



Schools Forum

Date: Monday 20th November 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, x 2 vacancies, Michael Flanagan

Special School Headteachers (1) Alan Braven

Special School Governor (1) vacancy

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

Pupil Referral Unit Representative (1) Helen McAndrew

Nursery School Representative (1) vacancy

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. Election of Chair and Vice Chair
4. Minutes
To approve as a correct record the minutes and notes of the meeting held on 26th September 2017 (enclosed).
5. Dedicated Schools Grant 2017/18 Monitoring Report
6. Schools Block
7. High Needs Block
8. Early Years Block

Date of next meetings:

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:
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Manchester Schools Forum

Minutes of the meeting held on 25 September 2017

Present:

Secondary Sector Headteachers: Gillian Houghton

Secondary Sector Governors: Fiaz Riasat

Primary Sector Headteachers: Saeeda Ishaq

Primary Sector Governors: Brendon Jones, Michael Flanagan

Special School Headteachers: Alan Braven

Special School Governor:

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

Pupil Referral Unit Representative: Helen McAndrew

Nursery School Representative:

Non-school members: Cath Baggaley, John Morgan

Council Officers: Reena Kohli, (Directorate Financial Lead, Children and Families), Rachel Rosewell (Head of Finance: Growth, Neighbourhoods and Core)

Also present: Councillor Rahman, Amanda Corcoran (Interim Director of Education)

Apologies: Mike Cooke, Sarah Navin, Steve Scott, Councillor Stone, Collette Plant, Joshua Rowe, Patricia Adams

SF/17/16 Minutes

The minutes of the last meeting were submitted for consideration as a correct record.

A member highlighted two minor spelling mistakes. Cath Baggaley also told the Forum that she submitted her apologies for the last meeting and asked that they be recorded. The Forum agreed to this.

On reviewing those minutes a member asked whether there was an update on the subsidised water charges for schools and was advised that no further information was currently available.

The Chair informed that Forum that no decision had yet been reached regarding the recent invitation for Manchester to join the Schools Forum Association.

The Vice Chair raised a point about attendance levels for Forum members. He indicated that in his view there were a number of Forum members who had not attended meetings of the Forum for over twelve months. The Chair agreed with this observation and discussed the process which is in place for the submission of apologies, highlighting that it is within the gift of Forum to decide whether to accept those apologies. He subsequently advised that he had resolved to review attendance at the meeting over the last 12 months and that any members who had not attended a meeting for a sustained period would be written to, to establish whether they wished to remain a member of the Forum. Additionally members would

be notified that in future submission of apologies must include a reason for absence so that the Forum can reach an informed decision as to whether to accept the apologies or not. The Forum acknowledged this.

Decision

To agree the minutes of 19 June 2017 subject to the amendment above.

SF/17/17 Disposal of Waste in Schools

The Forum considered a report of the Head of Finance – Children’s Services – Schools and Education which discussed proposals to change the way waste is managed in schools in the future.

The Strategic Lead Waste and Recycling introduced the report highlighting the Local Authority’s statutory obligation to cover the disposal costs of waste that arises from educational establishments with a limited number of exceptions. She also highlighted the significant costs of waste disposal to the city (approximately £34M) annually. In light of challenging savings targets that had been identified by the city, Manchester residents had in the last year seen the introduction of smaller domestic waste bins which had reduced domestic waste disposal by approximately 30%. With regard to school waste collections to date, these were provided by Amey who, prior to Biffa being awarded the current domestic waste contract, were the Local Authority’s designated collections provider. The city’s relationship with Amey however would soon be dissolved which had resulted in a review of the current arrangements. Therefore, in developing a revised offer for schools, guidance was sought from the recycling charity WRAP who had undertaken numerous reviews of schools over the years and had a good understanding of the compositional analysis of schools’ waste and how much waste would be generated on a per-pupil basis. Using this information, officers had developed a proposed mechanism for schools to dispose of their waste on a per pupil/ per sector basis. The revised offer would involve the allocation of a contribution directly to the school to enable them to seek better value for money than was in place for their current arrangements. Eligible schools had therefore been contacted by letter to set out the proposal in full and ask them to begin to make alternative arrangements for collections with a start date for this new scheme commencing January 2018. The letter also offered schools additional support around making these arrangements, if needed.

A member asked for clarification on whether the revised offer was optional. The Strategic Lead, Waste and Recycling advised that the arrangements with the current contractor would shortly be resolved. This therefore meant that schools did not have the option to continue as they had done previously as the scheme was no longer in place.

A member asked whether there was a separate rate for the special school sector and was informed that these could be considered on a case by case basis.

There was a discussion about the high levels of food waste in primary schools and members enquired whether anything further could be done to raise awareness around this. The Strategic Lead, Waste and Recycling advised that schools could

consider the option of disposing of food waste through their catering contracts. She also talked about opportunities to raise awareness in the school population that are offered by the Greater Manchester Waste Disposal Authority as well as her own team. She added that she was happy to provide information for any schools that might be interested in taking up such offers.

Some members expressed concern about the lack of guidance and short space of time before the new model was in place. They spoke about schools, particularly those in the primary sector, being inexperienced and poorly placed to familiarise themselves with procurement processes in a relatively short space of time. They also enquired whether there may be a more efficient way of procuring services, for example through the means of a consortium of schools. In response, the Strategic Lead, Waste and Recycling said that the commercial waste industry was very competitive, with lots of providers in the Manchester area who would be able to provide quotes to schools. She suggested that schools should seek to secure a number of quotes from a range of providers in order to get the best value for money. She added that whilst she, herself, was not a procurement expert, she reasoned that a consortium of school with a shared provider may offer advantages to secure the best value for money through a shared waste contract. She agreed to make guidelines available to schools and to provide a list of known contractors.

There was a discussion about eligibility criteria for Academies within the Local Authority's statutory obligation. The Forum noted that only Academies that had previously been a maintained school were eligible for the disposal costs.

Discussions then moved to the contingency planning for schools who had not been able to put effective arrangements in place. The Strategic Lead, Waste and Recycling advised that her team would monitor progress of the newly implemented scheme and in the meantime would contact schools with names of providers as well as develop guidelines and provide appropriate support where necessary.

Decision

1. To note the report
2. To request that the Waste and Recycling Team provide guidelines for schools on how to procure waste and recycling services as well as names of providers.

SF/17/18 Dedicated Schools Grant Update

The Forum considered a report of the Head of Finance: Children's Services, Schools and Education which discussed an update on the Dedicated Schools Grant settlement previously reported to the Forum in January 2017, in light of recent announcements.

In essence, Manchester's allocation had changed by approximately £0.640m as a result of the 2017/18 early years budget adjustment. This was attributed to:

- An increase of £520k for the 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 had been based on January 2016 data.

- An increase of £140k for 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 had been 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 had been 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.

The Forum noted that the final Early Years allocation for 2016/17 was £42.6m, an increase of £0.459m from the provisional allocation, which was a reflection of the increase in the Early Years' block.

A member asked whether the additional £520K in 3 and 4 year old free entitlement funding will go directly to schools. The Directorate Financial Lead, Children and Families said there had been a downward adjustment to Early Years Pupil Premium. She said the Local Authority would still allocate Pupil Premium and expected to spend more. However, estimates indicated that there would be an overspend in of approximately £200K which represented a further pressure on the Dedicated Schools Grant.

The report also provided an update on future school funding arrangements. This 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". The Forum noted that the Secretary of State had recently announced plans to implement a 'soft' national funding formula for 5-16 year olds and high needs would commence for two years from 2018/9 thereby extending the original period of transition by a further year to 2019/20. The view being that a longer transition period would provide greater stability for schools. 'Soft' implementation in this sense meant that Local Authorities would still be responsible for determining distribution of funds based on its own local funding formula through local Schools Forums until the 2020/21 financial year at which the 'hard' formula would be introduced. Manchester's mainstream schools would 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) to implement the new formula. This was in contrast to the -0.5% decrease that had been previously reported. It was also confirmed that Manchester will receive an additional £2.728M high needs block funding in 2018/19 and another £0.068M for 2019/20. This was attributed to the new formula's ability to give a more accurate reflection of demographic changes.

The Forum noted that whilst these outcomes will be welcomed by schools, the increases would not fully fund the real terms pressures faced by schools.

In light of the recent announcement, it was asked whether a decision had yet been made on whether to allocate funding through a direct approach as opposed to a

readjustment of the Local Authority's current formula. The Forum was advised that the development of a number of options was underway and future reports would be brought to the Forum to discuss potential implications. A member highlighted that information was now in the public domain which set out the amount that would be available to individual schools under the new national formula and that a number of school leaders had already begun to formulate budgets based on that information for those two years. He highlighted the need to notify school leaders of the Local Authority's plan to distribute the funds through either national or local funding formulae in sufficient time to enable them to plan appropriately.

The Forum discussed the recently announced additional high needs block funding, current and future pressures on special school places and the very limited grounds against which those pressures might be mitigated. Members discussed the implications of chronically poor levels of resourcing and gaps in provision for vulnerable children and how those pressures might best be communicated to Ofsted at the time of the next inspection. The Forum noted that it would continue to receive regular reports on the DSG and its overspend.

Decision

1. To note the adjustment to early years 2017/18 funding and the allocation of this funding to mitigate the anticipated increase in 2017/18 early years pupil numbers
2. To register the Forum's thanks to officers for their valuable input which had directly contributed to the adjustments to Manchester's settlements.

SF/17/19 Early Years Funding 2017/8

The Forum considered a report of the Head of Finance: Children's Services, Schools and Education which discussed the introduction of the new national Early Years funding formula in April 2017. This provided an update on the introduction of 30 hours childcare for working parents from September 2017, from the perspectives of the scheme's roll out and the modelling of the local Early Years Funding formula regarding the inclusion of certain pre-defined supplements.

Noting the Forum's prior agreement to explore potential funding supplements for English as an Additional Language (EAL), Flexibility and Quality, the report discussed the Local Authority's decision not to pursue the introduction of a Flexibility supplement at this stage. It was however recommended that a Working Group be established to consider supplements for EAL and Quality this term in light of responses from Early Years Providers in the Early Years consultation that took place earlier in the year.

With regard to the introduction of a supplement for Flexibility, the Forum noted a recent survey finding which indicated that just a small proportion (11%) of respondents indicated that they required childcare at unsocial hours or to meet an irregular work pattern. It also noted that 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. The Forum therefore supported the Local Authorities decision not to seek to introduce a flexibility supplement to the formula.

With regard to the introduction of a supplement for Quality. The Forum noted that Manchester had previously funded a Quality supplement for settings which was broadly based on OFSTED ratings. The Education Funding Agency had however confirmed that a quality supplement may only be paid on the basis for workforce qualifications and/or system leadership as opposed to Ofsted judgements.

The forum was therefore invited to establish a Working Group to explore t in more detail the potential introduction of additional supplements to the Early Year Funding Formula for the supplements of English as an Additional Language and Quality.

Decision

1. To note the report
2. To support the Local Authority decision not to introduce a supplement of Flexibility to the local Early Years Funding Formula at this stage.
3. To agree to establish a Schools Forum Working Group with a particular focus on the introduction of supplements for quality of provision and English as an Additional Language. Membership defined as Gillian Houghton, Michael Flanagan, Saeeda Ishaq.

**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**

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 £1.017m.

Recommendations

Members are asked to:

Note overall the current projection for the DSG retained budget is an overspend of £1.017m. The balance to be carried forward to 2018/19 and will be set against the grant.

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

Members of Schools Forum are asked to approve the use of growth fund for additional places in the secondary phase.

Contact Officers:

Name: Reena Vandhna Kohli
Position: Directorate Finance Lead Children Services
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Background documents (available for public inspection):

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

1. INTRODUCTION

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced 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 £1.017m.
- 1.2 The DSG current projected overspend 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 are:
 - Early years block - £0.934m underspend
 - Schools needs block - £0.233m underspend
 - High needs block - £2.184m overspend

Early Years Block

- 2.2 Two, Three and four year olds entitlement to free early education places - early years budgets are adjusted termly. 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 in the summer term and historic take up. The projection will be amended when further information is known, it is expected that these budgets will underspend by £0.934m, mainly due to reduction in the level of take-up of the offer.

High Needs Block

- 2.3 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.
- 2.4 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 £2.417m overspend in Special School budgets, Education Health and Care (EHC) plan and Post 16 EHC budgets. This is off-set against a £233k underspend in the SEN support services budgets.

Schools Block

- 2.5 The growth fund is to meet teaching and learning and accommodation cost of school expansions to provide additional school places. There is a £223k underspend in this budget.
- 2.6 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 the additional place pressures is met through a transfer of £0.750m 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 £1.017m. The balance to be carried this forward to 2018/19 and will be set against the grant.
- 3.2 Members of Schools Forum are asked to comment on the projected DSG overspend.
- 3.3 Members of Schools Forum are asked to approve the use of growth fund for additional places in the secondary phase.

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Schools Block – Primary and Secondary School Budget 2018/19

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

Summary

Dedicated Schools Grant (DSG) will be allocated in four blocks based on national formulae from April 2018. The blocks are schools, high needs, early years and central schools services. School funding in the schools block will be based on a national formula but Local Authorities (LAs) can continue to fund schools on local formula for 2018/19 and 2019/20.

In September 2017 the Secretary of State confirmed 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). This equates to an additional £1.85m in 2018/19 and £1.70m 2019/20 DSG income. The additional grant is ring-fenced and will need to be paid to schools.

In order to determine the local arrangements in 2018/19 the local authority is proposing to consult with all schools on the following:

- Whether to continue with Manchester's local funding formula or to move closer to the values applied in the National Funding Formula (NFF)
- The level of the Minimum Funding Guarantee
- How to manage the high needs block where the funding settlement may not be sufficient to meet spending demand.

The final submission to the DfE of the schools formula will need submitting to the DfE by 19th January 2018.

Recommendations

To comment on the report and in particular to note:

- The Council's intention to launch a consultation on school funding after the November Schools Forum meeting.
- Whether to retain the local formula in 2018/19 and 2019/20 or to move to National Funding Formula values
- The Authority proposal to seek to minimise a negative MFG, subject to final affordability.
- The need to review the requirement for a transfer funding from the schools block to the high needs or early years blocks once the final settlement is received.

Contact Officers:

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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.

Glossary

Formula Factors

Local authorities can use up to 13 funding factors to form their mainstream pre-16 schools block funding formula. Two factors (basic entitlement and deprivation) are compulsory.

Hard National Funding Formula

From 2019-20, the National Funding Formula would be used to calculate each individual school's budget, without the additional step of applying a local funding formula. This would be the 'hard' national funding formula.

Headroom

Amount of funding which remains after all budgets have been allocated.

High Needs Block

The dedicated schools grant (DSG) is divided into three blocks: the schools block, the high needs block and the early years block. The high needs block covers place funding for special schools/academies and units, top-up funding for high needs pupils, alternative provision and education otherwise than at school, and funding for local authority central SEN services.

Minimum Funding Guarantee

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.

National Funding Formula

DfE has published proposals for a new national funding formula for schools, high needs and early years funding. In March 2016 DfE published proposals to make the distribution of schools and high needs funding fairer, and in August 2016 DfE published proposals on early years funding reforms.

Schools Block

The dedicated schools grant (DSG) is divided into three blocks: the schools block, the high needs block and the early years block. The schools block relates to pupils in national curriculum year groups reception to 11 at mainstream schools and academies who are not in a special unit or resourced provision (who are funded from the high needs block).

Soft National Funding Formula

The DfE will move to a 'soft' national funding formula in 2018-19. This means that although we will use the national funding formula (once it has been finalised following this consultation) to calculate LAs' funding allocations, LAs will still determine individual schools' funding allocations through their local formula.

Turbulence

Instability in level of funding, large movements on funding year over year

1. INTRODUCTION

- 1.1 This report sets out the Authority's proposals for calculation of budget shares for mainstream primary and secondary schools for the 2018/19 financial year.
- 1.2 School funding is entering a period of significant change, the most significant being the establishment of a National Funding Formula (NFF) for the calculation of primary and secondary mainstream budget shares.
- 1.3 For the 2018/19 schools budget the DfE has calculated the schools block size as if the national funding formula had been applied, issued information on what individual schools would allocated if the national formula were introduced. Local authorities have the flexibility to allocate school budgets on its current local formula, amended local formula or the national formula.
- 1.4 In order to enable the Council to prepare the Schools Budget for 2018/19 the following issues are being considered:
- Whether the NFF values are used or Manchester continues with the local funding formula, without adjusting any formula factor to be out of line with movement the current NFF values.
 - The value of Minimum Funding Guarantee in 2018/19. The Government permits this to be set between 0% and minus 1.5%. 0% means that a school that has the same pupil numbers recorded in October 2017 as in October 2016 will receive the same core formula funding in 2018/19 as they received in 2017/18.
 - How to manage the high needs block pressures where the National Funding settlement may not be sufficient to meet spending demand.

2. NATIONAL FUNDING FORMULA

- 2.1 The DfE September 2017 announcements confirmed that:
- At least a 0.5% increase per pupil amount, not including school or site elements for each school in 2018/19;
 - At least £4,800 per pupil for each secondary school and £3,500 per pupil for each primary school by 2019/20, with a transitional amount of £4,600 and £3,300 respectively set as a step towards this in 2018/19; and
 - The overall schools' block funding provided to local authorities is ring-fenced, with some limited flexibility to transfer up to 0.5% out of the schools block to any other block subject to Schools' Forum approval.
- 2.2 The 2018/19 and 2019/20 NFF model constructed by the DfE is based on a series of "national average funding levels" assigned to each formula factor in 2016/17 as determined by individual LAs, with some adjustments made to reflect national direction/priorities (i.e. national weighting towards specific additional educational needs factors).
- 2.3 The DfE has provided indicative funding under the NFF for individual schools and the LAs schools block DSG for 2018/19 and 2019/20. This is based on

October 2016 data. This provides an indicative schools block DSG allocation for 2018/19 of £385m, an increase of £1.850m over 2017/18 (0.5%).

Table one: Schools National Funding Formula for Manchester

	Baseline	2018/19	2019/20
Formula Factors	£369,635,650	£371,486,203	£373,190,222
Growth/ Premises /mobility	£13,844,786	£13,844,786	£13,844,786
Change from 2017/8 baseline		£1,850,552	£1,704,020
Total	£383,520,436	£385,070,988	£387,075,008
Percentage change from the 2017/18 baseline		0.5%	0.9%
Change per year		0.5%	0.4%

- 2.4 School Forum members are asked to note that indicative budget information by the DfE only provides comparisons of funding under different formulae and is not an indication of what an individual school will receive in 2018/19, the final DSG will differ from that modelled due to changes in pupil numbers and underlying data. The data on which the formulae are calculated will be updated to October 2017 data. The NFF values and current local formula values are provided in .

Table two: Local Formula Values and National Funding Formula

Primary	LA 17/18	NFF	Diff +/-
Basic Amount	£3,120	£2,746.99	-£373.01
Free Schools Meals (Ever 6 FSM)	£493	£540	£47
Pupils Claiming Free School Meals	0	£440	£440
IDACI Band F - Score 0.2 - 0.25	£296	£200	-£96
IDACI Band E - Score 0.25 - 0.3	£353	£240	-£113
IDACI Band D - Score 0.3 - 0.35	£383	£360	-£23
IDACI Band C - Score 0.35 - 0.4	£435	£390	-£45
IDACI Band B - Score 0.4 - 0.5	£488	£420	-£68
IDACI Band A - Score 0.5 - 1	£570	£575	£5
Pupils with low prior attainment	£1,308	£1,050	-£258
EAL for first 3 years in a school	£380	£515	£135.00
Pupil Mobility - Pupils starting school outside normal entry dates (where above 10% of NOR)*	£526	£526 2018/19 at historical value	0
Lump Sum	£155,000	£110,000	-£45,000
Split Sites*	£17,796	£17,796 2018/19 at historical values -	0
Business Rates*	Actual cost	Actual cost	0

Secondary	LA 17/18	NFF	Diff +/-
Key Stage 3	£4,130	£3,863	-£267
Key Stage 4	£4,745	£4,386	-£359
Free Schools Meals (FSM6)	£473	£785	£312
Pupils Claiming FSM	£0	£440	£493
IDACI Band F - Score 0.2 - 0.25	£142	£290	£148
IDACI Band E - Score 0.25 - 0.3	£199	£390	£191
IDACI Band D - Score 0.3 - 0.35	£235	£515	£280
IDACI Band C - Score 0.35 - 0.4	£375	£560	£185
IDACI Band B - Score 0.4 - 0.5	£439	£600	£161
IDACI Band A - Score 0.5 – 1	£499	£810	£311
Pupils with low prior attainment	£2,801	£1,550	-£1,251
EAL for first 3 years in a school	£2,064	£1,385	-£679
Pupil Mobility - Pupils starting school outside normal entry dates (where above 10% of NOR)*	£1,500	2018/19 at historical value -	0
Lump Sum	£155,000	£110,000	-£45,000
Split Sites*	£17,796	£17,796 2018/19 at historical values -	0
Business Rates*	Actual cost	Actual cost	0

2.5 The scope of NFF does not yet cover all factors. There are currently no NFF solutions for the allocation of funding for the following:

- Pupil Mobility - will continue to be funded on the same basis, local formula values are provided in table one of this report.
- Business rates - will continue to be funded on the same basis as current arrangements, at actual cost
- Split sites - will continue to be funded on the same basis, local formula values are provided in table one of this report. The local authority is seeking to increase the unit value following a recent review of the current local unit rate.
- Exceptional Site Factors - set at actual costs.
- Growth Funding – set at historical values

- 2.6 Growth Funding – the DfE has included the growth fund in the LA's schools' block NFF allocation and it is based on historic spend. The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools. It is expected that growth funding will be used for agreed capacity increases (school expansions) and for a new primary school (Gorton Primary) opening in the academic year 2018/19. The approach to growth funding is proposed to be as 2017/18, the current criteria is provided in Appendix one
- 2.7 Table two indicates that overall pupil level amounts in Manchester's local formula is significantly higher than that in the national formula even after taking account of factor values for deprivation being higher under the national formula for secondary. Primary deprivation value, with the exception of Free School Meal Eligibility and IDACI Band A are lower in the NFF compared to Manchester's local formula.
- 2.8 At a recent National Funding conference the DfE update indicated:
- A hard national funding formula was unlikely to be in place by 2020/21. Full implementation of NFF would require legislative change, these changes have not yet been scheduled into the Parliamentary timetable.
 - There are no guarantees for 2020/21 and beyond, as this is a future Spending Review period.
 - The formula for factors were currently based on national averages rather than improving outcomes. It was recognised that there needed to be a stronger link between improving outcomes and funding levels.
 - Further work needed to be done before the growth fund and mobility could be incorporated into the formula.
 - The funding approach to English as an Additional Language will be reviewed.

National Funding Formula approach vs. Local Funding Formula

- 2.9 The DfE is encouraging areas to move to NFF values during 2018/19 – 2019/20, whereby using NFF to calculate individual formula funding budget shares for both the primary and secondary phases instead of using local formula values. There is an anticipation that this approach will lead to lower levels of change and greater level stability when transitioning to full implementation NFF after 2020/21.
- 2.10 Council officers have analysed allocations to schools under the NFF and current local formula. Due to pupil level protections, in the short term most schools in the City will see a slight increase in the budget due to DfE providing a 0.5% pupil led increase over the 2017/18 under both local funding formula and National Funding Formula.
- 2.11 Retaining the local formula could slightly improve stability in current local funding levels in the short term. Where authorities have gained funding under

the recent reforms they are planning to apply the NFF values in order to allocate their additional grant. Where authorities have a mix of schools gaining or losing the position is different..

- 2.12 Due to uncertainties around the timing and values to be applied to the National Funding Formula 2020/21 onwards schools may seek to recommend that Manchester does not move to the National Funding in 2018/19 and 2019/20.
- 2.13 Potentially applying the local formula in 2018/19 and 2019/20 could position Manchester schools with higher level of protection prior full implementation to National Funding Formula sometime after 2020/21. Pupil led funding protections introduced for the 2018/19 budget are on pupil level funding, Manchester pupil level funding is higher than the current national funding formula values, please see table two.
- 2.14 However, the risk with retaining a local formula is that a higher level of turbulence could be expected in the year when funding moves full implementation of the NFF. The current funding system has for a number of years included a funding guarantee that smooths out large gains or losses on a per pupil basis, the minimum funding guarantee. It is therefore foreseeable that the transition to National Funding formula may also incorporate a similar guarantee in order to prevent sharp cliff edges in funding at individual school level.
- 2.15 Manchester's formula factors and rates have been developed following consultation with local schools and the Manchester's Schools Forum. They reflect local decisions and priorities within the national funding framework, for example, inclusion of mobility funding factor.

Minimum Funding Guarantee level

- 2.16 Local Authorities are able to provide for a per pupil protection, Minimum Funding Guarantee (MFG) calculation in their formula of between 0% to -1.5%; amounts aside this would need separate approval from the Secretary of state. It is also permissible to limit gains under capping arrangements; capping to be no greater than the amount of MFG.
- 2.17 The Council proposes to minimise a negative MFG, setting the MFG as near to 0% as possible, subject to final affordability. This will be confirmed once the cost of formula funding using the October 2017 Census dataset is known and funding settlement is received in late December. The Council will seek to reduce turbulence and will ask Schools Forum to make a recommendation on this matter in January 2018.

Block Transfers

- 2.18 In 2018/19 local authorities will be allowed to transfer up to 0.5% of their schools block to the high needs block to cover cost pressures, with the agreement of the Schools Forum. An exceptional application can be made to the Secretary of State where the Forum opposes the transfer or where a higher transfer than 0.5% of the schools block is needed. The Council is not planning to request this transfer at this stage. High needs block pressures and plans to manage them are set out in agenda 7 of the November 2017 Schools Forum meeting.

Headroom

- 2.19 In 2016/17 and 2017/18 Manchester had £2.3m and £0.66m of unallocated budget, known as 'headroom', which is the balance of funding between the DSG allocation and the amount required to fund individual school budgets and other commitments.
- 2.20 At this stage it is not anticipated there will be any headroom due to introduction of National Funding values being applied to the schools block at LA level. The level of headroom, if any, will be provided to Forum in January 2018. Once the DSG settlement is confirmed and pupil level data from October 2017 census is provided.

Pupil Premium

- 2.21 Pupil Premium is expected to continue on a cash flat basis as a separate grant. However, the DfE has confirmed that the rate of funding for Pupil Premium Plus, for Children Looked After, will increase in 2018/19 from £1,900 to £2,300. Final rates for 2018/19 are still to be confirmed.

Consultation with Schools

- 2.22 The Council intends to launch a consultation with schools. The deadline for responses to this consultation will be the end of December **2017**. An analysis of responses received will be discussed at the January's Schools Forum.
- 2.23 In order to determine the local arrangements in 2018/19 the local authority is proposing to consult with all schools on the following:
- Whether to continue with Manchester's local funding formula or to move closer to the values applied in the National Funding Formula (NFF)
 - The level of the Minimum Funding Guarantee
 - How to manage the high needs block where the funding settlement may not be sufficient to meet spending demand.

3. RECOMMENDATIONS

3.1 To comment on the report and in particular to note:

- The Council's intention to launch a consultation on school funding after the November Schools Forum meeting.
- Whether to retain the local formula in 2018/19 and 2019/20 or to move to National Funding Formula values
- The Authority proposal to seek to minimise a negative MFG, subject to final affordability.
- The need to review the requirement for a transfer funding from the schools block to the high needs or early years blocks once the final settlement is received.

Appendix one

Growth Fund Criteria

Manchester's current growth fund criteria,

1. Pupil places

- 1.1 Fund extra support staff costs and additional supervision requirements of children taught in temporary accommodation due to school expansions (who will join the school in September, but will not be recognised in the formula until the following April – 'bulge' classes).
- 1.2 Primary schools will be funded at a rate of £1,004 per additional child, until the expansion reaches Year 6, when the additional funding will cease. £1,004 is 7/12ths of the teaching and learning element of Manchester's primary age-weighted pupil unit (AWPU) funding.
- 1.3 Secondary schools will be funded at a rate of £1,311 per additional child, until the expansion reaches Year 11, when the additional funding will cease. £1,311 is 7/12ths of the teaching and learning element of Manchester's KS3 AWPU funding.
- 1.4 Where a bulge class is taking place in an academy, due to the additional lag in funding as academies are funded by academic year budgets (Sept – Aug), academies will receive 12/12ths of the teaching and learning element of the AWPU (£1,721 in primary schools, £2,247 in secondary schools).
- 1.5 Where a significant expansion takes place over a number of year groups schools will immediately receive pro-rata full year funding of £4,234 in primary schools and £6,168 in secondary schools for each additional pupil.

2. Temporary accommodation

- 2.1 Fund temporary accommodation at actual cost.

3. New schools pre-opening costs

- 3.1 Fund new school pre-opening costs, such as Head teacher and other staffing and recruitment costs, through a one off lump sum of £75,000 for a primary school and £125,000 for a secondary school or all through school, payable two terms before opening.
- 3.2 Fund initial equipping at £75 per primary pupil place and £150 per secondary pupil place, payable two terms before opening.

3. POST OPENING COSTS

- 3.1 Currently a new academy which is established to meet basic need and not the free school route should receive pre and post opening costs from the local authority the academy is based in.

3.2 Post opening funding should enable a new school to cover essential costs after opening to support leadership and premises costs that cannot be fully funded from funding formula when school numbers are low in the early years of a new school. The growth fund is used to support these schools for three year post opening, by appending the following section to the growth fund criteria:

3.4 Proposed new schools post-opening costs

Fund diseconomies of scale in new schools at a rate of average per pupil amount per sector per percentage point below 90% of planned capacity for the first three years after opening. The current average per pupil amount is £4,234 for primary and £6,168 per secondary pupil.

3.5 For example in a new one form entry school opening with places of 20 places in year one instead of 30 places the growth fund post opening costs funding would be £97k in year one, £30k in year two and £4k in year three, please see illustration below.

3.6 Table 1: One form entry post opening costs

School A	One form entry school places		
	Year one	Year two	Year three
Class one	20	30	30
Class two		20	30
Class three			20
Planned Capacity	30	60	90
% points school is full	67%	83%	89%
90% ceiling	90%	90%	90%
Diseconomies on	23%	7%	1.11%
Per Pupil Primary	£000	£000	£000
Proposed opening costs	97	30	4

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review

Report of: Amanda Corcoran – Director of Education
Reena Vandhna Kohli – Directorate Finance Lead Children Services

Summary

This report provides Forum with information on the numbers of children in the city with Special Educational Needs and Disabilities (SEND) compared to national data, spend on SEND provision and outlines the increases made to special school places for the 2017-18 new academic year. Also in the report are details of the scheduled high needs strategic review.

Recommendations

The ongoing pressures in the High Needs block are a concern to the Council. There is a need to review some of the specialist services and provision funded through this block in order to continue to improve outcomes for children and young people with SEN and ensure there are sufficient specialist places and provision in the City to meet need whilst achieving maximum value for money from the high needs block.

All Forum members are asked to:

- Note the pressures on the High Needs block
- Note the Local Authority will be provide £2.5m of resources in 2018/19 onwards in order to meet demand;
- Note plans to manage risks on budgets;
- Note plans for the strategic review of SEN.

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Background documents (available for public inspection)

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

1. INTRODUCTION

- 1.1 A revised Code of Practice for children and young people with special educational needs and disabilities (SEND) which provides statutory guidance on the policies, procedures and requirements of Part 3 of the Children and Families Act was published in September 2014. Changes outlined in the new legislation have been implemented in the City over the last three years. Changes to the way that schools and colleges are funded for children and young people have been implemented since April 2013, when these were introduced.
- 1.2 This paper will provide an update on the numbers of pupils with SEND, how this compares with national data and the impact on the high needs block which is used to fund provision for pupils with SEND. The paper will also outline increases to the number of specialist places across the city from the new academic year 2017-18 in response to the continued growth of the school population.
- 1.3 Manchester's high needs block totals £70.93m. This supports special school budgets, Special Educational Needs Statements/Education, Health and Care plans and SEN support services.

2. OVERALL SEN POPULATION

- 2.1 Within the school population, the May 2017 census showed that 16.3% school population have SEND (13,634 pupils). This was made up of 13.2% (11,078 pupils) who have needs met through SEN support and 3.0% school population who have either a statement of SEN (443 pupils) or an Education, Health and Care Plan (EHCP) (2,113 pupils).
- 2.2 The reduction from 2015 to 2016 is in line with national trends - following the Children and Families Act 2014 - Social Emotional and mental Health needs replaced Social, Emotional and Behavioural needs as one of the primary needs described in the Code of Practice. This meant that schools no longer identified some pupils whose main difficulty was behavioural as having SEND. Further to this, SEN Support level replaced School Action and School Action Plus - leading schools to remove the SEND 'label' from many pupils with lower level SEND.
- 2.3 From 2016 to 2017 the census shows that the number of pupils who have their needs met through SEN support is increasing while nationally it is decreasing, with the percentage of pupils at SEN support level in Manchester higher than the national (11.6%). The numbers of pupils in Manchester schools with high levels of need which require an EHCP have increased. This has resulted in an increase in the percentage of children in Manchester schools with an EHCP rising to 3.0%. Nationally, the actual numbers of pupils with an EHCP/statement have increased, however, the overall percentage has remained at 2.8% of the whole school population.

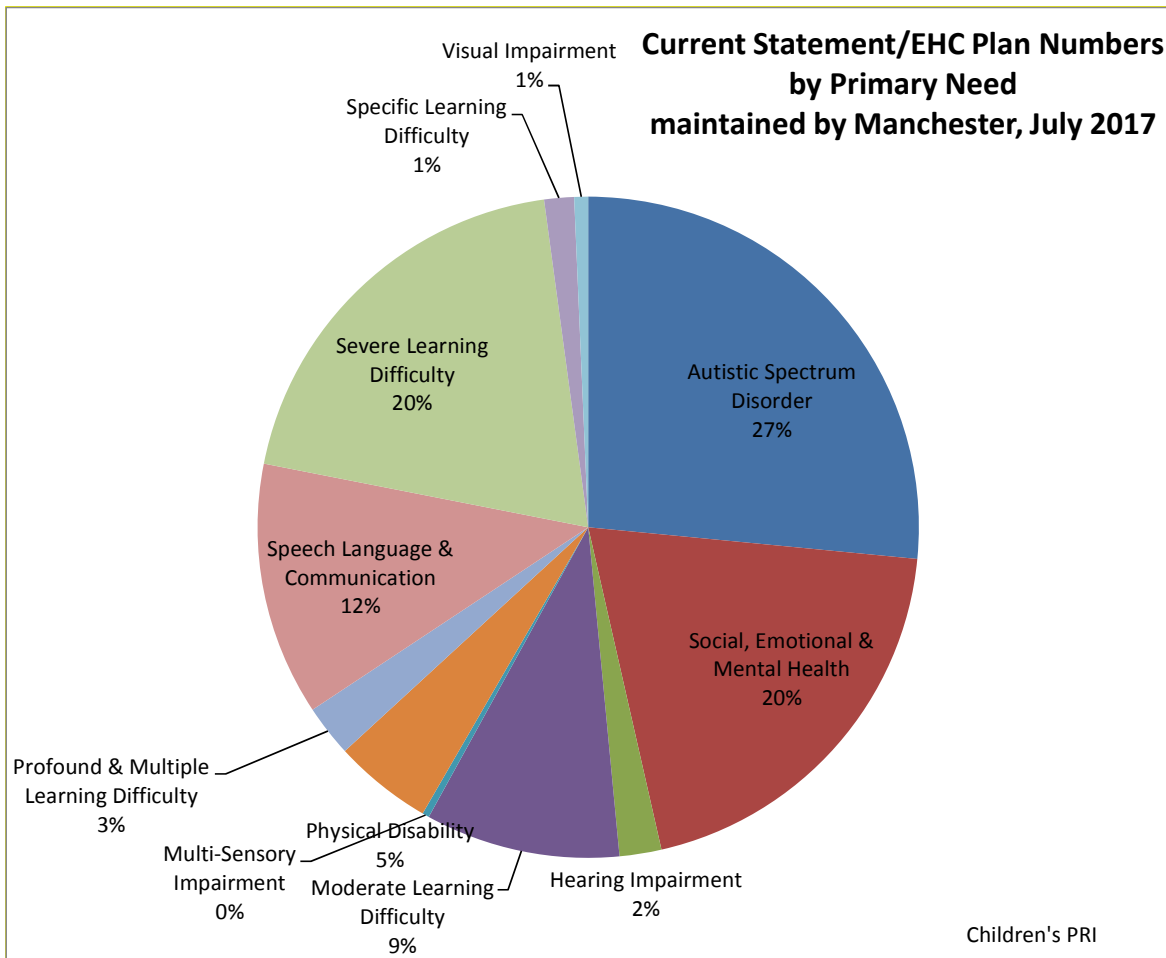
2.4 Table 1: Number of pupils with SEND in Manchester schools (May 2017 census)

	2015	2016	2017
EHCP/Statement	2,276	2,339	2,556
SEN Support	11,387	10,298	11,078
All SEN	13,663	12,637	13,634

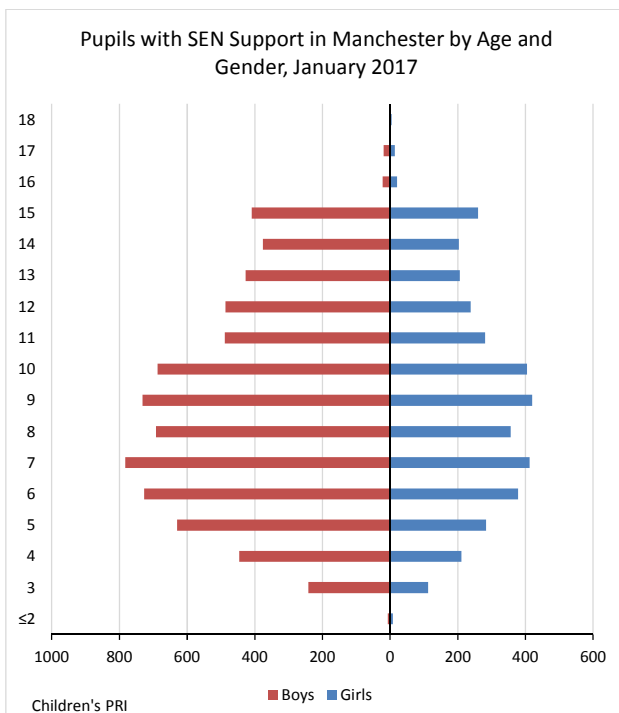
3. EDUCATION, HEALTH AND CARE PLANS (EHCP)/STATEMENTS

- 3.1 Education, Health and Care Plans (EHCPs) for children and young people aged up to 25 were introduced on 1 September 2014 as part of the Special Educational Needs and Disability provisions in the Children and Families Act 2014. From 1 September 2014, any children or young people who were newly referred to a local authority for assessment were considered under the new EHCP assessment process.
- 3.2 Transferring children and young people with statements and young people receiving support as a result of a Learning Difficulty Assessments (LDAs) to EHCPs has been phased. Transfers from LDAs for post 16 students to EHCPs were completed by December 2016 and the process of transferring statements to EHCPs will be complete by April 2018. In April 2014, Manchester had a total of 2,823 statements/resource agreements or LDAs which needed to be transferred to EHCPs by these dates. By October 2017, Manchester only had 196 Statements still needing to be transferred to EHCPs. This has been achieved through using a significant amount of allocated SEN implementation grant to increase staffing within the statutory assessment team for this purpose. The transfer team has also included secondment of a social worker to support this process.
- 3.3 In Manchester, there are a total of 3596 statements/EHCPs plan maintained by Manchester, a 55% increase over three years. The numbers of young people aged 20 to 25 remain low but the Local Authority is receiving more and more requests for EHCPs for individuals in this age group.
- 3.4 The most common types of primary need for pupils in Manchester with a statement/EHCP are:
- Autism which is 27% of the cohort. This reflects, and almost matches the national picture where autism is the most common primary need for children in the cohort with 26.9%. Manchester's proportion has remained unchanged since 2015 but nationally there has been a slight increase.
 - Severe learning difficulties which is 20% of the cohort whereas nationally, 12.9% of this cohort have SLD.
 - Social, emotional and mental health needs which is 20% of the cohort whereas nationally, 14.3% of the cohort have SEMH.

3.5 Graph 2: Current Statement/ EHCP Numbers by Primary Need July 2017.



3.6 Graph 3: Statement/ EHCP in Manchester by Age and Gender, January 2017



3.7 The number of requests for statutory assessment is increasing and the number of requests that are declined is the same as it was at this point last year which is resulting in an increase in new EHCPs. An additional 95 requests for statutory assessment were received in August 2016. There are currently 242 children on the early years pathway and a significant number of these will require a statutory assessment.

3.8 Table 4: Requests for statutory assessments over the last 3 years.

	Jan to Dec 2014	Jan to Dec 2015	Jan to Dec 2016	Jan to July 2017
New requests for assessments are increasing:	490	671	380	416
Number of requests declined has stayed the same this year:	129	156	62	62
New EHCPs issued is increasing:	442	222	318	292

4. FUNDING OF HIGH NEEDS

4.1 Specialist education provision from age 0 to 25 including special school places and independent specialist placements, special services such as the Sensory Service, resourced provision in mainstream schools and element 3 (top up) funding for mainstream schools and colleges linked to statements/EHCPs are met through the high needs block budget of £70.93m.

4.2 The tables below show the average cost linked to pupils with a statement/EHCP by type of need and the change in cost over the last 2 years. For mainstream schools the way that pupils with statements/EHCPs are funded changed in April 2013 when schools were required to provide the first £6,000 towards the cost of a pupil's additional support. Overall spend but is increasing in mainstream primary schools and secondary schools. The area of highest spend in mainstream primary is autism, followed by speech, language and communication needs. In secondary schools there is significantly more spend linked to social, emotional and mental health needs than other types of need.

4.3 Table 5: Primary Mainstream Schools – average annual cost per statement/Education, Health and Care plan

	2014/15	2015/16	2016/17
	£	£	£
ASD	8,085	7,849	7,479
SEMH	7,308	6,900	6,602
HI	6,608	6,770	5,935
MLD	5,915	6,005	5,624
MSI	7,354	9,534	7,855
PD	6,791	7,264	7,680
PMLD	9,720	8,990	9,578
SLCN	6,774	6,830	6,934
SLD	8,088	8,778	9,184
SpLD	6,679	4,638	7,940
VI	4,324	5,742	7,562

4.4 Table 6: Primary Mainstream Schools – annual cost Statements/ Education, Health and Care plans.

	2014/15	2015/16	2016/17
	£	£	£
ASD	1,094,634	1,082,799	1,353,154
SEMH	907,047	591,040	516,455
HI	65,642	58,142	78,355
MLD	371,694	348,010	369,291
MSI	47,970	39,461	32,435
PD	267,614	238,075	270,768
PMLD	30,731	22,412	13,065
SLCN	953,181	731,438	754,314
SLD	507,529	503,831	741,360
SpLD	33,008	19,803	67,090
VI	27,996	30,465	24,110
Total	4,307,046	3,665,476	4,220,397

4.5 Table 7: Secondary Mainstream Schools – average annual cost per statement/ Education, Health and Care plan.

	2014/15	2015/16	2016/17
	£	£	£
ASD	6,074	5,946	6,149
SEMH	7,004	7,034	7,128
HI	5,137	4,298	4,591
MLD	5,333	5,373	5,390
MSI	7,814	7,814	13,814
PD	6,965	6,689	6,990
PMLD	6,443	6,433	6,893
SLCN	5,287	5,491	5,640
SLD	6,313	6,880	6,953

SpLD	4,499	4,131	4,707
VI	5,808	6,130	5,029

4.6 Table 8: Secondary Mainstream Schools – annual cost Statements/ Education, Health and Care plans.

	2014/15	2015/16	2016/17
	£	£	£
ASD	263,751	305,214	404,823
SEMH	587,162	502,091	557,882
HI	43,130	45,912	48,326
MLD	261,791	280,033	312,990
MSI	7,163	7,814	5,756
PD	166,921	150,514	170,932
PMLD	9,610	12,866	14,477
SLCN	359,528	380,613	397,028
SLD	193,268	231,229	222,052
SpLD	19,049	19,549	27,549
VI	14,775	10,597	20,842
Total	1,926,148	1,946,432	2,182,657

5. SPECIALIST PROVISION

5.1 Special School Numbers are increasing year on year in Manchester as demonstrated in the below table.

5.2 Table 9: Special schools pupil numbers

	2014	2015	2016	2017
All Pupils	1,130	1,181	1,262	1,332
% of overall school population	1.51%	1.53%	1.56%	1.6%

*Note: these figures do not include places at Manchester's PRU schools (refer to section 7) or resourced provision (refer to section 5.8).

Special school population - figures are from the January school census in each year shown.

5.3 87% of children with EHCPs/statements attend a school which is graded good or better by OFSTED and 100% of special school or alternative provision in the city is good or outstanding. Just over 50% of children with a statement/EHCP attend specialist provision. Although the actual number of children attending special schools is increasing, as a percentage of the overall Manchester school population this has remained at or below 1.6% since 2012.

5.4 The tables below show the total cost of special school places for 2016/17 compared to 2015/16 as well as the average costs for a special school place for both last year and this academic year. This shows that, consistently in both years the highest area of spend across this sector was on SLD and autism (ASD).

5.5 Table 10: Total spent in year (£'000)

Category of need	2014/15 (£'000)	2015/16 (£'000)	2016/17 (£'000)
ASD	5,065	5,967	7,412
SEMH	4,326	4,496	4,712
MLD	65	41	22
PD	517	647	870
PMLD	2,559	2,400	2,574
SLCN	109	90	75
SLD	7,390	7,510	8,425
TOTAL	20,031	21,151	24,090

5.6 Table 11: Average annual cost per pupil for 2015/16, 2016/17 and 2017/18

Category of need	Cost per pupil (£) 2015/16	Cost per pupil (£) 2016/17	Cost per pupils 2017/18
ASD	17,589	17,643	17,643
SEMH	20,348	20,337	20,330
MLD	10,951	11,006	11,006
PD	17,479	17,581	17,585
PMLD	18,653	18,707	18,707
SLCN	14,988	15,043	15,043
SLD	17,588	17,643	17,643

Resourced provision in mainstream schools

5.7 As well as the increasing pressures on special school places over the recent years there is also a need for additional resourced provision in mainstream schools in Manchester. A number of places have been created in resourced provision in mainstream schools for pupils with statements/EHCPs and the table below demonstrates this.

5.8 Table 12: Designated Resourced Provision for children with autism, SEMH and Hearing Impairment.

Financial Year	Primary School			Secondary School
	Places for Autism/SLCN	Places for Hearing Impairment	Places for SEMH	Places for Autism/SLCN
2015/16	49	10	10	40
2016/17	49	10	10	44
2017/18	49*	12	14	48

5.9 * In 2017/18, there are plans to increase the resourced provision in the city through opening a new resourced provision for pupils with Autism/SLCN at William Hulme

Grammar School Academy. This is expected to take 6 pupils by July 2018 and a further 6 in 2018/19.

Placement in independent schools

5.10 There is a year on year trend of reducing placements in independent special schools for children who are pre 16, especially in 52 week residential placements. There are currently 76 pre 16 pupils placed in independent specialist provisions.

5.11 Table 13: Pre 16 Independent school placement

Type of provision	2014/15	2015/16	2016/17	2016/17 Total Cost £000's
Day	74	66	67	1,764
Residential	21	12	9	541

5.12 The primary need for children in day placements is Autism and SEMH where commissioning of independent placements has been used to meet increased demand for special schools when local provision is at full capacity. The primary need for children in residential placements is SEMH and Education makes a contribution to the education element of the placement only.

5.13 The statutory duty to provide Education for young people with EHCPs when appropriate to age 25 introduced in 2014, has put pressure on specialist placements for some types of need such as Autism which has meant that there has been an increase in spend on day placements for post 16 pupils in the specialist independent sector as shown in the tables below. There are currently 91 young people aged 16-24 in independent specialist colleges/schools.

5.14 Table 14: Post 16 Independent school/college placement

Type of provision	2014/15	2015/16	2016/17	2016/17 Total Cost £000's
Day	71	85	87	3,344
Residential	8	11	4	254

5.15 The number of day placements will increase in 2017/18 for both pre 16 and post 16 due to ongoing demographic growth. This will potentially put an additional pressure on the high needs block and may tie up funding which has been used in previous years to create additional and new specialist places within the city.

5.16 The average cost of an independent school placement is £29k to Education and the highest cost is £114k to Education. The highest cost placements are for young people with Autism. The total cost for independent placements in 2016/17 was £5.9m.

6. SPECIAL SCHOOL PARTNERSHIP

6.1 Manchester Special School Partnership is a formal partnership of all special schools who have agreed to work as part of a solution focused, collaborative partnership to

enable the pupils with the most complex and exceptional needs to access learning within a Manchester specialist setting. The Local Authority has devolved £500k of high needs funding to the partnership which can be allocated to support individual pupils.

6.2 The aims of the partnership include:

- Supporting access to learning for children and young people with the most complex and exceptional needs;
- Minimising the risk of multiple fixed term and permanent exclusions in Manchester Special schools;
- Maintaining the placements of pupils with the most complex needs in the Manchester Special schools reducing the need for external placements.

6.3 A process has also been agreed with Manchester's Special School Partnership to ensure that international new arrivals with high levels of need that would be unable to access mainstream schooling but have not got an EHCP can access the appropriate schooling while their needs and future provision are assessed.

6.4 The reduction in high cost placements has been the outcome of this partnership which has enabled special schools to work collaboratively to meet the needs of pupils with complex and exceptional needs. To date 65 young people have accessed funding through this partnership – the average costs is £8.5k and the highest cost has been £25k. In addition, 22 international new arrivals have been allocated an assessment place at a special school through the partnership in 16/17 academic year.

7. PRU PLACES

7.1 The budgets of both the primary and secondary PRUs have increased year on year over the last 3 years. The increases from 2016/17 to 2017/18 relate to the increased commissioned services at each of the schools. Due to many special schools in Manchester now being at full capacity, both provisions also now offer a number of specialist places for pupils with statements/EHCPs.

Table 15: PRU places

PRU	2015/16		2016/17		2017/18	
	Places	Budget (£'000)	Places	Budget (£'000)	Places	Budget (£'000)
Primary	48	1,426	70	1,894	70	2,059
Secondary	320	4,736	400	5,535	400	5,602

7.2 It is evident that there is an increasing need for PRU places in Manchester. The SEN Strategic Review will review both of the PRU schools and more details on this are included in section 11.

8. SPECIAL SCHOOL PROVISION – INCREASE IN SEPTEMBER 2017 PLACES

- 8.1 The school population in Manchester has been increasing significantly since 2008. This has led to an increased demand for school places across the city including places offering specialist provision. To date this has been achieved by expanding existing special schools through permanent extensions, temporary units, different use of spaces in schools and larger class sizes.
- 8.2 For September 2017, Pioneer House (a secondary special free school that opened in September 2016) will more than double in size and will deliver an additional 27 places to the 26 already provided. Further to this an additional 25 places will be added each year for the next 2 years.
- 8.3 A prescribed alteration for Rodney House was agreed in July 2016 which has re-designated the school for the full primary age range and has created an extra 20 places from September 2017 taking the school to a capacity of 60. The school is expected to be full by the October census date.
- 8.4 An additional 8 post 16 places have been created at Manchester Hospital School from September 2017 and a further 20 places at Piper Hill, one of the Authority's academy special schools.
- 8.5 In conjunction with the Local Authority, Camberwell Park Specialist School have repurposed the Belthorne Children's centre to be able to expand the specialist provision in the city. This has allowed for 25 new special school places from September 2017 costing £303k to date from September – March 2018.
- 8.6 Table 16: Additional school places for September by category of need.

	Social, Emotional & Mental Health needs places	ASD (Autism) places	Severe Learning Difficulties places	Profound & Multiple Learning Difficulties places	Total
September additional places	13	17	55	15	100

- 8.7 In July 2017 Schools Forum approved the use of the 2016/17 DSG under spend for additional special school places. The £45k under spend will contribute to the funding of the additional September special school places. Refurbishment costs will be funded from the Growth Fund.
- 8.8 The September increases highlight the growing pressure of special school places to be funded from the high needs block. These places have been funded part year for 2017-18 but will need to be funded full year from April 2018. Historically the increase in the DSG High needs block allocation has not accounted for the growth in the city so this is of a concern to the Local Authority. The SEN strategic review will assess how other areas of the high needs block budget are spent and whether any savings can be made.

8.9 Manchester has been working closely with the DfE on the total allocation for the country of £200m basic need capital funding for specialist places which was announced in the White Paper in March 2016. Manchester's allocation is £2.4m which can be drawn down in September 2018. The plans involved in the high needs strategic review will heavily impact on this funding being drawn down. In addition, the DfE launched a competition to secure additional special school capacity through the centrally funded free school presumption process. A site in north Manchester has been identified to develop the new provision. Both of these developments provide an opportunity in Manchester to create additional special school capacity in the city. However, there will be a significant challenge to find the revenue funding for these additional places within the high needs budget.

9. SENSORY SERVICE

9.1 Since 2011, Lancasterian School has been commissioned by Manchester City Council to provide a city wide Sensory Service known as LSS. The value of this Service Level Agreement was £3,083m.

9.2 The LSS support all children and young people who have a sensory impairment such that additional support and/or advice are required, at home, in nursery settings and in primary, secondary and special schools. The service also provide staff for 2 primary resource bases (only 1 is formally designated) and 1 secondary resource base. The age group supported by the service ranges from birth to leaving school provision i.e. 16 or 19 depending on the provision.

9.3 Due to increased pressure on high needs funding, the Council approached Lancasterian to improve service provision and make efficiencies where possible to release some additional funding within the high needs block to meet projected demand for additional special school provision. Following consultation, Council Executive approved the decision to make £275k savings from the Sensory Service budget. Again this a part year saving for 2017-18 and full year savings will be made from 2018-19.

10. BUGLAWTON HALL SCHOOL

10.1 In September 2017 Manchester City Council made the decision to close Buglawton Hall residential special school, which currently costs the local authority £1.6m to run. The school will close at the end of March 2018. A number of the pupils will still require residential education, others will move back into specialist day provision in the city. There will be some ongoing costs associated with disposal of the site, but it is expected that a significant proportion of the £1.6m will be released back into the high needs block in 2018-19.

11. HIGH NEEDS STRATEGIC REVIEW

11.1 The DfE has provided all local authorities with funding to undertake a strategic review of their high needs provision. Manchester's grant is £235,597. The funding can be used to increase the local authority's capacity and to help implement the outcomes of the review.

11.2 The DfE expects local authorities to consult all partners, including schools and colleges, early years, health commissioners, parents, carers and young people. The review will consider the range of provision currently available – specialist, resourced provision and mainstream and access to specialist services. The Local Authority will be consulting schools this term.

11.3 The review needs to be completed in spring 2018 and a strategic plan will be submitted to the DfE and published on Manchester’s Local Offer. Once the plan is agreed, in summer 2018 the DfE will provide £2.4m additional funding to Manchester Local Authority to make the improvements set out in the plan. The funding can be used improve special provision in mainstream schools and academies, resourced provision, special schools, early years or further education.

12. HIGH NEEDS BLOCK PRESSURES

12.1 The increases in high needs funding does not fully meet the demands from additional special school places, increases in number of education, health and care plans and additional duties around 19-25 year olds. Based on the latest position of baseline spend in 2017/18 of £72.240m there is a potential pressure on the Dedicated Schools block of £1.017m in 2017/18. Key pressures are out of city placements, post-16 special education needs, special school places and education, health and care plan budgets. The pressure rises to an estimated £3.209m in 2018/19 and £3.986m in 2019/20 after taking account of the expected DSG high needs block income as confirmed by the DfE, demographic growth and the savings the service are progressing to close Buglawton Hall Special School and reduce funding to the Sensory Service. The Local Authority is providing an extra £2.5m of Local Authority budget in order to meet demand 2018/19 onwards.

12.2 The most significant demand on the high needs budget is the demand for pupil growth estimated at 5% per year. Based on the current proportions, numbers and cost of placements there would be a need for an increase of 154 special school places, 227 children needing Education, Health and Care Plans outside of a special school setting and 42 post-16 places. This would cost £3.399m in 2018/19 rising to £6.746m for 2019/20. Table one below sets out the calculation of demographic growth.

Table one: Demographic Changes	2017/18	2018/19	2019/20	Cost	Budget Growth	
	Total	Inc in	Inc in	Per	18/19	19/20
	Places/ pupils	Places/ pupils	Places/ pupils	Place Place		
Population Estimates	77,505	81,590	85,608			
Population increase		4,085	4,018			
Population increase %		5.3%	4.9%			
Special School Places 1.9% of population	1,473	78	76	£20,000	£1,560	£3,080
EHC/SEN statement 2.8% of population	2,170	114	112	£6,000	£684	£1,356
Post 16	400	21	21	£55,000	£1,155	£2,310
Total					£3,399	£6,746

* These figures include pupils with EHCPs in Manchester schools and non-Manchester provision, including the independent sector.

13. RECOMMENDATION

13.1 The ongoing pressures in the High Needs block are a concern to the Council. There is a need to review some of the specialist services and provision funded through this block in order to continue to improve outcomes for children and young people with SEN and ensure there are sufficient specialist places and provision in the City to meet need whilst achieving maximum value for money from the high needs block.

13.2 All Forum members are asked to:

- Note the pressures on the High Needs block
- Note the Local Authority will be provide £2.5m of resources in 2018/19 onwards in order to meet demand;
- Note plans to manage risks on budgets;
- Note plans for the strategic review of SEN.

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Early Years Funding 2018/19**

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

Summary

This report provides information on the indicative Early Years block budget for 2018/19, and seeks the formal approval for the central early year's budget lines requiring Forum agreement (PVI members and Schools Members only).

In the September 2017 meeting Schools Forum members were presented with reports which contained details of Manchester's Early Years Formula for 3 and 4 year olds. It was agreed that a Schools Forum sub-group would re-consider funding supplements for English as an Additional Language and Quality. The report sets out the recommendations from the sub-group.

Recommendations

Schools Forum members are asked to:

- Note the contents of the report
- Comment on the Schools Forum sub-group's recommendation not to introduce Quality or EAL supplements to the EYFF at this stage.
- Provide a view on Option one or Option two, paragraph 3.1.
- Note the 2% increase in the level of Early Year's passporting to all providers.
- Approve central early years block items in section 4.1 and 4.2 of this report.

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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

- 1.1 This report provides information on the indicative Early Years block budget for 2018/19, and seeks the formal approval for the central early years budget lines requiring Forum agreement (PVI members and Schools Members only).
- 1.2 This report also provides an update on the potential inclusion of quality and English as an additional language supplements within the Early Years Funding Formula.

2. EARLY YEARS BLOCK

- 2.1 It is expected that Manchester will receive £32m for early learning and related services for children aged three to four and £9m for the provision of early learning for targeted two year olds. The early years allocations in December's settlement 2017 will be provisional and will be updated based on January 2018 and January 2019 data.

EARLY YEARS FUNDING FORMULA (EYFF) FOR 3 AND 4 YEARS OLD

- 2.2 In 2017/18 Manchester was required to passport 93% of the income for 3 and 4 year olds through to the providers, the level of the changes to 95% passport in 2018/19. Due to this requirement Manchester seeks to allocate another £0.10 per hour through the Early Year's 3 and 4 year old formula. The current Early Year's 3 and 4 year old formula is provided in table one below.

Table one

	Applies to	2017/18 £
Base Rate	All	4.36
Quality Supplement	All	To be considered for 18/19
Deprivation supplement	Mandatory supplement	0.17 *
English as an additional language	All	To be considered for 18/19
Average hourly rate for all providers		£4.53

Early Years' Sub-Group

- 2.3 In the September 2017 meeting Schools Forum members were presented with reports which contained details of Manchester's Early Years Formula for 3 and 4 year olds. It was agreed that a Schools Forum sub-group would re-consider funding supplements for **English as an Additional Language** and **Quality**.

- 2.4 The sub-group met in November 2017 to consult on the funding arrangements with the aim of bringing a recommendation to the Forum. The working group concluded that they would like to maximise the base rate and deprivation due to concerns around the English as an Additional Language data and Quality measures. The working group recommendation to Forum is to increase the deprivation supplement, this reports details the sub-group's rationale is provided in paragraphs 2.3 – 2.7.
- 2.5 **Quality Supplement** – supplement cannot be based on the Ofsted rating. The working group decided that this supplement would be quite resource intensive because an agreed definition of quality would be required before it could be implemented and a new system to manage and monitor quality would be needed as a system does not currently exist. The group do not recommend introduction of this supplement.
- 2.6 **English as an Additional Language (EAL) supplement.** The working group thoroughly deliberated this supplement. It was felt that this supplement should not be used due to:
- Data concerns - EAL data for children in the private early years setting has not yet been collated, tested and compared to whether this is consistent with the way schools record EAL.
 - Levels of EAL support required - It was felt there is a disparity in the levels of support individual children would need, as some with EAL would be fluent in English whereas other children and their families may have more limited English.
- 2.7 From spring 2017 the annual school census now includes a pupil's proficiency in English where a pupil's language is 'other than English', please see Appendix one. Schools are not required to complete this information for their nursery class, however most Manchester schools have provided some English proficiency information on their census for their nursery classes. This requires schools to make a 'best fit' judgement as to the proficiency stage that a pupil corresponds most closely to.
- 2.8 The group recognised that EAL can be very resource intensive, such as the cost of interpreters, and is a local priority recognised in schools. The working group agreed that more time should be taken to consider the EAL supplement in the future so recommend not to include the EAL supplement for 2018/19, but to review in the future once the English proficiency data had a chance to establish and is more robust.
- 2.9 Analysis on the current local formula allocation indicates there is some correlation between areas with high levels of EAL and funding currently allocated for higher levels of deprivation, given this the group asked the Local Authority to model the impact of raising the deprivation supplement in recognition of the need target resources to settings with pupils with english as an additional an language.

3. EARLY YEARS MODELLING

- 3.1 Given the recommendations to the Early Year's Schools Forum sub-group the LA has modelled two options:

Option one – Increase the deprivation rate by £0.10 per hour

Option two – Increase base rate by £0.04 per hour and increase deprivation rate £0.06 per hour

- 3.2 The implications of option one compared to option two is that settings with children from deprived families would see a higher increase in funding.

4. CENTRAL EARLY YEARS BLOCK

3 and 4 Year old Entitlement and additional 15 hours offer for Working Parents

- 4.1 Schools Forum approval is required for central expenditure within the Early Years Block. The existing services funded by DSG within the Early Years Block are:

- Early years Locality Leads, Access and Sufficiency Team (£606k)
This includes administration, staffing and systems for allocating funding to providers, including overheads covering central costs including Finance, HR, IT etc.
- Early Years Speech and Language commission - Speech and Language Therapists (SaLT) work with young children of varying needs and difficulties to improve speech, language and communication skills. SaLT work with individuals in clinic, at home and in both mainstream and special schools, to deliver individual, and group, assessments and therapy programmes. (£180k)
- Child and Parenting Scheme commission - multi-agency early intervention service for pre-school children and their families. It has a long standing record of delivering effective Incredible Years (IY) Parent Programmes in community settings to a diverse population of families with children experiencing emotional and behaviour problems across Manchester (£952k)

In order to hold the centrally retained early years budgets next year Schools Forum is asked to approve the budgets above.

2 year old offer

- 4.2 Provision for administration of the 2 year old places (£180k)
- 4.3 The CAPs commission value is £1.2m, due to the 2018/19 DfE 95% pass through rate requirement to providers the Local Authority is considering different options to manage the shortfall in funding. This shortfall is unanticipated and is mainly as a result of a low take-up of the additional 15

hours working parents early years offer leading to a shortfall in Early Years funding for 2018/19.

5. RECOMMENDATIONS

5.1 Schools Forum members are asked to:

- Note the contents of the report
- Comment on the Schools Forum sub-group's recommendation not to introduce Quality or EAL supplements to the EYFF at this stage.
- Provide a view on Option one or Option two, paragraph 3.1.
- Note the 2% increase in the level of Early Year's passporting to all providers.
- Approve central early years block items in section 4.1 and 4.2 of this report.

Appendix One

From 2017 spring census (January 2017) requires schools to assess all *relevant pupils* (definition below) to measure against a *Five Point Scale* (details below) whether the individual pupils, or the schools they attend, face additional educational challenges.

Relevant pupils: all pupils recorded on roll in the census where BOTH of the following conditions apply:

- Language has been recorded as anything other than 'English' ie **EAL**

AND

- The actual national curriculum year group recorded is **reception or above**

Note: the census will validate to ensure that this data is returned for all *relevant pupils*, it is possible that the data item may be present within your MIS for *all pupils*.

Five Point Scale of reading, writing and spoken language proficiency outlined below and make a 'best fit' judgement as to the proficiency stage that a pupil corresponds most closely to:

- **New to English** (*needs a considerable amount of EAL support*)
- **Early acquisition** (*still needs a significant amount of EAL support to access the curriculum*)
- **Developing competence** (*requires ongoing EAL support to access the curriculum fully*)
- **Competent** (*needs some/occasional EAL support to access complex curriculum material and tasks*)
- **Fluent** (*operates without EAL support across the curriculum*)

DFE recognise that their own definition of EAL does reflect the level of additional support/resources an EAL pupil needs, hence five point scale (detailed above).

Data source:-

January 2017 Schools census, this will give the full geographical spread of pupils across Manchester, so statistically the data sample should be adequate.

Data extracted: - Nursery Capacity, EAL & Proficiency Five Point Scale.

Note: *Five Point Scale: data on nursery pupils is incomplete as it is not mandatory for schools to complete for nursery.*

PVI - EAL information is not fully completed and they do not use Proficiency Five Point Scale.