



Schools Forum

Date: Monday 25th September 2017
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, 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 19th June 2017 (enclosed).
4. Disposal of Waste in Schools
5. Dedicated Schools Grant update
6. Early Years Block – 30 hours update

Date of next meetings:

20th November 2017

18th December 2017

15th January 2018

5th March 2018

14th May 2018

18th June 2018

16th July 2018

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.

Joanne Roney
Chief Executive
Town Hall, Albert Square
Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact:
Donna Barnes
Tel: 0161 234 3037
Email: d.barnes@manchester.gov.uk

Manchester Schools Forum

Minutes of the meeting held on 19 June 2017

Present:

Secondary Sector Governors: None

Primary Sector Headteachers: Patricia Adams,

Primary Sector Governors: Brendon Jones, Michael Flanagan

Special School Headteachers: Alan Braven

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

Pupil Referral Unit Representative: Helen McAndrew

Nursery School Representative: Liz Hardy

Council Officers: Amanda Corcoran (Interim Director of Education) Reena Kohli, (Directorate Financial Lead, Children and Families),

Apologies: Steve Scott, John Morgan, Councillor Sheila Newman, Councillor Rosa Battle, Sarah Navin, Gillian Houghton and Fiaz Riasat

SF/17/11 Urgent Business

The Chair advised the Forum that he had received an email from Nicky Crookdake Chair of Schools Forum Association a newly formed association whom the Forum had been asked to join. The Chair suggested the matter could be discussed in more details at a later point in this meeting. The Forum agreed to this.

SF/17/11 Minutes

The minutes of 17 March 2017 were submitted for consideration as a correct record. Elizabeth Fritchley asked that her attendance at the meeting be duly recorded.

With particular reference to minute reference SF/17/07, the Chair informed the Forum that he had had a subsequent discussion with Cedar Mount's Headteacher. The Academy had accepted the Forum's advice that the appropriate source of funding is the Education Funding Agency (EFA) in this matter. An unsuccessful bid had been submitted to the EFA and the Academy remained in the significant difficulty with approximately 200 unfunded pupils. The Forum would maintain it's watching brief.

A member suggested that recommendation 4 in relation to that minute be amended to read as follows:

4. *To assert that the Growth Fund is not an appropriate source of funding for Academy pupils unless there is an agreed expansion in place.*

The Chair made reference to the meeting on 15 May 20167 having been cancelled. He explained that there was little point in calling a meeting if the required information

had not been received from the EFA for the Forum to consider. He added that this was the principle on which meetings of the Forum had been cancelled this year and highlighted that this was not due to our own officers' inefficiencies.

A member asked whether it was likely that additional meetings of the Forum are called other than those referenced in minute SF/17/10. The Chair advised that more would be known about this near the end of July. The Directorate Lead – Children and Families Finance advised that ultimately this was dependent upon whether the EFA publish the outcome of the consultation at this stage. Early indications were that was unlikely to happen but members would be kept informed.

Decision

To agree the minutes of 17 March 2017 subject to the amendments above.

SF/17/12 Dedicated Schools Grant 2016/17 – Outturn and School balances

The Forum considered a report of the Interim Director of Education and Head of Finance: Children's Directorate which set out the final position of the Dedicated Schools Grant (DSG) for 2016/17 in respect of schools and the Local Authority.

The report explained that in the previous year the DSG had been £312.2M. This figure had included an underspend from a previous year and as well as an element of academy recoupment. Subsequently £292.7M was delegated to the schools budget with £19.5M retained centrally by the Local Authority.

The provisional outturn position for the current financial year for maintained schools was an overall revenue surplus of £22.756M (excluding school balances on capital codes). This represented a £1.378M decrease in comparison to the total surplus held in 2015/16. The report highlighted that the difference took into account the conversion of the four maintained school to academy status in 2016/17. Early indications from schools had suggested that the decrease was due to ongoing and additional pressures on school budgets. The final outturn would be available from July 2017 onwards.

In its discussion of the analyses of reserves, the report set out the number of schools with excess balances. Of those schools the majority had committed to allocate those excess balances to planned building works, grounds improvements and extension, however some schools had retained their surpluses for planned asset purchases and / or to offset future budget cuts. There was a discussion about the purpose of analysing the reserves. It was suggested that the analysis enabled the Authority to demonstrate that schools are committing their balances and not simply accruing them.

The final position on the centrally retained element of the DSG was an underspend of £45,000. In view of the forum's long-held anticipation of pressure on the High Needs Block budget it was proposed that the underspend be allocated to the development of special school places due to the volatile, high risk and static nature of the block.

The Forum discussed the underspend in more detail, noting that previously an overspend of approximately £895,000 had been predicted earlier in the year and asked how that had been achieved. The Interim Director of Education advised that this was the way in which projections were calculated and which may not always reflect how spends are made over the course of the year. Real efforts had been made with the negotiation of post-16 expenditure. Officers invited the Forum to note that there had been no reduction in spend in real terms and emphasised that the figures simply set out a reduction in anticipated spend.

There was a discussion about the shortcomings of the notional spend figure which is set at £6,000. The Chair said that this took no account of the levels of deprivation and need at any given school. He suggested that this may be something the Authority may wish to reconsider in future.

There was also a discussion about the rising number of secondary school pupils who were new arrivals and with no Education Health and Care Plan in place. These pupils often demonstrated chaotic histories with high levels of mobility. A member asked whether this was a scenario that was mirrored in the post 16 phase. The Interim Director of Education advised that the number of post 16 pupils being referred for statutory assessment was rising. She added that the greatest area of expenditure was in specialist provision, e.g. college places.

There was a discussion about the number of children arriving in primary school from the private nursery setting who required formal assessment and had additional high level and complex needs. A member spoke about the difficulties primary schools faced in these circumstances in light of the difficulties in sourcing funding. The Interim Director of Education advised that an early years pathway was in place which did not discriminate private sector providers. She however acknowledged the challenges known to the private sector such a staff turnover which may influence how well this service is taken up. She added however that figures showed that more children were being picked up through the pathway.

The Forum unanimously agreed that the DSG surplus be carried forward to the High Needs block for the development of special school places.

There was then a discussion about the likelihood of a future deficit due to the chronic nature of a funding shortfall. The Directorate Lead – Children and Families Finance indicated was highly probable and that full review of the High Needs Block was currently being undertaken. A recovery plan was being developed around the DSG. Regular monitoring reports would be brought to the forum as a result.

Decision

1. To note the maintained school balances as at 2016/17.
2. To note the Dedicated Schools Grant.
3. To note the balance carried forward into 2017/18.
4. To approve the proposed use of the £45,000 Dedicated Schools Grant surplus .

SF/17/13 Water charges update

The Forum considered a report of the Interim Director of Education and Head of Finance: Children's Directorate which discussed the level of water charges for schools in the North West. It had previously been brought to the attention of the Forum that schools in the region pay higher comparable water bills than many other geographical areas and that this matter had subsequently been challenged at a regional level.

Following series of discussion with United Utilities they had agreed to revise their billing policy to reflect those concerns and introduce a concession subject to the following conditions:

That the premises -

- is used exclusively or nearly exclusively for delivery education and tuition of students for any or all of Key stages 1-5 or equivalent; and also
- has a playground facility attached.

A member suggested that the concession did not go far enough as North West schools were paying more than anywhere else in the country and suggested further work to assess how much more Manchester is paying. The Directorate Lead – Children and Families Finance said she would speak to the Energy Manager to establish exactly how much of discrepancy exists in comparison to other geographical areas once the concession has been applied.

Decision

1. To note the report.
2. To record the Forum's thanks to officers who had been instrumental in overseeing the concession work.

SF/17/14 Schools Forum – Forward Plan

The Forum considered a report of the Interim Director of Education and Head of Finance: Children's Directorate which set out the Forum's work programme for the forthcoming academic year (2017/18). Further reports would be added to the work programme as and when indicated.

A member suggested that the High Needs Block Report and Review that had been scheduled for the July meeting be instead moved to a later meeting. The Forum agreed to move the item to its September meeting.

Decision

To agree the work programme as set out overleaf:

Meeting	Reports
17 July 2017	<ul style="list-style-type: none"> • DSG Monitoring report • National Funding Formula updates
25 September 2017	<ul style="list-style-type: none"> • National Funding Formula updates • Early years – 30 hours free entitlement • 2017/18 Funding arrangements • LAC pupil Premium • High Needs block report and review
20 November 2017	<ul style="list-style-type: none"> • Schools and Early Years Funding 2017/18 • National Funding Formula updates
18 December 2017	<ul style="list-style-type: none"> • DSG Report 2017/18
15 January 2018	<ul style="list-style-type: none"> • DSG settlement and budget for forthcoming year
5 March 2018	<ul style="list-style-type: none"> • DSG budget monitoring
14 May 2018	<ul style="list-style-type: none"> • Outturn report – School Balances and centrally retained DSG • DSG update – adjustment to grant allocations • Benchmarking
18 June 2018	<ul style="list-style-type: none"> • Annual Review of Scheme for Financing Schools and School Financial regulations
16 July 2018	

SF/17/15 Invitation to join the Schools Forum Association

The Forum discussed an invitation to join the Schools Forum Association and discussed the need for more information about the organisation before taking any decisions.

Decision

The Chair agreed to find out more about the Schools Forum Association and to report back to the next scheduled meeting.

**Manchester City Council
Report for Resolution**

Report to: [Schools Forum](#)

Subject: Disposal of Waste in Schools

Report of: Head of Finance – Children Services, Schools & Education

Summary

The report sets out the City's obligations with regards to disposal of waste arising from schools, the current way this duty is discharged and options for future arrangements.

Recommendations

Schools Forum is to note and asked to comment.

Contact Officers:

Name: Heather Coates
Position: Strategic Lead: Waste, Recycling & Street Cleansing
Telephone: 0161 234 1098
E-mail: h.coates@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 of these then please contact one of the contact officers above.

1. Purpose

- 1.1 The report sets out the City's obligations with regards to disposal of waste arising from schools, the current way this duty is discharged and options for future arrangements.

2. Background

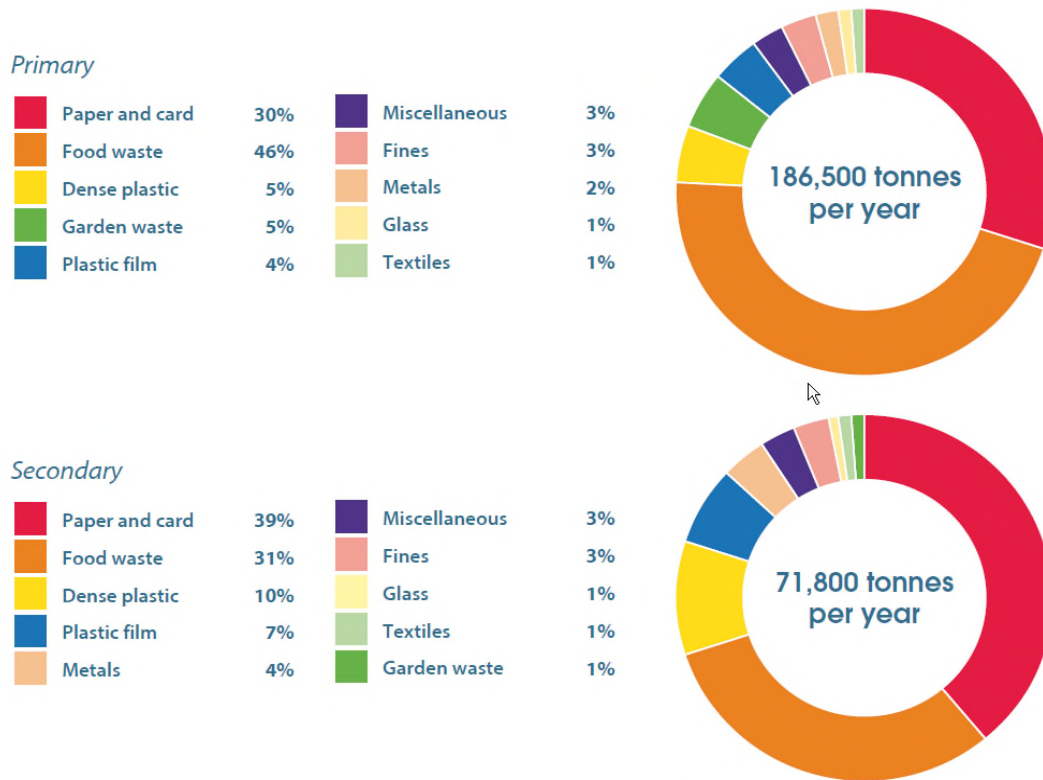
- 2.1 As set out in Schedule 1 of The Controlled Waste (England and Wales) Regulations 2012 paragraph 4(8), the City has an obligation to cover the disposal costs of waste arising from schools. There are some exceptions to this - the City is not obliged to discharge this requirement for Academy Schools (within the meaning of section 1(10) of the Academies Act 2010(33)), unless the City was collecting this waste pursuant to arrangements made under section 45(1) of the Act.
- 2.2 According to the 2016/17 schools census information, there are 180 educational establishments which may be entitled to support for disposal costs of waste arising. These include; LA funded nurseries, primary schools, secondary schools, sixth forms and other specialist educational establishments. The City currently covers disposal costs for 163 educational establishments and collections are provided by Amey (formally Enterprise Manchester). The educational establishment pays Amey for the collection of the rubbish, recycling and any other bin rental or Duty of Care charge which may be levied.
- 2.3 Waste disposal costs the City circa £34m every year and represents a significant budget pressure. The Waste, Recycling and Street Cleansing Team have been set a number of challenging saving targets to reduce this budget. In 2016 157k domestic properties saw their rubbish bins exchanged for slim grey bins, this reduced the amount of rubbish collected by 30% and significantly increased the amount of recycling collected. Further projects are planned to reduce the amount of rubbish collected from domestic properties with communal collection arrangements.
- 2.4 Over the last 5 years work has been undertaken with schools through the Eco School programme and with Amey to reduce the amount of rubbish collected and increase recycling. In-line with recent service changes for domestic properties, the City needs to review the amount of rubbish disposal we fund to ensure schools are recycling as much as possible and to ensure the service offer is equitable for all.

3. SCHOOLS WASTE – COMPOSITIONAL ANALYSIS

- 3.1 A report from the recycling charity Waste Recycling and Resources Action Programme (WRAP, 2008) found that over 70% of school waste can be recycled – compositional analysis has shown that paper, cardboard and food are the main components. They calculated that 9.3 kg of waste per primary pupil is unlikely to be able to be recycled and 5.37 kg per pupil in secondary

schools.

Chart 1 – Compositional analysis of recycling component of school waste



Proposed options

- 3.1 In developing a revised offer for schools we have considered the compositional analysis of school waste as set out in the WRAP study (2008). A similar approach was also used when considering the capacity required by domestic households. We believe this is the fairest and most equitable method. The options provided require schools to recycle as much as possible. It is recommended that schools seek to ensure that their catering provider make their own arrangements to dispose of any wasted food which is also recyclable.

Revised offer – School provided funding directly (disposal element only)

- 3.2 The City recognises that the current arrangements may not allow schools to achieve best value for rubbish and recycling collection arrangements. By providing schools funding for the disposal element of the schools rubbish, they would have more flexibility to test the market and find a solution which meets their needs. This could be paid as a one off payment to the school each financial year.
- 3.3 Based upon WRAP guidance and the total number of pupils in primary and secondary schools in Manchester (data from the spring 2016/17 census), we would estimate that disposal costs should be set at £2.50 per primary pupil

and £1.22 per secondary pupil. (Based upon an estimated £112 disposal charge per tonne – which reflects the current market rate).

- 3.4 A primary school with 490 pupils would expect to receive funding of £1225 per financial year. This could then be used by the school towards the cost of their rubbish disposal. Soft market testing amongst commercial waste providers indicates that the cost for 1 x 1100 litre rubbish container to be emptied (collection and disposal) is circa £12 and recycling collections cost much less. There are a number of commercial providers operating in Manchester which can provide both rubbish and recycling collection/disposal services.
- 3.5 It is likely that most schools would see financial savings, if they received the disposal funding direct and had the flexibility to test the market for a rubbish and recycling collection package.

Example

A primary school with 490 pupils would expect to receive funding of £1,225 per financial year.

4 Next steps:

- 4.1 A letter has been sent to all schools setting out the revised offer, please see Appendix 1. Schools have been asked to confirm their agreement with this proposal by 20 October 2017, providing contact details for the person responsible for finance within the school. The new arrangements will start at the beginning of January 2018.

APPENDIX 1 - Copy of letter sent to schools

NOT A CIRCULAR - RESPONSE REQUIRED



MANCHESTER
CITY COUNCIL

Headteacher/Business Manager

Growth and Neighbourhoods

recycling@manchester.gov.uk
0161 234 1098

1 September 2017

Dear Sir/Madam

I am writing to you with regards to your waste collection arrangements. As you will be aware the City has an obligation to cover some of the costs for waste arising from schools. The City currently covers disposal costs for educational establishments and collections are provided by Amey (formally Enterprise Manchester). The educational establishment pays Amey for the collection of the rubbish, recycling and any other bin rental or Duty of Care charge which may be levied.

Waste disposal costs the City in the region of £36 million every year and represents a significant budget pressure. The Waste, Recycling and Street Cleansing Team have been set a number of challenging saving targets to reduce this budget. In-line with recent service changes for domestic properties, the City needs to review the amount of rubbish disposal we fund to ensure schools are recycling as much as possible and to ensure the service offer is equitable for all. In recent years lots of schools have accessed the Eco Schools programme and the City's 'Little Hands' project to promote recycling amongst students. This has led to significant increases in recycling collected and reductions in rubbish collected.

In developing a revised offer for schools, we have considered the compositional analysis of school waste as set out in the Waste & Resources Action Programme (WRAP) study (2008). A similar approach was also used when considering the capacity required by domestic households. Under our revised proposal, Schools will be expected to recycle at the equivalent rate of a domestic property (50%) - as over 70% of school waste can be recycled.

Our proposal is set out below.

School provided funding directly (disposal element only):

The City recognises that the current arrangements may not allow schools to achieve best value for rubbish and recycling collection arrangements. By providing schools funding for the disposal element of the rubbish, they would have more flexibility to test the market and find a solution which meets their needs. This would be paid as a

one off payment to the school each financial year. Soft market testing suggests that rubbish collections via 1100 litre containers can be procured for around £12 per lift and recycling collections for significantly less than that. There are a number of commercial waste collection providers who cover Manchester and offer a range of rubbish and recycling collection services.

Based upon WRAP* guidance and the total number of pupils in primary and secondary schools in Manchester (data from the spring 2016/17 census), we would estimate that disposal costs should be set at £2.50 per primary pupil and £1.22 per secondary pupil.

Next steps:

Please confirm your agreement with this proposal by no later than **20 October 2017**, providing contact details for the person responsible for finance within your school. You can email this information to recycling@manchester.gov.uk. Schools will need to ensure new arrangements are in place to start at the beginning of **January 2018**.

If you wish to discuss this further please do not hesitate to contact me.

Yours faithfully,

Heather Coates

Strategic Lead - Waste, Recycling and Street Cleansing

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Dedicated Schools Grant Update**

Report of: **Head of Finance – Children Services, Schools & Education**

Summary

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

This report follows on from the DSG settlement figure reported to Schools Forum in January 2017 and the final, unallocated, 2016/17 early years adjustment payment.

This report also provides an update on the National Funding Reforms.

Recommendations

Schools Forum is requested to note:

- The adjustment to early years 2017/18 funding and the allocation of this funding to fund the anticipated increase in 2017/18 early years pupil numbers
- Update on the National Funding Formula

Contact Officers

Name: Reena Vandhna 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 Local authorities receive funding for education and educational establishments through Dedicated Schools Grant (DSG), Pupil Premium and Education Services Grant. DSG funds mainstream schools, special schools, early years provision and alternative provision (such as pupil referral units). The government provides the DSG to local authorities and each local authority distributes the grant to the local educational establishments based on the local funding formula.
- 1.2 This report sets out movement in budgets since the settlement was reported to Schools Forum in January 2017 and updates Forum on the recent announcements on the National Funding Formula for schools.

2. CHANGES TO 2017/18 DSG

- 2.1 The 2017/18 DSG was first reported to Schools Forum in January 2017 and totalled £497.340m, Manchester's allocation has changed by approximately £0.640m, this is as a result of the 2017/18 early years budget adjustment.
- 2.2 Table 1: DSG movement January 2017 – June 2017

	£'000
DSG at January 2017	497,340
3 and 4 year old entitlement increase	520
2 year old offer adjustment increase	140
Early years Pupil Premium reduction	(20)
DSG at July 2017	497,980

Early years block 2017/18 budget adjustment

- 2.3 Each year the EFA adjusts DSG budgets to reflect any increase / decrease in early years pupil numbers between the two most recent January census. Manchester has seen a net increase of £640k as a result of this update and relates to:
- An increase of £520k relating to 3 and 4 year old free entitlement funding reflecting an increase in pupil numbers as recorded in the January 2017 census. The previous provisional allocation was based on January 2016 data.
 - An increase of £140k relating to participation funding for disadvantaged 2 year olds reflecting an increase pupil numbers taking up the offer as recorded in the January 2017 census. The previous provisional allocation was based on January 2016 take-up.
 - A reduction of £20k to the Early Years Pupil Premium reflecting a reduction in eligible pupil numbers as recorded in the January 2017 census.

The previous provisional allocation was based on January 2016 data. The 2017/18 Early Years Block allocation remains provisional. The final allocation will be announced in summer 2018 and will reflect January 2017 and January 2018 census data.

Early years block 2016/17 budget adjustment

- 2.4 The 2016/17 Early Years block allocation of £42.1m was provisional based on January 2016 census data. As expected, the DfE has now announced the final Early Years block allocation for 2016/17 based on 5/12ths of January 2016 census data and 7/12ths of January 2017 census data. The final Early Years allocation for 2016/17 is £42.6m, an increase of £0.459m from the provisional allocation reflecting an increase in early years' block.

3. UPDATE ON FUTURE SCHOOL FUNDING ARRANGEMENTS

- 3.1 In early 2016, the Department for Education (DfE) consulted on proposals for the implementation of a schools National Funding Formula (NFF). The consultation set out how the DfE planned to deliver "A fair, transparent funding system where the amount of funding children attract for their schools is based on need and is consistent across the country".
- 3.2 The DfE announced the second part of the NFF consultation on the 14 December 2016, and this set out plans to implement the NFF from 2019/20. The consultation set out the detail of the proposed formula and illustrated the impact on individual schools and local authorities. A consultation on the introduction of a high needs formula for children and young people with special educational needs (SEN) ran in parallel until 23 March 2017 with a commitment to make final decisions before the summer break 2017.
- 3.3 The NFF proposals set out a vision for a 'hard' school-level national funding formula to be introduced from 2019/20, after a two year transition period where the schools block will continue to be allocated to local authorities, aggregating the budgets of the schools within each authority (each calculated according to the national formula) to create individual local authority schools blocks. It was announced that from 2019/20 local authorities will no longer have a role in setting local funding formulae.
- 3.4 DfE has stated that the formula aims to address wide gaps in school funding between different geographical areas by using a new method to distribute funding. Manchester was ranked 7th as one of the most significant losers and losing the most outside of London. Movement to the full NFF would require transition to protect schools from significant changes in funding. The key underlying implementation and transitional assumptions based around that proposed NFF were:
- Capping any gains at 3%
 - Protecting any losses at individual schools in 2018/19 at -1.5% per in the first year of transition – the Minimum Funding Guarantee

- Losses capped at a maximum of 3% loss up to April 2020 - existing schools only

July 2017 Update

- 3.5 On 17 July 2017 the Secretary of State announced that the planned implementation of a 'soft' national funding formula (NFF) for 5-16 year olds and high needs would commence for two years from 2018/19, extending the original period of transition by a further year to 2019/20. The view being that a longer transition would provide greater stability for schools. Indicative school and local authority allocations were to be released by the DfE for 2018/19 and 2019/20 in due course. The NFF is considered to be 'soft' as whilst schools allocations will be based on the new national formula, **Councils will still be responsible for determining distribution based on its own local funding formula through local Schools Forums.**

September 2017

- 3.6 In September 2017 the Secretary of State confirmed:
- An increase in the basic amount that every pupil attracts through the formula
 - Continued protection for funding of additional education needs
 - A minimum of £4,800 per pupil for every secondary school
 - Gains for the next two years of up to 3% a year for underfunded schools and a 0.5% a year per pupil cash increase for every school.
- 3.7 In order to implement the NFF there will therefore be an additional £1.3bn nationally for schools and high needs across per year in 2018/19 and 2019/20. **It has been confirmed in September that Manchester mainstream schools will receive the minimum 0.5% and a further 0.4% per pupil increase in school budgets in 2018/19 and 2019/20 respectively (0.9% cumulatively).** Whilst this will be welcomed by schools, the additional £1.85m in 2018/19 and £1.68m in 2019/20 in primary and secondary will not fully fund the real terms pressures faced by schools.
- 3.8 It has also been confirmed that **Manchester will receive an additional £2.728m high needs block funding in 2018/19 and another £0.068m** for 2019/20. The additional funding will be required for special schools places and to fund Education, Health and Care plans. In previous years Manchester has received late DfE allocations for high needs following business cases made to DfE. The high needs block allocation increased by £1.8m in 2014/15, £0.97m in 2015/16, £1.6m in 2016/17 and £1.6m in 2017/18 in recognition of pupil growth. These increases do not fully meet the demands on additional special school places, increases in number of education, health and care plans and additional duties around 19-25 year olds. Therefore whilst the additional 2018/19 funding is not planned for in the 2018/19 budget, it is required and may not fully cover the increased demand due to demographic pressures. The high needs budget is already identifying significant efficiencies through the proposed closure of a residential special school and reductions to the city wide sensory support service.

3.9 The central schools block (CSSB) will decrease by £83k in 2018/19 and 2019/20. The CSSB covers funding allocated to local authorities to carry out central functions on behalf of pupils in both maintained schools and academies. CSSB funding will cover two distinct elements which will be handled separately within the formula: ongoing responsibilities and historic commitments. Funding for local authority ongoing responsibilities will be allocated using a simple formula which distributes an element of funding according to a per-pupil factor and an element according to a deprivation factor.

3.10 Table 2 provides a summary of the DfE school funding changes for Manchester:

	2017/18	2017/18	2018/19	2019/20
	Actual	Re-baselined*		
	£m	£m	£m	£m
Schools block	382.78	383.52	385.37	387.05
High needs block	70.93	70.24	72.968	73.036
Central schools block	4.012	3.967	3.884	3.804

*Re-baselined 2017/18 reflects transfer of base resource units funding to schools block

3.11 The DfE has confirmed that the vast majority of the schools block element of the overall DSG funding framework will be ring-fenced to primary and secondary schools, with limited amounts of funding available for transfer to other areas (i.e. high needs) via agreement with Schools Forum.

3.12 Free Schools - £280m of the additional funding committed to schools is to be funded from the Free Schools budget. Some LAs are concerned that there is a risk that this could impact upon their ability to provide sufficient school places in the future. However, given Manchester has received confirmation of Free Schools applications it is not expected that there will be an impact on the availability of schools places in the next two years.

3.13 The DfE published tables showing provisional allocations for the schools, high needs and central school services blocks can be found in the following link:

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

3.14 In addition to the above, there is a commitment to doubling the physical education (PE) and sports premium for primary schools, each will receive an increase in their PE and sports funding in the next academic year.

In Summary

3.15 To implement the “soft” NFF, it is understood that Manchester will receive additional funding of **£1.85m** for 2018/19 and **£1.68m** 2019/20 to be distributed across primary and secondary schools. For the high needs block, whilst an announcement of **£2.728m** growth is welcomed for 2018/19 it is unlikely to fully meet high needs block pressures.

4. RECOMMENDATIONS

4.1 Schools Forum is requested to note:

- The adjustment to early years funding
- Recent Announcements in relation to the National Funding Formula

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Early Years Funding 2017/18**

Report of: **Head of Finance – Children Services, Schools & Education**

Summary

The Government introduced a new national Early Years funding formula in April 2017. The national formula is based on the following three factors: a 'universal base rate' of funding for each child, so that every local area is funded fairly for the core costs of delivering childcare an 'additional needs factor', so that funding takes into account the extra costs of supporting children with additional needs and the cost of providing childcare in different parts of the country using an area cost adjustment.

In December 2016 and March 2017 meeting Schools Forum members were presented with reports which contained details of the Early Years National Funding Formula (EYNFF) and Manchester's response to the change. It was agreed that Manchester would re-consider funding supplements for English as an Additional Language, Flexibility and Quality.

The report also sets out the progress in respect to the introduction of 30 hours childcare for working parents from September 2017.

The purpose of this report is to:

- Update School Forum on the roll out of the 30 Hours Childcare for working parents.
- Update Schools Forum on the modelling of the local Early Years Funding formula regarding the inclusion of supplements.

Recommendations

Schools Forum members are asked to:

- Note the contents of the report
- Local Authority recommendation not to introduce Flexibility supplement to the EYFF at this stage.
- Consider setting up a Schools Forum Working Group that considers Quality and EAL supplements.

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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 of these then please contact one of the contact officers above.

1. INTRODUCTION

The purpose of this report is to provide an update regarding the process and the uptake of the 30 Hours Childcare for working parents within Manchester and to re-consider the inclusion of supplements within the Early Years Funding Formula.

2. UPDATE: 30 HOURS CHILDCARE FOR WORKING PARENTS

- 2.1 30 hour funded childcare for working parents was launched at the beginning of September 2017. It is estimated that around 3,500 children are entitled to the funding, many of whom will be attending a Manchester nursery class.
- 2.2 A headcount portal, which went live September allows daycare providers and schools to check the eligibility codes that parents receive from HMRC. The portal also allows providers/schools to keep track of the timescales for parents/carers to renew their codes and enable them to submit termly claims for 30 hour childcare funding.
- 2.3 By the end of August almost 1,500 Manchester families had been issued with eligibility codes by HMRC but only 600 of those had been submitted and confirmed as valid codes. This is most likely due to many eligible families waiting until September to present their codes to their child's school/private, voluntary or independent provider. From October 2017 there will be a big drive for schools to encourage families to provide them with eligibility codes in time for January Census as this will be a key measure of take up and may influence future budget settlements.

Schools

- 2.4 Since March, the Local Authority's Access & Sufficiency team have been raising awareness of the funding and the requirement to check eligibility and claim via the Headcount portal through a series of briefings, meetings and email communications. Delays to the upgrade of the City's Oracle database meant that the Headcount portal was not launched until September 2017 however, early reports indicate that participating schools are finding the portal easy to use. A portal user guide, instruction video and a reminder of the eligibility criteria were circulated with a Circular letter and email on 4th September.
- 2.5 As of 12th September, 59 primary schools had been issued with log-ins to the Headcount portal but it is expected that more will register over coming months. The autumn term headcount deadline is 5th October and this will provide a midterm measure of participation.

Private Voluntary & Independent Sector:

- 2.6 The vast majority of the PVI sector have indicated that they will participate in delivering 30 hour childcare. PVIs have received the same communication as schools, although it is expected that they will have little difficulty in navigating

the systems and procedures as the headcount portal is similar to the existing system they use for claiming 2, 3 & 4 year old funding.

3. INCLUSION OF SUPPLEMENTS - EARLY YEARS FUNDING FORMULA (EYFF) FOR 3 AND 4 YEARS OLD

- 3.1 As a result to the national Early Years formula change the DfE required Local Authorities to review their local formula to Early Years providers. The new formula consists of a universal base rate plus a supplement for deprivation.
- 3.2 A short consultation to early years settings was carried out in early 2017, 15 responses were received. Of the responses, 5 were from schools and 10 were from PVI's. 8 of the 15 responses sought clarity on the new arrangements, 4 responses indicated that the Local Authority should look to target additional funding to English as an Additional Language specifically 3 indicated a preference to Flexibility.
- 3.3 Schools Forum requested further information regarding use of additional supplements for allocating the funding: English as an Additional Language (EAL), flexibility and quality. The Government only allows Local Authorities to use a basket of funding supplements up to a maximum of 10% of the total funding given to providers. All authorities are required to have a mandatory deprivation.

Supplement: English As an Additional Language (EAL):

- 3.4 The majority of Manchester's daycare providers are already caring for children who have English as an additional language. There have been improvements in the take up of funded childcare places from families whose first language is not English.
- 3.5 Analysis on the current local formula indicates there is a correlation between areas with high levels of EAL and funding currently allocated for higher levels of deprivation. EAL data for children in the private early years setting has not yet been tested and compared to whether this is consistent with the way schools record EAL. Forum is asked for their view on an EAL supplement in EYFF. At present the LA is not seeking to introduce an EAL supplement this financial year.

Supplement: Flexibility

- 3.6 A survey on Help & Support Manchester spanning from April 2017 to August 2017 revealed that of 642 childcare search respondents surveyed 89% reported finding what they were looking for. Further investigation of the remaining 11% reveals that a small proportion required childcare at unsocial hours or to meet an irregular work pattern. However, the numbers affected appear to be negligible at this stage. The costs to providers of meeting such demands would be high and would be unlikely to be addressed through the introduction of such of a flexibility supplement. At present the LA is not

seeking to introduce a flexibility supplement to the formula.

Supplement: Quality

- 3.7 Manchester used to fund a Quality supplement for settings and was broadly based on OFSTED ratings. The EFA has confirmed that a quality supplement can only be paid on the basis for Workforce Qualifications and/or System Leadership not Ofsted judgements.

Summary

- 3.8 The Local Authority is not recommending the introduction of a Flexibility supplement at this stage. It would however would like to set up a Working Group to consider the EAL and Quality supplements this term.

4. RECOMMENDATIONS

4.1 Schools Forum members are asked to:

- Note the contents of the report
- Local Authority recommendation not to introduce Flexibility supplement to the EYFF at this stage.
- Consider setting up a Schools Forum Working Group that considers Quality and EAL supplements.