



MANCHESTER  
CITY COUNCIL

## **Schools Forum**

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Date: Monday 6<sup>th</sup> March

Time: 4.00pm

Venue: Room 132, Town Hall

Everyone is welcome to attend this committee meeting.

## **Membership of the Forum**

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**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, Michael Flanagan

**Special School Headteachers (1)** Alan Braven

**Special School Governor (1)** Peter Tite

**Academy Representative (5)** Elizabeth Fritchley, Andy Park, vacancy, 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, Steve Scott, Cath Baggaley, Joshua Rowe, John Morgan, x 3 vacancies

## 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 16<sup>th</sup> January 2017 (enclosed).
4. Dedicated Schools Grant 2016/17
5. Outcome of Early Years Consultation
6. CMA
7. Draft Consultation Response – Schools Block
8. Draft Consultation Response – High Needs Block

Date of next meetings:

- 15th May 2017
- 19th June 2017
- 17th July 2017

## Information about the Forum

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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

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For help, advice and information about this meeting please contact:

Donna Barnes

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## Manchester Schools Forum

### Minutes of the meeting held on 16 January 2017

#### Present:

**Secondary Sector Governors:** None

**Primary Sector Headteachers:** Patricia Adams, Gillian Houghton

**Primary Sector Governors:** Brendon Jones, Michael Flanagan

**Special School Headteachers:** None

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

**Pupil Referral Unit Representative:** Helen McAndrew

**Nursery School Representative:** None

**Non-School Members:** Amanda Corcoran, Steve Scott, John Morgan, Councillor B Stone

#### Also Present:

**Executive Member:** Councillor Sheila Newman

**Council Officers:** John Edwards, Director of Education and Skills, Reena Kohli, Directorate Financial Lead, Children and Families, Simon Finch, Head of Finance, Children, Families & PSR

**Apologies:** Alan Braven, Sarah Navin, Cath Baggaley Helen McAndrew,

#### SF/17/01 Minutes

The minutes of the meeting on 19 December 2016 were submitted for consideration as a correct record. The Forum agreed to correct a typographical error in SF/16/22 (Education Service Grant 2017/18) in the first sentence of paragraph 4 so that it should read as follows:

‘Whilst funding for this has ceased, the Council does feel the services provided cannot be withdrawn.’

The Forum also noted that responses to the Government’s consultation on significant changes to school funding (as described in SF/16/24 (Briefing on the consultations on proposed changes to the funding of schools) were required by 23 March 2017 and not 23 February 2017 as initially recorded.

#### Decision

To agree the minutes of 19 December subject to the amendments above.

#### SF/17/02 Dedicated Schools Grant 2017/18

The Forum considered a report of the Directorate Finance Lead – Children’s Services and Education and Skills which discussed the 2017/18 Dedicated Schools Grant (DSG) settlement and put forward a proposal to transfer £0.66M of unallocated DSG

headroom from the Schools Block to the Growth Fund. The Directorate Finance Lead – Children’s Services and Education and Skills introduced the report across its main themes. The Forum noted that the implementation of the National Funding Formula for the Early Years block would commence from 2017/18 but the implementation of the Schools Block and High Needs block (the two other components of the DSG) had been deferred until 2018/19. This therefore meant that the current funding arrangements that are in place for those blocks would continue for an additional year.

The Forum discussed ongoing unmet budget pressures with specific reference to inflationary factors (pay and non-pay related costs), the Schools Block headroom and the High Needs Block (HNB) allocation which, for pupils with Special Educational Needs. The Forum agreed that HNB allocation did not adequately reflect Manchester’s growth in pupil numbers in comparison to historical allocations. The Forum agreed that this represented a cut in real terms. It was acknowledged that in previous financial years an element of the DSG underspend had been earmarked to underpin HNB pressures, however given the likelihood of there being no underspend at the end of this financial year, the pressures to the HNB presented a significant concern. Officers highlighted that there were at least £1.7M of unknown pressures to the Block after factoring in the £1.6M additional grant allocation. The Forum noted that the Local Authority would endeavour to make efficiencies in areas that are funded by the Block and that it was in the process of determining high needs demands over the next 3-5 years to inform, plan and manage future pressures.

The Forum also noted that Manchester had not received DSG funding for a significant number of primary and secondary growing school places at a cost of £1.44M. It also noted that the Local Authority had not received specific DSG funding for three new free secondary schools, one of which was scheduled to open shortly and would generate an estimated additional cost of an £0.77M to the Formula. The Forum was advised that these particular pressures would be met through the Growth Fund. This would therefore manifest as a reduction in headroom in comparison to previous years.

## **Decision**

1. To note the Dedicated Schools Grant Settlement 2017/18.
2. To agree that the Local Authority shall centrally retain an addition £0.66M of unallocated Dedicated Schools Grant Funding to the Growth Fund.
3. To note that the notification of the adjustment to funding of the two, three and four year old offer will be received in June 2017.
4. To note the formula funding of 195 additional primary places and 510 additional secondary places in line with Department for Education guidance but for which no Dedicated Schools Grant funding has been allocated.
5. To note the potential risk with the High Needs budgets for 2017/18 due to Department for Education not fully recognising budget and demographic pressures

6. To note that the 2017/18 High Needs Block adjustment does not adequately reflect Manchester's growth in pupil numbers.
7. To agree to write to the Education Funding Authority to register the Forum's substantial concerns regarding the Local Authority's requirement to fund three Free Schools during their first year of operation with no additional funding requirements to be met through the Dedicated Schools Grant.
8. To register the Forum's sincere thanks to the Directorate Finance Lead – Children's Services hard work in disseminating the outcome of the settlement over the holiday period.

### **SF/17/03 National Funding Formulas**

The Forum considered a report of the Directorate Finance Lead – Children's Services and Education and Skills which discussed Government's plans to deliver a National Funding Formula from 2018/19 in order to address gaps in school funding between geographical areas. The purpose of the consultation was to set out in detail the proposed formulae and illustrate the impact on schools. The report highlighted that a consultation on the introduction of a High Needs formula for children and young people with special educational needs (SEN) was running in parallel. The consultation would run until 23 March 2017, with the formulae being gradually implemented over the next three financial years.

The report outlined the potential future funding risks to Manchester schools and the Local Authority for centrally retained Dedicated Schools Grant (DSG) budgets. Those risks were described as significant, with Manchester ranked as one of the most significant losers and losing the most outside of London, once the transitional protection period has elapsed. The report indicated that the reforms would impact on both the allocation from central government to local authorities and the local distribution formulae to education providers and local authority education services that are funded from the DSG. The Forum was asked to consider how it intends to respond to the consultation.

The Forum acknowledged in the importance of lobbying, and consulting with both geographical and statistical neighbours and agreed that officers should undertake the necessary preparatory work (in consultation with the Forum Chair and Vice Chair) to determine how the weighting of the factors in the new formula would affect Manchester schools. This information should then be reported to the next meeting of the Forum, with a view to finalising the Forum's formal response to the consultation.

### **Decision**

To request that officers undertake the necessary preparatory work (in consultation with the Forum Chair and Vice Chair) to determine how the weighting of the factors in the new formula would affect Manchester schools.

### **SF/17/04 Dates of future meetings of the Schools Forum 2016/17**

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

- 27 February 2017, 4.30pm
- 15 May 2017, 4pm
- 19 June 2017, 4pm
- 17 July 2017, 4pm



**Manchester City Council  
Report for Resolution**

**Report to:** [Schools Forum](#)

**Subject:** **Dedicated Schools Grant**

**Report of:** **Directorate Finance Lead – Children Services and Education and Skills**

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**Summary**

The purpose of this report is to inform the Schools Forum monitoring position of centrally held **Dedicated Schools Grant (DSG)**. The forecast year end position on the centrally retained DSG is a net overspend of £0.89.

**Recommendations**

Overall the current projection for the DSG retained budget is an overspend of £1.267m. The balance to be carried this forward to 2017/18 and will be set against the grant.

Members of Schools Forum are asked to comment on the £0.89m projected DSG overspend.

**Contact Officers:**

Name: Reena Vandhna Kohli  
Position: Directorate Finance Lead Children Services  
Telephone: 0161 234 4235  
E-mail: [r.kohli@manchester.gov.uk](mailto: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 Dedicated Schools Grant (DSG) is a ring-fenced specific grant paid by the Education Funding Agency to local authorities in support of the schools budget. The grant has either to be delegated to schools or used for centrally managed provision for pupils. The projected DSG overspend is £0.8m.
- 1.2 The DSG current projected overspend of £0.8m largely relates to overspends in the High Needs block, this overspend is partly off-set by underspends in the early years block and schools block.

## 2. KEY DEDICATED SCHOOLS GRANT VARIANCES

- 2.1 The key DSG variances to relate to the:
  - Early years block - £225k underspend
  - Schools needs block - £184k underspend
  - High needs block - £1.267m overspend

### Early Years Block

- 2.2 Two year old places underspend. Take up of the two year old offer is more than the places funded by the DfE and this budget is expected to overspend by £180k.
- 2.3 Three and four year olds entitlement to free early education places - early years budgets are adjusted termly for three and four year olds in schools and private, voluntary and independent (PVI) settings. The final termly adjustment will be based on the January census and budgets will be adjusted at the end of the financial year. Current projections are based on historic take up and will be amended when further information is known, it is expected that these budgets will underspend by £405k.

### High Needs Block

- 2.4 The High Needs Block budgets support specialist and alternative provision. It is made up of place and top up funding for pre 16 direct provision in mainstream and special schools, specialist units and pupil referral units, independent post 16 placements and central services provided on behalf of all schools and academies. It also includes the top up funding for post 16 students in all settings (place funding being paid by the EFA via a separate grant) and a subsidy for the impact of lagged post 16 place numbers in special schools.
- 2.5 Manchester has recognised the need to grow high needs placements both in mainstream and special schools. Most local special schools have been expanded and are operating at capacity. There has also been growth in the number of pupils with high needs in mainstream schools and additional special school places, this growth has led to a £1.5m overspend in Special School budgets, Education Health and Care (EHC) plan and Post 16 EHC budgets. This is off-set against a £233 underspend in the SEN support services budgets.

## **Schools Block**

- 2.6 The growth fund is to meet teaching and learning and accommodation cost of school expansions to provide additional school places. There is a £184k underspend in this budget.
- 2.7 There is currently pressure on places at the PRUs. Some of these children have statements of SEN/EHC plans and other demand has come from the increased school populations and the additional pressure that this creates on the school system e.g. lack of space, flexibility, staff capacity and funding pressures to meet high levels of social emotional mental health needs. The local authority commissions places at both PRUs and in addition schools buy places as an alternative to exclusion. The place level funding for the school commissioned places are funded by the high needs block. The secondary PRU has increased by a number of places in- year. The PRU currently holds a £200k budget which is allocated to the Behaviour and Attendance partnerships in the first instance to assist placement of children who fall into the In Year Fair Access Protocol. The £200k funding has already been redirected to meet the costs of places, it is requested that due to further additional place pressures of £300k this is met through a transfer of £300k from the growth fund. This expansion is directly linked to the recent growth in pupil numbers in the secondary phase.

## **3. RECOMMENDATIONS**

- 3.1 Overall the current projection for the DSG retained budget is an overspend of £1.267m. The balance to be carried this forward to 2017/18 and will be set against the grant.
- 3.2 Members of Schools Forum are asked to comment on the £0.89m projected DSG overspend.

**Manchester City Council  
Report for Resolution**

**Report to:** [Schools Forum](#)

**Subject:** Early Years

**Report of:** Directorate Finance Lead – Children Services and Education  
and Skills

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**Summary**

At the September and December 2016 meetings of the Schools Forum, members were presented with reports which contained details of the Early Years National Funding Formula (EYNFF) and Manchester's response to the national consultation exercise.

The purpose of this report is to confirm to the Schools Forum the changes in the local Early Years Funding Formula (EYNFF).

**Recommendations**

Schools Forum members are asked to:

- Note the contents of the report;
- Comment on intention to continue to review the formula in 2017/18

**Contact Officers:**

Name: Reena Vandhna Kohli  
Position: Directorate Finance Lead Children Services  
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. Following the national consultation which took place earlier in the year, the new Early Years National Funding Formula for 3 and 4 year olds was announced on 1<sup>st</sup> of December 2016. Manchester's allocation for 2017/18 is £26.2m and is based on 9,452.3 part time equivalent places (PTE). This is an increase of £4.033m against the 2016/17 allocation, as extra funding has been made available to raise the national average hourly rate for 3 and 4 year olds.
- 1.2 The new local Early Years Funding Formula will be implemented from April 2017 and includes a period of transition of two years.

## 2. BACKGROUND

- 2.1 Currently the national free early education entitlement is for children to receive 15 hours of free nursery education from the term after they turn three years of age. In Manchester it has long been the practice for maintained primary and nursery schools to be funded for full time nursery education places – in effect 25 hours of free early education per week (30 hours including the lunch break), with the additional hours in nursery classes funded through the Schools Block of the Dedicated Schools Grant. The additional hours funding is currently distributed based on deprivation indicators relating to pupils in individual schools. This enables 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 the private, voluntary and independent (PVI) only the statutory 15 hours per week has been funded. The additional 10 hours funding to schools will continue in 2017/18.

## 3. EARLY YEARS NATIONAL FUNDING FORMULA TO LOCAL AUTHORITIES

- 3.1 The Government will be funding the Early Years Block that is allocated to local authorities using a national formula from 2017/18. An outline of the national formula is provided below:

A National Base rate of £3.53 per hour

Plus:

Additional Educational Needs' (AEN) funding based on proxy counts of children entitled to Free School Meals, with English as an Additional Language and/or in receipt of Disability Living Allowance

Multiplied by:

An Area Cost Adjustment (to account for labour and premises variations across the country)

The result of the above calculation for Manchester is **£4.87 per hour**.

- 3.2 Manchester's allocation for 2017/18 is £26.2m and is based on 9,452.3 part time equivalent places (PTE). This is an increase of £4.033m against the 2016/17 allocation, as extra funding has been made available to raise the national average hourly rate for 3 and 4 year olds, after the £9.2m transfer to the schools

block for the additional 10 hours is taken into account.

### **Early Years Formula – Funding going out to settings 3 and 4 year old**

- 3.3 The DfE requires Local Authorities to review their local formula to Early Years providers in light of the National Funding Formula. We now need to implement a number of changes to Manchester's local Early Years Formula provided to settings. The new formula must consist of a universal base rate plus factors for additional needs, using measures such as deprivation, quality and English as an additional language. Deprivation is a mandatory supplement, with the other supplements are optional.
- 3.4 A short consultation to early years settings was recently carried out, seeking views on the new formula and 15 responses were received. Of the responses, 5 were from schools and 10 were from PVIs. 8 of the 15 responses sought clarity on the new arrangements, 3 responses indicated that the Local Authority should look to target additional funding to English as an Additional Language specifically, 2 indicated a preference to Flexibility and 1 indicated a preference for Quality. One school indicated a preference to targeting funding towards Flexibility and English as an Additional Language.
- As a result of the outcome of the consultation, it has been decided to implement changes to the rate and undertake a review of the new formula in the new financial year.
  - It is therefore recommended that the Local Authority introduces a new universal base rate, as required by the DfE and as a result of the outcome of the consultation implement changes to the rate and undertakes a review of the new formula in the new financial year.
  - It is also recommended that we continue to allocate deprivation funding by way of the IDACI index.
- 3.5 The difference between the DfE allocation of £4.87 and Manchester's proposed hourly rate of £4.53 is to be used for the Central Early Years Block.

### **Nursery Schools – Collyhurst and Martenscroft**

- 3.6 The new formula has set one rate for all Early Years providers and therefore the impact on the 2 maintained nursery schools will be higher than the impact on others. This is because they are currently funded at a higher rate of between £8.46 and £8.71 (which includes a nursery grant, quality and IDACI supplements) which acknowledges the higher running costs of a maintained Nursery school. The new EYNFF does not allow Local Authorities to retain and cover any additional costs for maintained Nursery schools.
- 3.7 Manchester will receive a supplementary funding allocation of £338k for its two Nursery schools for two years from April 2017 to 2019 to cover additional costs. After this time, they will be funded at the same unit cost for all providers.

- 3.8 Manchester is working with both Nursery schools to model their budgets for 2017/18 and 2018/19 with the aim of limiting the financial impact of the reduction in rates. In order to prevent the two schools facing a cliff edge in terms of funding it is proposed that the two nursery schools are funded for 30 hours for all 70 places from April 2017. The two Nursery schools predominantly support children in need and have historically received protection from funding losses.

### **2 Year Old Funding For Disadvantaged Children**

- 3.9 Funding rates for 2 year olds will also receive a national uplift. These are already based on a national funding formula. The 2 year old hourly rate from the DfE will increase by 35p per child per hour, increasing from £4.95 to £5.30 - an increase of 7.07%.  
Manchester plans to pay to its providers £5.19 per hour in 2017/18.

### **Early Years Formula**

- 3.10 It was agreed by the Executive to delegate decisions on revisions to the Early Years funding formula to the Director of Education and Skills and the City Treasurer in consultation with the Executive Member for Children's Services and the Executive Member for Finance and Human Resources. It was agreed to from April 2017:
- To introduce an universal base rate of early years providers of £4.36 per hour for all providers plus an IDACI deprivation supplement which averages out at £0.17 per child per hour. This amounts to **£4.53** per pupil
  - As a result of the outcome of the consultation, it has been decided to implement changes to the rate and undertake a review of the new formula in the new financial year.
  - Intention to fund the two nursery schools for 70 full time places during the transition period to a national funding formula.
  - Increase in the hourly rate for 2 year olds to £5.19 per hour.

## **4. RECOMMENDATIONS**

- 4.1 Schools Forum members are asked to:

- Note the contents of the report;
- Comment on intention to continue to review the formula in 2017/18



## CEDAR MOUNT ACADEMY Financial Situation 2016/17

### Management Summary

Cedar Mount is a secondary academy in Gorton which is part of the Bright Futures Educational Trust (BFET). The academy was placed in special measures in April 2015. BFET is working hard to ensure effective action towards the removal of special measures.

Over the last 5 years pupil numbers have fluctuated but have been increasing year on year since 2013. The funding agreement for Cedar Mount is based on actual pupil numbers which means that as pupil numbers have increased so has the lag in funding. The impact of the lag resulted in the school posting a £298k deficit outturn at the end of the 2015/6 financial year. It is also affecting the running of the school as the budget is insufficient to meet the day to day costs associated with running the school. Currently (2016/7) the lag system funds the school for 602 pupils, whilst in reality we are educating 712 pupils leaving 110 pupils (15%) without funding.

The funding shortfall is as follows:

<b>Cedar Mount Academy Funding Shortfall</b>				
			*	#
<b>October Census Data</b>	<b>2014 Oct Census</b>	<b>2015 Oct Census</b>	<b>2016 Oct Census</b>	<b>2017/8 Projection for October Census return</b>
Year 7	132	127	98	180
Year 8	95	134	152	100
Year 9	117	109	154	180
Year 10	101	124	137	180
Year 11	126	108	131	150
<b>Total</b>	<b>571</b>	<b>602</b>	<b>672</b>	<b>790</b>
<b>Academic Year</b>	<b>2014/5</b>	<b>2015/6</b>	<b>2016/7</b>	
Number Funded (as per previous year census data)	561	571	602	672
Children we have / are educating without funding	10	31	70	118
<b>Approx Shortfall</b>	<b>£67,813</b>	<b>£211,869</b>	<b>£479,246</b>	<b>Approx. £750,000</b>
Shortfall to date based on Census data				<b>£758,928</b>
Potential Total Income Shortfall including 2017/8 projection				<b>£1,508,928</b>
* Pupil number rising in year therefore funding shortfall increasing in year				
# Estimated numbers and funding shortfall				





Based on the above numbers (October census), the lagged funding to date totals approximately £758k. Pupil numbers are increasing on a weekly basis and at the time of writing there are 712 pupils on roll. The projection of 790 pupils in October 2017 is prudent and should this be the case, this will further impact on the schools ability to operate and affect improvement as the overall total lagged funding is estimated to be in the region of £1.508m.

### **Significant Impact**

Mobility is a key challenge for the academy. Often pupils who are admitted remain on the waiting list for other schools and subsequently leave when a place becomes available at that school. Admission and leavers for the last 2 academic years and to date this year:

<b>In year</b>	<b>Admissions</b>	<b>Leavers</b>
2014/5	96	73
2015/6	169	94
2016/7 to date	99 (78)	48

(EAL)

The above data does not include the admission of Year 7 pupils at the normal time of entry i.e. during half term 1 or the Year 11 leavers in HT6.

Almost 79% of admissions to date during this academic year are pupils with EAL needs. This has had an impact on the EAL department and additional resource has been deployed to ensure the academy is equipped to deal with the demands associated with the high level of pupils needing additional support to ensure they can access learning.

### **Purpose**

The purpose of this document is to:

- a. Ask that the Forum notes the challenges faced in managing the lag funding issues and the increasing impact on our ability to make adequate provision for the children and families we serve.
- b. Request any additional help that the Forum can offer in meeting the needs of the children at Cedar Mount who are currently unfunded.



## Background

Cedar Mount pupil numbers dropped by 133 between October 2012 and October 2013 which resulted in over funding of £992k in 2013/4. Subsequent years have seen a slow but steady rise in pupil numbers which we predict will increase dramatically over the next 2 years in order to meet the demands for high school places which are filtering through from the primary schools in the local community following the city wide expansion in primaries over the last 6 years. Historical and projected pupil numbers are as follows:

Census date	Funding year	No of Pupils
October 2012	2013/14	694
October 2013	2014/15	561
October 2014	2015/16	571
October 2015	2016/17	602
October 2016	2017/18	672
October 2017	2018/19	790

Our funding for the current academic year was based on 602 pupils. The academy had 672 pupils on roll on the October 2016 census therefore we have effectively been under funded by approximately £479k+ this year alone (based on the EFA Pupil Number Adjustment calculator for 2015/6). This is without considering the fact that due to in year admissions our pupil numbers have increased to 712 since October 2016.

Our funding for 2017/18 will be based on 672 pupils. There are currently 712 pupils on roll and we anticipate there could be as many as 790 pupils on roll in October 2017.

## How have we addressed this to date?

We carried forward reserves of £728.4k at the start of 2014/5 academic year. Due to the drop in pupil numbers our income was reduced by £992k for that academic year (based on income in the previous year). We undertook the following to reduce costs and manage our reserves effectively:

1. A reduction in the number of teachers in 2014/5 (we did not replace all teacher who resigned) in line with pupil numbers. This planned a saving of £323k compared to the teaching staff budget in 2013/4.
2. Some support staff who resigned in summer 2014 were not replaced which reduced the proposed support staff costs by £110k
3. We carried out a review of support staff in Autumn term of 2014/5 and made 5 redundancies netting an annual saving of approx. £170k.
4. We have outsourced cleaning and catering during 2015/6 in order to further reduce costs and improve service levels.
5. We have been using our reserves since September 2014 to underpin the budget and reduce the impact caused by the lag in GAG.
6. We have approached the EFA regarding the lag in GAG. They have advised that we approach the School Forum to seek payment of the lagged funding.

Audrey Whelan February 2017

## Glossary of Terms and Acronyms

New additions to the glossary are coloured blue

<b>Academies</b>	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.
<b>Alternative Provision (AP)</b>	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.
<b>Carbon Reduction Scheme (CRC)</b>	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 ceased for schools from 2014-15.
<b>Dedelegation</b>	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.
<b>Dedicated Schools Grant (DSG)</b>	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.
<b>Department for Education (DfE)</b>	UK government department with responsibility for infant, primary and secondary education.
<b>Early Intervention Grant (EIG)</b>	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.
<b>Education Funding Agency (EFA)</b>	A new DfE executive agency that, from April 2012, is responsible for capital and revenue funding for 3-19 education and training. The EFA directly funds Academies, Free Schools, and 16-19 providers; it funds local authorities for maintained primary and secondary schools; and it is responsible for the distribution of capital funding and advice on capital projects.
<b>Element 1 Element 2 Element 3</b>	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.
<b>Early Years Block</b>	The new funding formula, introduced in 2013/14, contains three funding blocks (Early Years, Schools and High Needs). The Early Years block funds 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"> <li>• An hourly rate based on provider type</li> <li>• IDACI deprivation funding (by each child's postcode)</li> <li>• FSM eligibility</li> <li>• Mainstream grants (only applicable to Nurseries)</li> </ul>
<b>Early Years Single Funding Formula (EYSFF)</b>	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.

<b>Early Years Foundation Stage Profile</b>	<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><b>The prime areas of learning:</b></p> <ul style="list-style-type: none"> <li>• communication and language</li> <li>• physical development</li> <li>• personal, social and emotional development</li> </ul> <p><b>The specific areas of learning:</b></p> <ul style="list-style-type: none"> <li>• literacy</li> <li>• mathematics</li> <li>• understanding the world</li> <li>• expressive arts and design</li> </ul> <p><b>The learning characteristics:</b></p> <ul style="list-style-type: none"> <li>• playing and exploring</li> <li>• active learning</li> <li>• creating and thinking critically</li> </ul>
<b>Free School Meals (FSM)</b>	<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>
<b>Education Services Grant (ESG)</b>	<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>
<b>Executive</b>	<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>
<b>Free Schools</b>	<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>
<b>Growth Fund</b>	<p>The total increase in primary numbers requires additional DSG as temporary provision is required in order to build capacity in schools. Local Authorities 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>
<b>Headroom</b>	<p>Amount of funding which remains after all budgets (see ISB / RSB) have been allocated. In 2016-17 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 £2.3m.</p>
<b>High Needs Block</b>	<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"> <li>• Special school budgets</li> <li>• Centrally funded LA provision for individual children</li> <li>• Special Educational Needs (SEN) Support Services</li> <li>• Support for Inclusion (outreach)</li> <li>• Independent school fees</li> <li>• Inter authority recoupment</li> <li>• Pupil referral units</li> <li>• Education out of school</li> <li>• Delegated allocations relating to individual children</li> <li>• Delegated allocations to special units and specialist resourced provision</li> <li>• 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</li> <li>• High Needs expenditure on under 5's</li> </ul>

<b>High Needs Block (new funding formula)</b>	The new funding formula, 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.
<b>High Needs Pupils (HNP)</b>	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.
<b>Income Deprivation Affecting Children Index (IDACI)</b>	A measure of financial deprivation that affects children: a score and rank is provided for each Lower Super Output Area.
<b>Individual School Budgets (ISB)</b>	School budgets distributed mainly through the school funding formula. This is the budgets that will be received by schools.
<b>Key Stage</b>	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.
<b>Local Authority Central Spend Equivalent Grant (LACSEG)</b>	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.
<b>Local Funding Formula</b>	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.
<b>Maintained Schools</b>	A school which is funded via the local authority and therefore subject to local government control.
<b>Minimum Funding Guarantee (MFG)</b>	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.
<b>Non-recoupment academies</b>	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).
<b>Notional SEN</b>	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.
<b>Place-plus funding model</b>	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.
<b>Pupil Premium</b>	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.
<b>Pupil Referral Unit</b>	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.

<b>Recoupment</b>	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.
<b>Retained School Budgets (RSB)</b>	The school budgets that are not distributed to schools, but which are retained centrally and managed by the Council on behalf of schools.
<b>School Funding Reform</b>	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.
<b>Schools Block</b>	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"> <li>• Basic Entitlement – Pupil number funding</li> <li>• Social Deprivation (FSM and IDACI)</li> <li>• Low Cost, High Incidence SEN</li> <li>• EAL – English as an additional language</li> <li>• Mobility</li> <li>• Lump Sum</li> <li>• Split Sites</li> <li>• Rates</li> </ul>
<b>Schools Forum</b>	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).
<b>Section 251 (S251)</b>	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.
<b>Sparsity</b>	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."
<b>Special Educational Needs (SEN) Special Educational Needs and Disability (SEND)</b>	Children have special educational needs if they have a learning difficulty, which calls for special educational provision to be made for them.
<b>Universal Infant Free School Meals (UIFSM) Grant</b>	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.