

Manchester Schools Forum

Minutes of the meeting held on 19 December 2016

Present:

Secondary Sector Governors: Fiaz Riasat

Primary Sector Headteachers: Patricia Adams, Mike Cooke, Sarah Navin

Primary Sector Governors: Brendon Jones, Michael Flanagan

Special School Headteachers: Alan Braven

Academy Representative: Elizabeth Fritchley, Andy Park, Ian Fenn (Chair)

Nursery School Representative: Liz Hardy

Non-School Members: Cath Baguley, Amanda Corcoran, Steve Scott, John Morgan

Also Present:

Executive Member: Councillor Sheila Newman

Council Officers: John Edwards, Director of Education and Skills, Reena Kohli,
Directorate Financial Lead, Children and Families

Apologies: Gilliam Houghton, Helen McAndrew, Councillor B Stone

SF/16/19 Minutes

The minutes of the meeting on 26 September 2016 were agreed as a correct record.

SF/16/20 Apprenticeship Levy Update

The Forum considered a report of the Finance Lead for the Council's Children's Services Directorate outlining the potential additional costs arising from the introduction of the Apprentice Levy in April 2017. The levy of 0.5% of payroll costs will be applied to all employers operating in the UK with an annual pay bill of over £3m. Employers will receive a levy allowance of £15,000 per year so the actual costs will be 0.5% of the amount that the pay bill exceeds £3m. Once an employer has declared the levy to HMRC, they will be able to access funding for apprenticeships. The government will apply a 10% top-up to the funds available for spending in an employer's digital account.

Manchester City Council will be required to co-ordinate the payment of the levy on behalf of all Community and Voluntary controlled schools as they all come within the total pay of the Local Authority.

Voluntary aided and foundation schools with a wage bill under £3m will be excluded from the levy charge. The Council is working to find a way to exclude those voluntary aided and foundation schools from the Council's levy calculation without having to change the PAYE number of the school. The voluntary aided and foundation schools with a pay bill of over £3m will be responsible for co-ordinating their own levy payment.

Schools using an alternative payroll provider to the Council will still be liable to the levy if they are deemed to fall with the Council's statutory reporting as the employer. These schools will not receive a separate £15,000 allowance as only a single allowance is available for all the elements of the Council's payroll.

Similarly, academies that are a member of a larger academy trust are not likely to receive the £15,000 allowance as only a single allowance will be available to the whole trust.

A high level assessment of the impact on Manchester's community and voluntary schools is for an annual charge of £0.5m. The Council will provide further details when they are known.

The officer was asked how the apprenticeship levy monies will be redistributed to schools. It was explained that the current understanding is that schools will be able to charge apprenticeship training costs to the Council's account, but an underspend by a school on what it has spent compared to what it has contributed will be retained in the Council's overall apprenticeship account.

Decision

To Note the report.

SF/16/21 Dedicated Schools Grant (DSG) 2017/18

The Finance Lead presented a report seeking the approval of the Forum for specific retentions of money by the Council from the overall DSG allocated to Manchester by the Government. These funds are to allow the Council to cover the costs of some aspects of centralised support to schools.

The basis of the calculation of the three main elements of the DSG in 2017/18 were explained in the report. The totals being:
Schools Block – expected to be £385.98m
Early Years Block – expected to be £39.48m
High Needs Block – expected to be £69.33m

The report explained each of the retentions of funds that the Council wanted to be able to make, and what the funds would be used for.

On the proposed retention of £0.278m to pay for trade union duties and trade union support to staff in schools, clarify was requested on what the funds actually paid for and which school benefited from them. On the issue of which academies and other schools are also contributing to the costs of trade union support there is a potential issues where the trade union representatives are providing help to non-contributory schools which is being funded by those schools that did contribute to the cost of this facility. A request was made that the Forum receive periodic monitoring reports showing the use of this budget during the year.

Reference was also made to the possible impact on the Coordinated Admissions Team of a change to the school census that will require data to be collected on the

nationality and country of origin of all children in school. The Forum was asked to be mindful that the extra burden of this work was likely to fall on that Team.

Decisions

1. To approve each of the proposed retentions:
 - cost of providing for trade union duties = £0.278m
 - the budget for the Coordinated Admissions Team = £1.582m
 - Schools Forum operating costs = £0.005m
 - Capital Expenditure from Revenue = £0.680m
 - SEN transport costs = £0.5m
 - Growth Fund = £6.7m

2. At the next meeting, to receive information on the use of and contributors to the trade union duties budget, and a monitoring report on the use of the funds this year.

SF/16/22 Education Service Grant 2017/18

A report from the Directorate Finance Lead explained that at present the Education Services Grant (ESG) provided by Government is used to support various statutory and non-statutory education services including planning for education as a whole, the role of the Director of Children's Services, school attendance, school improvement and asset management. This current ESG is made up of two rates that fund two different groups of services: the **general duties rate** to fund services provided to maintained schools; and the **retained duties rate** to fund services provided to all schools, including academies.

The present arrangements were to stop in 2017/18. The retained duties monies were being amalgamated into the general DSG provision. The general duties monies were being ceased altogether. The approval of the Forum was now needed to have the retained duties monies taken back out of the DSG and retained by the Council. This will then secure the funds the Council needs to continue to meet its statutory obligations towards schools. The total involved in 2017/18 was estimated to be £1.2m, at a rate of £15 per pupil.

With respect to the general duties monies currently expended by the Council, the estimates for 2017/18 were:

| | £ |
|--------------------------------|----------------|
| Human Resources | 61,000 |
| Governor Support | 68,000 |
| Quality Assurance | 88,000 |
| Attendance | 116,000 |
| Asset Management | 50,000 |
| National Curriculum Monitoring | 117,000 |
| Total Expenditure | 500,000 |

Whilst the funding for this has ceased, the Council does feel the services provided can be withdrawn. It was therefore requested that the £500,000 be retained by the Council from the overall DSG, so as to fund these services in 2017/18.

Both proposals were supported but it was stressed that this should not be taken that similar proposals will be endorsed in 2018/19. More information was going to be needed on the likely impact on schools if these centrally provided services are withdrawal. It was also commented that £50K for Asset Management seemed to be a small amount given the likely overall capital value of schools' land and buildings.

Decisions

1. To approve the retention of £15 per pupil (total estimated to be £1.2m) in 2017/18 for the statutory services set out in Appendix A of the report.
2. To approve the Council centrally retaining a further £500k (estimated to be £11.90 per pupil) for services previously part funded by the general duties of the Education Services Grant.

SF/16/23 Early Years National Funding Formula 2017/18

The Forum considered a report of the Directorate Finance Lead that provided an update on the outcome of the consultation on the changes in the Early Years National Funding Formula (EYNFF); and on the impact of the EYNFF changes on the Early Years block funding for 2017/2018. The key points of the new formula were set out in the report.

The Council was being required to have a consistent rate for all providers. That was likely to impact on the two maintained nursery schools in Manchester as these have a higher cost-base than other nursery providers.

Members of the Forum identified a range of issues that would arise from these proposals including: how to ensure that eligible parents will take up the allowances and access services; how will working parents on zero-hours contracts be treated.

No changes to the supplements listed in Appendix 1 were put forward.

Decisions

To note the report.

SF/16/24 Briefing on the Consultations on proposed changes to the funding of schools.

On 14 December the Government's consultation on the proposed significant changes to the funding of schools had begun. Responses to this had to be submitted by 23 February 2017. The Forum will therefore be able to consider this in more detail at future meetings. The likely impacts are for the budgets of schools in Manchester to be reduced. The city is forecast to be one of the 10 most reduced authorities, and the overall funding to the city's schools is forecast to reduce by 2.7%. Two forms of

transitional protection are being envisaged, and the combination of those makes it more difficult to forecast the longer-term full impacts of the proposals on each school. As well as the changes being proposed in the consultation, the National Audit Office has also warned of an unavoidable funding pressure on schools of 8% through increases in employee costs.

The changes, if implemented, are a threat to the education of children in Manchester. There was general agreement in the Forum that all stakeholders in the city needed to be engaged in this issue to help press the case to Government that schools in Manchester needed to be properly funded in the future. To aid that work, a better understanding of the weightings being assigned to the elements of the new formula will be needed.

The briefing was noted.

SF/16/25 Dates of future meetings of the Schools Forum 2016/17

The dates of the schools forum meetings for 2016/17 were agreed as follows:

- 19 December 2016
- 16 January 2017
- 27 February 2017
- 15 May 2017
- 19 June 2017
- 17 July 2017