



Schools Forum

Date: Monday 11th July 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) vacancy, 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. National Funding Consultation update
4. Dedicated Schools Grant Outturn
5. Forward plan
6. Prudential Borrowing (to be tabled at meeting)
7. Date of next meetings :
 - 27th September 2016
 - 17th November 2016
 - 15th December 2016
 - 16th January 2017
 - 28th February 2017
 - 18th May 2017
 - 15th June 2017
 - 13th July 2017
8. 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 City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **National Funding Formula Update**

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

Summary

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

On 7 March 2016, the Department for Education issued the first stage of a consultation on a new national formula that will be used for the distribution of funding. Alongside the consultation, the government has issued a case for change and consultation summary; a summary of the current funding system and an equality analysis.

This report updates Form on next stages of the funding reforms.

Recommendations

Members of Schools Forum are asked to consider their approach to the response to the next stage of the national funding consultation.

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 first stage consultation on the National Funding Formula (NFF) covered the overall structure of the reformed funding system and proposals for the Schools and High Needs Blocks. Some details were provided about phasing/protection, as well as changes to the Education Services Grant and central budgets. No information was published in relation to the Early Years Block.
- 1.2 The consultation closed on 17th April. There was very little time after this for DfE to issue the second consultation, due to the purdah period four weeks before the EU referendum.
- 1.3 It was understood that the earliest date on which the next set of documents could be published was the 24th June. It is now expected that the consultation will be issued in July. DfE has indicated that the second consultation will provide examples of weightings and values for the NFF. It is understood that any values will be for consultation purposes; they are therefore subject to change. The final decisions on the NFF factor values will be determined by the October 2016 census.

2. IMPLEMENTATION OF REFORMS

- 2.1 Assuming the second consultation is published in July, there will only be little time to analyse the information and draft a response for the Schools Forum to agree before the end of the summer term. It will be necessary to send draft emails for comments during the summer holidays, given the next meeting planned is not until 27th September.
- 2.2 It is very unlikely that the recommended consultation period of twelve weeks will be adhered to for the second stage, because responses would not be submitted until mid-September. There will also need to be a consultation paper on the proposals for the Early Years Block, as no information has yet been published.
- 2.3 If the process keeps to the usual timescales, DfE will have to analyse responses from the next phase of consultation within a period that will enable final decisions to be taken in September, so that draft School and Early Years Finance Regulations can be consulted on during October.
- 2.4 The new regulations are needed in order to set the legislative framework for the new system. This would include the definition of the blocks (including the new Central Schools Block), how the Minimum Funding Guarantee and any capping/scaling will operate, and the decision-making process for any budgets that can be held centrally during the transitional period.
- 2.5 There will still be a local formula schools block formula in 2017/18 and 2018/19. Local authorities will do as much modelling and preparation as they can during 2016, but they will not be able to balance the formula to the available resources until they have received their DSG allocations

2.6 October is also a crucial date in terms of the census data that will govern the actual values for the National Funding Formula. It takes time for data to be cleansed by DfE to remove duplicate pupils and make various checks. In previous years, the final data for the formula has been provided to LAs in December, at the same time as Dedicated Schools Grant allocations.

2.7 Schools Forum is asked to agree the approach of how they intend to work with the LA on analysis and modelling of different options for the local formula. This will help us to understand the key risks within the NFF and identify priorities for funding in the event of our Schools Block allocation being lower than current levels.

3. RECOMMENDATIONS

3.1 Schools Forum is asked to consider their approach to the next national funding formula consultation.

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: **Dedicated Schools Grant and School Balances 2015/16 – 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 £25.093m, which is a £.586m decrease in the total surplus held compared to 2014/15.

The final position on the centrally retained element of the Dedicated Schools Grant (DSG) was an underspend of £265k.

This report summarises the;

- outturn position on school balances as at 31 March 2016; 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 2015/16.
 - Note the DSG balance carried forward into 2016/17.
 - Approve the proposed use of the £265k DSG surplus.
-

Contact Officers:

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Background documents (available for public inspection):

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1. INTRODUCTION

1.1 The purpose of this report is to state and explain the final position of the Dedicated Schools Grant (DSG) for 2015/16 in respect of schools and the Council. The 2015/16 DSG plus underspend from a previous year, after academy recouplement, was £315.2m, of which £293.7m was delegated to schools and £21.5m 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 £25.093m. This is a £0.586m decrease in the total surplus held compared to 2014/15. 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 by mid July 2016.

2.2 Total Balances by Sector 2015/16:

TOTAL						
	2015/16		2014/15		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	2	357	2	531	0	-174
Primary	102	18,212	102	19,163	0	-951
Secondary	8	3,388	8	2,864	0	524
Special	14	3,136	14	3,121	0	15
Total	126	25,093	126	25,679	0	-586

Schools with SURPLUS revenue balances						
	2015/16		2014/15		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	2	357	2	531	0	-174
Primary	100	18,272	101	19,203	-1	-931
Secondary	8	3,388	7	3,206	1	182
Special	13	3,457	13	3,152	0	305
Total	123	25,474	123	26,092	0	-618

Schools with DEFICIT revenue balances						
	2015/16		2014/15		Difference	
	No.	£'000	No.	£'000	No.	£'000
Nursery	0	0	0	0	0	0
Primary	2	-60	1	-40	1	-20
Secondary	0	0	1	-342	-1	342
Special	1	-322	1	-31	0	-291
Total	3	-382	3	-413	0	31

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 2015/16 financial year.

School Sector	No. of schools with excess balances	Total of excess balances £'000
Nursery	2	242
Primary	50	7,126
High School	4	1,414
Special	8	1,557
Total	64	10,339

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	242	0	0	75	11	100	0	10	196
Primary	7,126	10	23	5,870	813	29	39	360	7,144
Secondary	1,414	0	0	569	213	602	0	30	1,414
Special	1,557	200	13	964	165	173	0	70	1,585
Total	10,339	210	36	7,478	1,202	904	39	470	10,339

2.4 Schools have provided commitments for £10.3m, which is above the level of excess balances that they were required to commit. The majority of commitments allocated are for planned work, which is mainly for buildings, grounds improvements and extensions, totalling £7.4m. Some schools have also retained their surplus for planned asset purchase and, or off-setting future year budget reductions.

3. RETAINED SCHOOL BUDGET 2015/16

3.1 The final outturn position on the centrally retained element of the DSG was an underspend of **£0.265m**. In September 2015 the Council reported to Schools Forum an estimated DSG overspend of £0.1m. The movement between the projection and final outturn position totals £0.4m and arose as a result of:

- £0.2m of service charges at PFI schools being lower than previously expected;
- £0.2m reduction in Growth Fund expenditure due to delayed projects and reduced final costs of completed projects

3.2 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. The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An

element of DSG is recouped by the Department for Education to fund Academy schools in the authority's area. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget as defined in the Schools Finance (England) Regulations 2011. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

3.3 Details of the deployment of DSG receivable in 2015/16 are as follows:

	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2015/16			455,070
Academy figure recouped for 2015/16			142,725
Total DSG after Academy recoupment			312,345
Brought forward from 2014/15			2,833
Carry forward to 2015/16 (agreed in advance)			0
Agreed budgeted distribution in 2015/16	21,513	293,666	315,178
In year adjustments	0	0	0
Final budgeted distribution for 2015/16	21,513	293,666	315,179
Less actual central expenditure	21,248		
Less actual ISB deployed to schools		293,666	
Plus Local Authority contribution for 2015/16	0	0	0
Carry forward to 2015/16	265	0	265

4. DSG CARRY FORWARD

4.1 In February 2016 Forum discussed anticipated high needs block budget pressures. The proposed use of the £0.265m underspend is as follows:

	£'000
Special school places development	265

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 2016/17.

5. RECOMMENDATIONS

5.1 All members of Schools Forum are asked to:

- Note the school balances as at 2015/16.
- Note the DSG balance carried forward into 2016/17.
- Approve the proposed use of the £0.285m DSG surplus.

**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):

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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 2016/17 academic year. Further reports will be added to the Forum agenda as and when required.

2. FORWARD PLAN

Meeting	Reports
27th September 2016	<ul style="list-style-type: none">• Update to Scheme for Financing Schools review
17th November 2016	<ul style="list-style-type: none">• Schools and Early Years Funding 2016/17
15th December 2016	<ul style="list-style-type: none">• DSG Report 2016/17• Outcome of Scheme for Financing Schools consultation
16th January 2017	<ul style="list-style-type: none">• DSG settlement and budget for forthcoming year
28th February 2017	<ul style="list-style-type: none">• DSG budget monitoring
18th May 2017	<ul style="list-style-type: none">• Outturn report – School Balances and centrally retained DSG• DSG update – adjustment to grant allocations• Benchmarking
15th June 2017	<ul style="list-style-type: none">• Annual Review of Scheme for Financing Schools and School Financial regulations• Update on School Funding reforms
13th July 2017	

- 2.1 Updates to schools and early years 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.