Manchester colleges the average cost of a post-16 high needs place has risen from £16.3k per learner in 2014/15 to £17.8k in 2015/16.

3.5.3 The pressures in the high needs block are a concern to the Council. In order to ensure there are sufficient high needs places beyond 2016/17 the Council will continue to look to make efficiencies in areas funded by the high needs block. The Council is currently analysing and forecasting high needs demand over the next 3-5 years in order to inform, plan and manage future pressures in this area.

3.5.4 Forum is reminded that in both 2014/15 (£2.43m) and 2015/16 (£2.83m) an element of the previous year's DSG underspend was earmarked to high need block pressures. It is unlikely at the end of this financial year that there will be a DSG underspend.

4. PUPIL PREMIUM

4.1 The Early Years PPG was introduced for eligible three and four year olds from 1 April 2015. For providers this is calculated and paid by the Council at the DfE set rate of 53p per hour (up to £302.10 per year if an eligible pupil attends for 15 hours per week). Children qualify for the early years pupil premium due to family income and / or if adopted from care or a looked after child.

4.2 The school aged pupil premium funds pupils who have been entitled to free schools meals in the previous six years, looked after pupils, pupils adopted from care and service children. This grant is paid outside of the DSG. The DfE have announced that there are no changes to pupil premium rates in 2016/17.

Table ten – pupil premium rates

Eligible pupils	2015/16 rate (£)	2016/17 rate (£)	Change (£)
Early years three – four year olds (funded through DSG)	53p per hour, to a max. of £302.10 per pupil	53p per hour, to a max. of £302.10 per pupil	-
Free school meals – primary aged pupils	1,320	1,320	-
Free school meals – secondary aged pupils	935	935	-
Looked after / adopted from care	1,900	1,900	-
Service children	300	300	-

5. CONCLUSION AND RECOMMENDATIONS

5.1.1 This report provides a summary of DSG settlement for 2016/17 and a breakdown of the schools block (5-16 year olds) and provides overall indicative individual school budgets and overall early years block and, high needs block budgets

5.1.2 The report also sets out the pressures in the high needs block which are a concern to the Council. These pressures are subject to on-going analysis and review.

5.1.3 The proposed DSG budget for 2016/17 for each funding block is set out below, before allocation of headroom:

Table eleven – proposed DSG 2016/17

Block	Grant Allocations £m	Transfers £m	Proposed Budget £m		Total £m
			Retained	Delegated	
Schools	(365.30)	(9.20)	10.18	361.97	(2.35)
Early Years (indicative)	(40.78)	9.20	2.38	29.20	-
High Needs (including post-16)	(64.90)	-	25.32	41.39	1.81
Total Funding	(470.98)	-	37.88	432.56	(0.54)

5.1.4 The Council will also notify the Department for Education of individual school budgets, subject to approval by the Executive, by the deadline of 21 January 2016. Final school budgets will be issued to schools as soon as possible after Executive approval in February 2016.

5.1.5 Schools Forum is requested to comment and note:

- The 2016/17 Dedicated Schools Grant settlement.
- Notification of adjustment to funding of the two, three and four year old offer will be received in June 2016.
- Formula funding of 235 DSG unfunded primary places and 104 DSG unfunded secondary places, in line with Department for Education guidance.
- Potential risk with the high needs budget for 2016/17 due to Department for Education not fully recognising pressures on the high needs block budget.
- Approach to allocate deprivation funding.
- The creation of an additional 160 special school places.

5.1.6 All Schools Forum members are asked to provide a view on:

- The intention to allocate £2.3m of unallocated DSG funding to the high needs block pressures (£1.8m) and school block individual school budget shares (£0.5m)

The Council is reviewing the spend in the high needs block over the coming year alongside the imminent consultation on the national funding review. Therefore decisions made now will be subject to review in a year's time.

APPENDIX ONE – Planned High Needs places across schools and education providers	Institution Category	Total Pre-16 Places	Total 16-18 Places	Total 19+ Post School Places	Total High Needs Places
SPECIAL SCHOOLS					
Ashgate Specialist Support Primary School	Maintained Special School	98	-	-	98
Bridgelea Pupil Referral Unit	PRU	60	-	-	60
Buglawton Hall School	Maintained Special School	20	-	-	20
Camberwell Park Specialist Support School	Maintained Special School	100	-	-	100
Grange School	Maintained Special School	148	23	-	171
Lancasterian School	Maintained Special School	96	-	-	96
Manchester Hospital Schools	Maintained Special School	40	5	-	45
Manchester KS3 And 4 PRU	PRU	400	-	-	400
Meade Hill School	Maintained Special School	37	-	-	37
Melland High School	Academy – Special	98	57	-	155
North Ridge High School	Maintained Special School	94	43	-	137
Piper Hill High School	Academy – Special	97	38	-	135
Rodney House School	Maintained Special School	42	-	-	42
Southern Cross School	Maintained Special School	54	-	-	54
The Birches School	Maintained Special School	136	-	-	136
TOTAL SPECIAL SCHOOLS		1,520	166	-	1,686
RESOURCE UNITS IN MAINSTREAM SCHOOLS					
Abraham Moss Community School	Maintained School - Mainstream	22	-	-	22
Alma Park Primary School	Maintained School - Mainstream	10	-	-	10
Barlow Hall Primary School	Maintained School - Mainstream	7	-	-	7
Bowker Vale Primary School	Maintained School - Mainstream	7	-	-	7
Broad Oak Primary School	Maintained School - Mainstream	7	-	-	7
Manchester Academy	Academy - Mainstream	10	-	-	10
Newall Green High School	Academy - Mainstream	12	9	-	21
Pike Fold Primary School	Maintained School - Mainstream	7	-	-	7
Plymouth Grove Primary	Maintained School - Mainstream	14	-	-	14
Rack House Primary School	Maintained School - Mainstream	7	-	-	7
St James' CofE Primary School Gorton	Academy - Mainstream	7	-	-	7
St Peter's RC High School	Maintained School - Mainstream	12	-	-	12
St Willibrord's RC Primary School	Maintained School - Mainstream	7	-	-	7
Webster Primary School	Academy - Mainstream	7	-	-	7
TOTAL RESOURCE UNITS IN MAINSTREAM SCHOOLS		136	9	-	145
POST-16 PROVIDERS					
Loreto College	Further Education Provider	-	-	92	92
The Manchester College	Further Education Provider	-	-	166	166
Xaverian College	Further Education Provider	-	-	13	13
TOTAL POST-16 PROVIDERS		-	-	271	271

APPENDIX TWO – Special school average per pupil funding rates

Category	Need	Details	Average value £
Elements 1 and 2 place funding	Pre and post 16	Funding for all LA commissioned places	10,000
Element 3 top up funding	SEMH	Social, emotional and mental health needs	10,409
	ASD	Autism spectrum disorders	7,643
	MLD	Moderate learning difficulties	1,006
	PD	Physical disabilities	7,585
	PMLD	Profound and multiple learning disabilities	8,707
	SLCN	Speech, language and communication needs	5,043
	SLD	Severe learning difficulties	7,643
	Assessment Early Years	Pre-school aged assessments	9,384
	Residential Care	Top up to support residential schools	66,784
	PRU	Top up rate for LA funded secondary school PRU places	3,250

APPENDIX THREE – Schools Block Formula Changes 2013- 2017		2013/14	2014/15		2015/16		2016/17 (before headroom allocation)	
		Per pupil unit values £	Per pupil unit values £	Change £	Per pupil unit values £	Change £	Per pupil unit values £	Change £
BASIC ENTITLEMENT	Primary	3,101.00	3,104.00	3.00	3,106.00	2.00	3,106.00	-
	Key Stage 3	4,111.00	4,114.00	3.00	4,116.00	2.00	4,116.00	-
	Key Stage 4	4,476.00	4,729.00	253.00	4,731.00	2.00	4,731.00	-
FREE MEALS	Primary	341.00	456.00	115.00	493.00	37.00	493.00	-
	Secondary	425.00	473.00	48.00	473.00	-	473.00	-
IDACI: BAND 1	Primary	30.00	175.00	145.00	236.00	61.00	296.00	60.00
	Secondary	50.00	82.00	32.00	82.00	-	142.00	60.00
IDACI: BAND 2	Primary	70.00	217.00	147.00	278.00	61.00	353.00	75.00
	Secondary	90.00	124.00	34.00	124.00	-	199.00	75.00
IDACI: BAND 3	Primary	80.00	227.00	147.00	288.00	61.00	383.00	95.00
	Secondary	105.00	140.00	35.00	140.00	-	235.00	95.00
IDACI: BAND 4	Primary	130.00	279.00	149.00	340.00	61.00	435.00	95.00
	Secondary	240.00	280.00	40.00	280.00	-	375.00	95.00
IDACI: BAND 5	Primary	200.00	352.00	152.00	413.00	61.00	488.00	75.00
	Secondary	320.00	364.00	44.00	364.00	-	439.00	75.00
IDACI: BAND 6	Primary	350.00	509.00	159.00	570.00	61.00	570.00	-
	Secondary	450.00	499.00	49.00	499.00	-	499.00	-
LOOKED AFTER CHILDREN	All schools	-	-	-	-	-	-	-
PRIOR ATTAINMENT	Primary	1,204.00	1,308.00	104.00	1,308.00	-	1,308.00	-
	Secondary	5,000.00	2,801.00	(2,199.00)	2,801.00	-	2,801.00	-
ENGLISH AS AN ADDITIONAL LANGUAGE	Primary	380.00	380.00	-	380.00	-	380.00	-
	Secondary	2,063.50	2,064.00	0.50	2,064.00	-	2,064.00	-
MOBILITY	Primary	526.00	526.00	-	526.00	-	526.00	-
	Secondary	1,500.00	1,500.00	-	1,500.00	-	1,500.00	-
LUMP SUM	All schools	155,000.00	155,000.00	-	155,000.00	-	155,000.00	-
MFG Capping Factor (%)	All schools	1.75%	4.00%	2.25%	4.00%	-	4.00%	-
MFG Protection (%)	All schools	(1.50%)	(1.50%)	-	(1.50%)	-	(1.50%)	-
Totals Block Funding	All schools	297,186,317.02	312,526,882.41	15,340,565.39	351,398,964.09	38,872,081.68	362,434,406.67	11,035,442.58

APPENDIX FOUR - Early Years Block	Applies to	2015/16	2016/17	Difference
Maximum 15 hours per week for 38 weeks		Hourly rates (£)		
Base Rate	Nursery schools	6.10	6.10	-
	Mainstreams	2.35	2.35	-
	Childminder	2.00	2.00	-
	Playgroup	2.05	2.05	-
	Day Nursery	2.30	2.30	-
Grants	Nursery schools	1.21	1.21	-
Quality Supplement	All	1.15	1.15	-
IDACI supplement	All	0.00 - 0.25	0.00 - 0.25	-

Glossary of Terms and Acronyms

New additions to the glossary are coloured blue

Academies	Publicly funded independent schools that are outside 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 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.