



## Schools Forum

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Date: Monday 18<sup>th</sup> December 2017

Time: 4.00pm

Venue: Council Chamber, Town Hall Extension

Everyone is welcome to attend this committee meeting.

## Membership of the Forum

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**Secondary Sector Headteachers (1)** Gillian Houghton

**Secondary Sector Governors (2)** vacancy, Fiaz Riasat

**Primary Sector Headteachers (4)** Patricia Adams, Mike Cooke, Sarah Navin, Saeeda Ishaq

**Primary Sector Governors (4)** Brendon Jones, x 2 vacancies, Michael Flanagan

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

**Special School Governor (1)** vacancy

**Academy Representative (5)** Elizabeth Fritchley, Andy Park, Emma Merva, Ian Fenn, Joshua Rowe

**Pupil Referral Unit Representative (1)** Helen McAndrew

**Nursery School Representative (1)** Joanne Fenton

**Non-School Members (9)** Isobel Booter, Councillor Stone, Cath Baggaley, John Morgan, Elizabeth Cummings, x 4 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 26<sup>th</sup> September 2017 (enclosed).
4. School Forum Membership review
5. Central Services Schools Block
6. Schools block and Early Years consultation responses
7. Dedicated Schools Grant update 2018/19

Date of next meetings:

15th January 2018

5th March 2018

14th May 2018

18th June 2018

16th July 2018

## Information about the Forum

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Schools are represented on the Forum by headteachers and school governors, elected to reflect all categories of school. In Manchester; there are non-school representatives from the teacher associations; additional non-voting places are reserved for invited elected members and representatives of other interested bodies.

The Forum members work together to provide a clear consensus of professional advice to education decision-makers, to achieve a transparent deployment of available resources. The Forum provides a formal channel of communication between the Council and schools for consultation concerning the funding of schools, and aims to agree recommendations which present the best possible compromise between competing claims on limited resources; has strategic oversight of ALL funding decisions affecting schools, and is involved in annual consultation in respect of the Council's functions relating to the schools budget in connection with the following:

- pupils with SEN (Special Educational Needs)
- early years
- revisions to the Council's scheme for the financing of schools
- administration of central government grants to schools including Standards Funds
- arrangements for free school meals

The Forum must be consulted on any proposed changes to the Council's school funding formula, and the financial effects of any proposed changes.

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

## Further Information

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For help, advice and information about this meeting please contact:  
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## **Manchester Schools Forum**

### **Minutes of the meeting held on 20 November 2017**

#### **Present:**

**Secondary Sector Headteachers:** None

**Secondary Sector Governors:** None

**Primary Sector Headteachers:** Mike Cooke, Sarah Navin,

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

**Special School Headteachers:** Alan Braven

**Special School Governor:** None

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

**Pupil Referral Unit Representative:** None

**Nursery School Representative:** None

**Non-school members:** Cath Baggaley, John Morgan

**Council Officers:** Reena Kohli, (Directorate Financial Lead, Children and Families),  
Amanda Corcoran (Director of Education) Isobel Booler, Head of Inclusion

**Also present:** Councillor Rahman (Executive Member with responsibility for Schools)  
Councillor Stone,

**Apologies:** Steve Scott

#### **SF/17/20 Election of Chair and Vice Chair**

The Forum received nominations to appoint Ian Fenn to Chair the Forum for the next year, and for Andy Park to be appointed as Vice Chair for the same period. Both nominations were seconded and the Forum voted by acclamation. The Forum unanimously voted to appoint both nominees.

#### **Decision**

To appoint Ian Fenn as Chair of the Forum for one year and to appoint Andy Park as Vice Chair for the same period.

#### **SF/17/21 Minutes**

The minutes of the last meeting were submitted for consideration as a correct record. On reviewing those minutes, the Directorate Financial Lead, Children and Families told the Forum that a further update on the disposal of waste in schools would be brought to a future meeting.

#### **Decision**

1. To agree the minutes of 25 September 2017 as a correct record.
2. To note that an update on the disposal of waste in schools would be brought

to a future meeting of the Forum.

### **SF/17/22 Dedicated Schools Grant 2017/18 Monitoring Report**

The Forum considered a report of the Directorate Financial Lead – Children’s Services and Education and Skills which set out the monitoring position of the centrally held Dedicated Schools Grant (DSG), highlighting the DSG’s key variances. The forecast year end position on the centrally retained DSG was a net overspend of £1.017m.

As well as being invited to comment on the overspend, the Forum was also invited to the note that the projected overspend would be carried forward to 2018/19 to be set against the Grant. The Forum was also invited to approve the use of the Growth Fund for additional places in the secondary phase.

The Directorate Financial Lead, Children and Families talked the Forum through the key points of the report, summarising the reasons underpinning the spends in each of the blocks, which the Forum duly noted.

The Forum was asked to approve a spend on approximately 58 additional secondary school places in Pupil Referral Units. The Forum agreed to this by a majority of votes. Two members abstained.

#### **Decision**

1. To note overall the current projection for the DSG retained budget is an overspend of £1.017m.
2. To agree that the balance shall be carried forward to 2018/19 and will be set against the grant.
3. To approve the use of the Growth Fund for additional places in the secondary phase

[Councillor Stone declared a prejudicial interest as Governor of a Pupil Referral Unit and took no part in the decision]

### **SF/17/23 Schools Block**

The Forum considered a report of the Head of Finance: Children’s Services, Schools and Education which discussed the allocation of the funding blocks within the DSG

The Chair highlighted that focus of the report was to set out the Council’s intention to launch a consultation on school funding after the Forum’s November 2017 meeting on whether or not to retain the local formula in 2018/19 and 2019/20 or move to the National Funding Formula (NFF) values. The Forum was also asked to consider the Authority’s proposal to seek to minimise a negative Minimum Funding Guarantee was also highlighted. The need for a review of the requirement for transfer funding from the schools block to the high needs or early years blocks once the final settlement is received was also highlighted.

The Directorate Finance Lead, Children and Schools talked the Forum through the

key aspects of the report, and circulated a diagram to set out the differences between the local and national formulae and how they impacted on the respective areas. The Forum noted that overall Manchester would receive 0.5% additional funding in cash terms for next two financial years due to a degree of protection by way of compensation from the Education Skills and Funding Agency to address the discrepancies between the formulae. Manchester schools would be essentially no better or worse off under the local formula due its emphasis on pupil led factors which may warrant an element protection.

The Forum noted that subject to there being no further announcements with regard to what would happen thereafter, Manchester would eventually move to the NFF. This however was subject to there being primary legislation in place to support its introduction. Officers indicated that discussions with officials indicated that primary legislation had not yet been timetabled as a number of elements of the NFF were yet to be determined. Officers had therefore formed the view that the introduction of the NFF may be significantly delayed and advised that the Authority had volunteered to work with the DFE to work through and influence the elements that are yet to be finalised since certain aspects of the Formula had been calculated on national averages which did not accurately reflect Manchester's position. It was also noted that were the NFF to be introduced in 2020/21 – this would coincide with a Spending Review which could lead to greater uncertainty.

There was a discussion about the impact of the formula on primary schools (in terms of levels of protection). The Directorate Finance Lead, Children and Schools described a real opportunity to gain extra funding through working parents through to 3 and 4 year old offer. The Forum acknowledged this, noting that motivating parents was often an obstacle to this because the system itself was onerous since it involved a duty that parents must re-apply on a 3 monthly basis.

There was a discussion about the consultation and whether the findings would in some way provide an analysis of the risk factors that are associated with the introduction of the national Formula. The Forum was told that officers would endeavour to provide explanatory notes, including modelling of both formulae and subject to time constraints would timetable some briefing sessions for schools given the technical nature of the topic. Discussion moved the Minimum Funding Guarantee (MFG) and the move to minimise as much as possible the extent to which this figure could be negative. The Forum was asked to note that this ultimately depended on affordability and the outcome to the Local Government Settlement due at the end of December. It was agreed that the modelling of the local and national formulas should include information about the MFG once the outcome of the Settlement was known.

The Forum agreed to support the Council's intention to launch a consultation on school funding. By way of a majority vote the Forum agreed to retain the local formula.

The Forum was asked to note that in future a maximum of 0.5% may be transferred between the Schools and High Needs Blocks to manage pressures. It was emphasised that at this stage it was not clear whether the Local Authority would be asking the Forum to make such transfers.

## Decision

1. To support the Council's intention to launch a consultation on school funding after the November Schools Forum meeting.
2. To resolve to retain the Local Authority's local formula in 2018/19 and 2019/20.
3. To support the Local Authority's proposal to seek to minimise a negative Minimum Funding Guarantee, subject to final affordability.
4. 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

### **SF/17/24 High Needs Block**

The Forum considered a report of the Head of Finance: Children's Services, Schools and Education which presented information on the numbers of children in the city with Special Educational Needs and Disabilities (SEND) compared with national data. It also described the impact on the High Needs Block which is used to fund provision for pupils with SEND. The report also outlined 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, as well as the details of the planned High Needs Strategic Review.

The Director of Education introduced the report summarising each of its sections:

- Overall SEN Population
- Education Health and Care Plan
- Funding of High Needs
- Specialist Provision
- Special School Provision
- Pupil Referral Unit Places
- Special School Partnership
- Sensory Service
- Buglawton Hall School
- High Needs Strategic Review
- High Needs Block Pressures

There was a discussion about the Specialist School Partnership and the pressure on budgets which was attributed to a reduction in the number of out-of-city placements. A Forum member described the knock on effect as that of a reduction of available funding for Social, Mental and Emotional Health resulting in not all children who had been defined as having complex needs, being adequately supported. He said that this would exacerbate what are already significant pressures on the budget.

A member noted that the figures presented in this section of the report indicated that majority of children who had been given an EHCP were in the primary sector, yet it often was more difficult to find a place for children of this age group in a PRU. He

suggested that a balance ought to be struck with regard to number of places available to address this. The Chair added that services should instead be needs-led so that there was no suggestions one child's needs were given greater priority over another. The increase in the rate of demand and the speed of the response was also discussed. The Director of Education advised that there discussions with health partners were under way with a particular focus on multiagency inputs for EHCPs and pooled budgets for commissioning of services for SEN. With regard to the PRU service for primary aged pupils she added that whilst the primary PRU was smaller it had a different focus to that for the secondary sector with a greater emphasis on its outreach and multiagency offer so that it could work with schools to help to keep children in the mainstream system. She also said that there was resource provision for children with SMEH needs. She also spoke about a demand-mapping exercise that had been commissioned by health partners to help strengthen the link with population increase to inform future budgets.

There was also a discussion about the impact of the reduced number of Educational Psychologists. The Director of Education advised that the service was funded by the Local Authority and since a statutory services, funds from the DSG could not be used to support it. She acknowledged that this factor had therefore put a significant pressure on the significant increase in EHCPs

A member asked whether the percentage of pupils with SEND was increasing as a percentage of the school population or whether it had remained static. The Forum was advised that the figure had gone up a percentage point, which was statistically significant. The reasons for this increase were being explored in the demand mapping exercise referred to earlier such that it would determine whether this was attributable to factors such as Manchester having the largest Children's hospital in Europe or the number of International New Arrivals that arrive in the city. A member added that the number of children with unidentified SEN arriving in schools with nurseries since the cessation of SureStart had had a huge impact.

### **Decision**

1. To note the pressures on the High Needs block and the plans to manage risks on budgets.
2. To note the Local Authority will be able to provide £2.5m of resources in 2018/19 onwards in order to meet demand;
3. To note plans for a strategic review of Special Educational Needs.

### **SF/17/25 Early Years Block**

The Forum considered a report of the Head of Finance: Children's Services, Schools and Education which presented information on the indicative Early Years block budget for 2018/19. Private, Voluntary and Independent sector members and schools members of the Forum were invited to approve the central early year's budget lines.

The Directorate Finance Lead: Children Services and Schools introduced the report, highlighting that



The recommendations of the recently established Schools Working Group were presented. The Group had considered the feasibility of introducing funding supplements for English as an Additional Language and Quality as part of Manchester's Early Years Formula for 2, 3 and 4 year olds. Noting that a Quality supplement could not be based on an Ofsted rating, the Working Group decided that a supplement of this type would be quite resource-intensive because an agreed definition of quality would be required before it could be implemented a new system to manage and monitor quality would need to be introduced. The Working Group resolved not to recommend the introduction of this supplement. With regard to English as an Additional Language (EAL), the Working Group resolved to recommend that this supplement should not be used due to concerns about the data and a disparity in terms of the levels of support that is required across the cohort. The Forum supported those recommendations.

The Directorate Financial Lead: Children's Services, Schools and Education advised the Forum that the Authority was required to pass on a further £0.10 per hour as part of the changes to the national Formula. As a result, the Forum was then presented with two options in terms of how this figure could be distributed:

Option One - increase the deprivation rate by £0.10 per hour

Option Two - increase the base rate by £0.04 per hour and increase the deprivation rate by £0.06 per hour.

Noting that Option One took greater account of the correlation between EAL, the incidence of deprivation and the reduced take up of the 15 hours for working parents offer the Forum recommended that option.

The Forum agreed by majority vote to approve central expenditure within the Early years block for:

- Early years Locality Leads, Access and Sufficiency Team (£606k)  
To include 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)
- Two year old offer - provision for administration of the 2 year old places (£180k)

## **Decisions**

1. To support the Schools Forum sub-group's recommendation not to introduce Quality or English as an Additional Language supplements to the Early Years Funding Formula at this stage.
2. To recommend Option One in the Early Years Funding model
3. To note the 2% increase in the level of Early Year's passporting to all providers.
4. To approve the following central Early Years Block items:
  - Early years Locality Leads, Access and Sufficiency Team (£606k)  
To include 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)
  - Two year old offer - provision for administration of the 2 year old places (£180k)

**Manchester City Council  
Report for Resolution**

**Report to:** **Schools Forum**

**Subject:** **Schools Forum Membership Review**

**Report of:** **Head of Finance for Adult Services Directorate and Children's Services Directorate.**

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**Summary**

Under the Schools Forums Regulations 2012 all LA's must have a Schools Forum with agreed Terms of Reference. Representation from the Schools Members must be broadly in line with pupil numbers in sectors and, in view of academy conversions, LA's must review this regularly. In addition the Forum must have a representative from the Early Years private, voluntary and independent (PVI) sector.

**Recommendations**

Schools Forum is asked to note the review of schools representation on Forum.

**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.

## 1. INTRODUCTION

- 1.1 As Schools Forum is an important statutory and consultative body for the LA for schools finance issues. Under the Schools Forums Regulations 2012 all LA's must have a Schools forum with agreed Terms of Reference. The current membership includes a representative from the maintained nursery schools sector together with a representative from the private, voluntary and independent (PVI) sector. The regulations also require Schools membership of Forum to be broadly representative of the pupil numbers in the Authority with the exception that there must be at least 1 academy, 1 secondary and 1 Pupil Referral Unit (PRU) Representative if the Authority has a school in that sector.
- 1.2 Forum is asked to note the review of schools representation on Forum following the conversion of maintained schools to academies and new academies with no predecessor maintained school.

## 2. CURRENT MEMBERSHIP

- 2.1 The table below summarises the current membership, together with pupil numbers as at May 2017. Based current membership and pupil numbers it is proposed that membership is changed to:

**Table One:**

| Sector       | May 2017 Pupil Numbers | %  | Current Forum Membership | Forum Membership Required | Proposed Changes |
|--------------|------------------------|----|--------------------------|---------------------------|------------------|
| Academy      | 33,090                 | 40 | 5                        | 6                         | +1               |
| Primary      | 40,532                 | 50 | 8                        | 8                         | 0                |
| Secondary    | 7,898                  | 10 | 3                        | 2                         | -1               |
| <b>Total</b> | <b>81,520</b>          |    | <b>16</b>                | <b>16</b>                 |                  |

- 2.2 The membership and arrangements for Schools Forum is a Local Authority responsibility with consultation with Forum. The Local Authority has written to Academies and sought nominations from the sector. The secondary sector did previously have one secondary school governor vacancy, this has now been deleted given the need to reduce sector membership by one.

2.3 **Table two:**

| <b>Sector Representative</b>                | <b>Vacancies</b> |   |
|---|------------------|---|
| Academy                                     | 2                | Awaiting nominations from sector                |
| Primary                                     | 2                | Awaiting nominations from sector                |
| Special                                     | 1                | Awaiting nominations from sector                |
| Nursery School                              |                  | Appointed                                       |
| Non School Member - PVI                     | 1                | Awaiting nominations from sector                |
| Non School Member – Local Authority Officer | 1                | Awaiting nominations from Director of Education |
| Non School Member (2)                       |                  | Awaiting nominations from Director of Education |
| <b>Total</b>                                |                  |   |

**3. RECOMMENDATIONS**

- 3.1 Schools Forum is asked to note the review of schools representation on Forum.

## Appendix one

Membership Regulations – Summary Full membership regs can be found on the DfE website.

To summarise:

1. a forum must comprise elected school members, at least one elected Academies member, elected or appointed non-schools members.
2. Schools and Academies members must comprise at least 2/3 of the forum
3. At least one member must be a representative of the governing bodies of maintained schools and at least one a head teacher of such schools.
4. At least one rep from a secondary, special, nursery, Pupil referral unit where that institution is LA maintained, if there are any within the LA.
- 5. There should be broadly proportional representation across Primary, Secondary and Academy Schools on the forum, based on pupil NOR's.
6. Subgroups within the SF may consist of representatives of head teachers (or head teachers' representatives), governors or a mixture of both, for each group.
7. Non-school members must consist of at least one 16 to 19 provider rep, at least one Early years rep. (where those providers exist), and the LA may appoint additional non-schools members such as reps from the Diocesan Board of Education, Bishop of Roman Catholic Diocese, appropriate faith group reps.
8. LA cannot appoint any executive member/ relevant officer to the forum.

**Manchester City Council  
Report for Resolution**

**Report to:** **Schools Forum**

**Subject:** **Central School Services Block**

**Report of:** **Head of Finance for Adult Services Directorate and  
Children's Services Directorate.**

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**Summary**

This report provides Schools' Forum with a line by line breakdown of what is included in the new central school services block (CSSB), for 2018/19, and seeks approval for the amounts on each line.

**Recommendations**

The Schools' Forum is asked to confirm the amounts on line by line basis within the central schools block for 2018/19, totalling £3.517m, before the proposed transfer of Private Finance Initiative costs of £322k to the Schools Block.

The Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18. All Schools Forums members are asked to confirm the amount on each line:

- Schools Forum £5k - Associated cost of operating Forum
- Unsupported Borrowing against school capital scheme £358k

Local Authority intends to retain the following budgets and all Schools Forums members are asked to confirm the amount on each line:

- Admissions team £1.572m – Budget for Admissions Team
- LA all school responsibilities £1.260m this provides funding duties that were previously funded by the Education Service Grant. The duties this covers is detailed in appendix one of this report.

Local Authority asks all Schools Forums view on whether the PFI funding is transferred to individual school budget shares.

- Temple £170k
- Wright Robinson £152k

**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.



## **1. INTRODUCTION**

1.1 The DfE have created a new central schools services DSG block for 2018-19. This block is made up of:

- Ongoing responsibilities funding will be formula driven (£231m nationally distributed 90% via a per pupil rate and 10% deprivation. During the transition to the new National Funding Formula ongoing responsibilities formula there will be protection with a maximum reduction of -2.5% in 2018- 19 and 2019-20) and capping of gainers.

- Historic responsibilities are based on the lagged actual cost of the commitment, and will reduce as commitments cease.

## **2. CENTRAL SCHOOL SERVICES BLOCK**

2.1 On-going responsibilities covers: Admissions, Schools Forum, Copyright licenses and responsibilities Local Authorities hold for all schools, please see left hand column of appendix one. The indicative funding for these areas indicates an increase by £124k due to increases in pupil numbers for 2018/19, please see table one below.

2.2 It is proposed the £65k balance is allocated to Admissions. The increase is for the staffing structure due to previous year's unfunded pay award, increased workload and the need to improve resilience within the team which is a front line, customer facing service with statutory timescales and deadlines to adhere to.

2.3 This servicing of Schools Forum comprises the budgets for support for the Schools Forum by LA officers plus venue costs.

2.4 DfE will purchase licenses for the Copyright Licensing Agency (CLA), and the Music Publishers Association (MPA), and recharge local authorities. This retained figure forms part of the central schools block.

2.5 LA all school responsibilities this provides funding duties that were previously funded by the Education Service Grant. The duties this covers is detailed in appendix one of this report.

Table one: Central Schools Block

|   |  |               |
|---|--|---------------|
|   |  | <b>£000</b>   |
| <b>Central School Services Block Estimate – 2018/19</b> |  | <b>£3,989</b> |

|   | <b>2017/18</b> | <b>2018/19</b> | <b>Diff</b> |
|---|----------------|----------------|-------------|
|   | <b>£000</b>    | <b>£000</b>    | <b>£000</b> |
| Admissions  | 1,507          | 1,572          | 65          |
| Schools Forum   | 5              | 5              | 0           |
| Copyright Licences  | 472            | 472            | 0           |
| LA all school responsibilities                                    | 1,200          | 1,260          | 60          |
| <b>Total On-going functions</b>                                   | <b>3,184</b>   | <b>3,309</b>   | <b>125</b>  |
| Temple  | 170            | 170            | 0           |
| Wright Robinson   | 152            | 152            | 0           |
| Unsupported Borrowing against school capital scheme – Haveley Hey | 358            | 358            | 0           |
| <b>Total Historic Commitments</b>                                 | <b>680</b>     | <b>680</b>     | <b>0</b>    |
| <b>Central Schools Block</b>                                      | <b>3,864</b>   | <b>3,989</b>   | <b>0</b>    |

|   |  |          |          |
|---|--|----------|----------|
| <b>Unallocated Central School Services Block estimate</b> |  | <b>0</b> | <b>0</b> |
|---|--|----------|----------|

2.3 Historic Commitments - This funding covers the DSG commitments to PFIs and unsupported borrowing against school capital schemes. No new commitments, as currently will be allowed.

2.4 Capital expenditure from revenue relates to historic DSG commitments to PFI schemes (Temple and Wright Robinson) and unsupported borrowing against school capital schemes. It is proposed that the Temple PFI and Wright Robinson PFI budget is moved to the school's individual budget shares. The DFE have recognised that PFI contract cost inflation cannot be controlled by councils or schools and therefore the after NFF consultation confirmed that the PFI element of funding would be annually inflated with reference to RPIX (Retail Price Index excluding Housing), this would be unfunded if these budgets were retained in the Central Schools Block. Both schools have been consulted on this proposed change.

### 3. RECOMMENDATIONS

3.1 The Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17, 2017/18. All Schools Forums members are asked

to confirm the amount on each line:

- Schools Forum £5k - Associated cost of operating Forum
- Unsupported Borrowing against school capital scheme £358k

Local Authority intends to retain the following budgets and all Schools Forums members are asked to confirm the amount on each line:

- Admissions team £1.572m – Budget for Admissions Team
- All school responsibilities for LA - £1.260m this provides funding duties that were previously funded by the Education Service Grant. These duties are detailed in the left hand column of appendix one of this report.

Local Authority asks all Schools Forums view on whether the PFI funding is transferred to the individual school budget shares:

- Temple £170k
- Wright Robinson £152k

### Statutory and regulatory duties

| Responsibilities held for all schools  | Responsibilities held for maintained schools only  |
|--|--|
| <ul style="list-style-type: none"> <li>• Director of children’s services and personal staff for director (Sch 2, 15a)</li> <li>• Planning for the education service as a whole (Sch 2, 15b)</li> <li>• Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</li> <li>• Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c)</li> <li>• Formulation and review of local authority schools funding formula (Sch 2, 15d)</li> <li>• Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</li> <li>• Consultation costs relating to non-staffing issues (Sch 2, 19)</li> <li>• Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</li> <li>• Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</li> </ul> | <ul style="list-style-type: none"> <li>• Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</li> <li>• Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</li> <li>• Functions relating to the financing of maintained schools (Sch 2, 58)</li> <li>• Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</li> <li>• Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</li> <li>• Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59)</li> <li>• Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</li> <li>• Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct</li> </ul> |

| Responsibilities held for all schools   | Responsibilities held for maintained schools only  |
|---|--|
| <ul style="list-style-type: none"> <li>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</li> </ul> | <p>management of the headteacher or governing body (Sch 2, 61)</p> <ul style="list-style-type: none"> <li>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 62)</li> <li>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</li> <li>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</li> <li>Consultation costs relating to staffing (Sch 2, 66)</li> <li>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</li> <li>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</li> <li>School companies (Sch 2, 69)</li> </ul> |

| Responsibilities held for all schools | Responsibilities held for maintained schools only  |
|---------------------------------------|--|
|                                       | <ul style="list-style-type: none"> <li>• Functions under the Equality Act 2010 (Sch 2, 70)</li> <li>• Establish and maintaining computer systems, including data storage (Sch 2, 71)</li> <li>• Appointment of governors and payment of governor expenses (Sch 2, 72)</li> </ul> |

### Education welfare

| Responsibilities held for all schools  | Responsibilities held for maintained schools only  |
|--|--|
| <ul style="list-style-type: none"> <li>• Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</li> <li>• School attendance (Sch 2, 16)</li> <li>• Responsibilities regarding the employment of children (Sch 2, 18)</li> </ul> | <ul style="list-style-type: none"> <li>• Inspection of attendance registers (Sch 2, 78)</li> </ul> |

### Asset management

| Responsibilities held for all schools   | Responsibilities held for maintained schools only   |
|---|---|
| <ul style="list-style-type: none"> <li>• Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</li> <li>• General landlord duties for all</li> </ul> | <ul style="list-style-type: none"> <li>• General landlord duties for all maintained schools (Sch 2, 76a &amp; b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have: <ul style="list-style-type: none"> <li>• appropriate facilities for</li> </ul> </li> </ul> |

| Responsibilities held for all schools   | Responsibilities held for maintained schools only   |
|---|---|
| <p>buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p> | <p>pupils and staff (including medical and accommodation)</p> <ul style="list-style-type: none"> <li>• the ability to sustain appropriate loads</li> <li>• reasonable weather resistance</li> <li>• safe escape routes</li> <li>• appropriate acoustic levels</li> <li>• lighting, heating and ventilation which meets the required standards</li> <li>• adequate water supplies and drainage</li> <li>• playing fields of the appropriate standards</li> </ul> <ul style="list-style-type: none"> <li>• General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)</li> <li>• Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</li> </ul> |

| Responsibilities held for all schools                            | Responsibilities held for maintained schools only   |
|--|---|
| <ul style="list-style-type: none"> <li>• No functions</li> </ul> | <ul style="list-style-type: none"> <li>• Clothing grants (Sch 2, 52)</li> <li>• Provision of tuition in music, or on</li> </ul> |

| Responsibilities held for all schools | Responsibilities held for maintained schools only  |
|---------------------------------------|--|
|                                       | <p>other music-related activities (Sch 2, 53)</p> <ul style="list-style-type: none"> <li>• Visual, creative and performing arts (Sch 2, 54)</li> <li>• Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</li> </ul> |

#### Premature retirement and redundancy

| Responsibilities held for all schools                            | Responsibilities held for maintained schools only  |
|--|--|
| <ul style="list-style-type: none"> <li>• No functions</li> </ul> | <ul style="list-style-type: none"> <li>• Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)</li> </ul> |

#### Monitoring national curriculum assessment

| Responsibilities held for all schools                            | Responsibilities held for maintained schools only   |
|--|---|
| <ul style="list-style-type: none"> <li>• No functions</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring of National Curriculum assessments (Sch 2, 74)</li> </ul> |

#### Therapies

| Responsibilities held for all schools                            | Responsibilities held for maintained schools only  |
|--|--|
| <ul style="list-style-type: none"> <li>• No functions</li> </ul> | <ul style="list-style-type: none"> <li>• This is now covered in the high needs section of the regulations and does not require schools forum approval</li> </ul> |



### Other ongoing duties

| Responsibilities held for all schools   | Responsibilities held for maintained schools only              |
|---|--|
| <ul style="list-style-type: none"><li>• Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</li><li>• Admissions (Sch 2, 9)</li><li>• Places in independent schools for non-SEN pupils (Sch 2, 10)</li><li>• Remission of boarding fees at maintained schools and academies (Sch 2, 11)</li><li>• Servicing of schools forums (Sch 2, 12)</li><li>• Back-pay for equal pay claims (Sch 2, 13)</li><li>• Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018 to 2019 regulations)<sup>1</sup></li></ul> | <ul style="list-style-type: none"><li>• No functions</li></ul> |

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<sup>1</sup>Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

### Historic commitments

| Responsibilities held for all schools  | Responsibilities held for maintained schools only              |
|--|--|
| <ul style="list-style-type: none"><li>• Capital expenditure funded from revenue (Sch 2, 1)</li><li>• Prudential borrowing costs (Sch 2, 2(a))</li><li>• Termination of employment costs (Sch 2, 2(b))</li><li>• Contribution to combined budgets (Sch 2, 2(c))</li></ul> | <ul style="list-style-type: none"><li>• No functions</li></ul> |

School improvement is not included in the arrangements set out in the above tables; local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support

**Manchester City Council  
Report for Resolution**

**Report to:** **Schools Forum**

**Subject:** **Consultation outcomes – Early Years Funding Formula & Schools Block Funding Formula 2018/19**

**Report of:** **Head of Finance for Adult Services Directorate and Children's Services Directorate.**

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**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.

On the 20<sup>th</sup> November 2017, reports were provided to the Schools Forum which detailed both proposed changes to the Early Years funding formula and Schools Block funding formula for 2018/19.

The proposed changes detailed in these reports affect the funding formula calculation used for 2018/19. Schools and Early Years providers have been consulted on the changes and the consultation results have been collated in this report for consideration by the Schools Forum.

This report outlines the responses the Local Authority has received at the time of writing this report, further updates will be provided at December's Forum meeting.

**Recommendations**

The majority of schools and Early Year providers that responded to the consultation would like to see Option One implemented - increasing Deprivation Supplement to ensure 95% of funding is passport through.

The majority of schools the responded to the Schools Block consultation would like to continue with the Local Authority Funding Formula in 2018/19 and to minimise a negative Minimum Funding Guarantee.

All School Forum members are asked to note the responses.

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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 On the 20th November 2017, two reports were provided to the Schools Forum which provided information on the indicative Early Years block budget for 2018/19 and the Authority's proposals for calculation of budget shares for mainstream primary and secondary schools for the 2018/19 financial year.
- 1.2 Schools and Early Years providers have been consulted on the changes and the consultation results have been collated in this report for consideration by the Schools Forum.

## 2. CHANGES SUMMARY

- 2.1 Early Years - In 2017/18 Manchester was required to passport 93% of the income for 3 and 4 year olds through to the providers, the level 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.
- 2.2 Schools Block – 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 the primary and secondary mainstream budget shares.
- 2.3 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.

## 3. CONSULTATION RESPONSES

### EARLY YEARS FUNDING FORMULA - 3 & 4 Year Old Formula

- 3.1 At the time of this report, sixteen schools and twenty-one PVI's formally responded to the consultation. Below is the question asked during the consultation and the answers provided.

**Q1. Please indicate with a tick or a cross as to which option you prefer:**

Option One: £0.10 increase on Deprivation Supplement

Option Two: £0.06 increase on Deprivation Supplement plus £0.04 increase on Base Rate

A1.

| <i>Option</i> | <i>School</i> | <i>PVI</i> | <i>Total</i> |
|---------------|---------------|------------|--------------|
| One           | 13            | 8          | <b>21</b>    |
| Two           | 3             | 13         | <b>16</b>    |
| Total         | 16            | 21         | <b>37</b>    |

The schools and PVIs have responded that they marginally support Option 1, increase on Deprivation Supplement

### SCHOOLS BLOCK FUNDING FORMULA 18/19

3.2 At the time of writing this report, twenty-one schools formally responded to the consultation. Listed below are the questions asked during the consultation and the answers provided.

**Q1. Please indicate, with a tick or a cross, whether you feel EITHER the NFF values should be used to calculate 2018/19 funding allocations or whether Manchester should continue with the local funding formula, without adjusting any formula factor to be out of line with movement the current NFF values:**

Option One: Local Authority Funding Formula (LA)

Option Two: National Funding Formula (NFF)

A1.

| <i>Option</i> | <i>No. Response</i> |
|---------------|---------------------|
| One           | <b>20</b>           |
| Two           | <b>1</b>            |
| Total         | <b>21</b>           |

A majority of responses support Option 1, continuing with the Local Authority Funding Formula values in 18/19.

**Q2. Please indicate, with a tick or a cross, whether you agree with The Authority proposal to seek to minimise a negative MFG, subject to final affordability.**

A2.

| <i>Option</i> | <i>No. Response</i> |
|---------------|---------------------|
| Yes           | <b>19</b>           |
| No            | <b>0</b>            |
| Unanswered    | <b>2</b>            |
| Total         | <b>21</b>           |

The schools have responded agreement that The Authority seeks to minimise a negative MFG, subject to affordability.

#### **4. CONCLUSION AND RECOMMENDATIONS**

- 4.1 The majority of schools and Early Year providers that responded to the consultation would like to see Option One implemented - increasing Deprivation supplement to ensure 95% of funding is passport through.
- 4.2 The majority of schools the responded to the Schools Block consultation would like to continue with the Local Authority Funding Formula in 2018/19 and to minimise a negative Minimum Funding Guarantee.
- 4.3 At the time of writing this report, the consultation deadline had not yet passed, therefore, potentially not all responses are included in the outcomes. The Local Authority recommends moving forward with the option outcomes as they stand at this time.
- 4.4 All School Forum members are asked to note the responses.

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**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Dedicated Schools Grant 2018/19 update

**Report of:** Head of Finance for Adult Services Directorate and Children's Services Directorate.

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**Summary**

Dedicated School Funding will still be provided in two stages: first, the government provides the grant to a local authority, and then the authority distributes the grant to the local educational establishments in 2018/19 and 2019/20.

This report provides a revised 2018/19 Dedicated School Grant estimate.

This report also seeks a number of key decision from maintained school sector representatives. Schools Finance Regulations set out that certain amounts can be deducted from maintained school budgets with the approval of sector representatives at Schools Forum.

**Recommendations**

Forum is asked to note estimated 2018/19 DSG.

In accordance with the Forum powers, maintained school primary and secondary school members, on a phase basis are asked to approve de-delegation for the following items:

- Trade Union Duties (£254k which at current pupil levels equates to £5.84 per school aged pupil – para 3.3)
- Education Services Grant General Duties (£500k which at current pupil levels equates to £11.93 per school aged pupil – para 3.5)

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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 Dedicated School grant funding is provided in two stages: first, the government provides the grant to a local authority, and then the authority distributes the grant to the local educational establishments. This report provides 2018/19 grant estimates per block.
- 1.2 From 2018/19 DSG will be made up of four blocks next year: schools block, early years block, high needs block and central services schools block. In order to set budgets early in 2018 the LA has consulted Forum on a number of school budget share changes and is seeking a number of decisions from Forum.
- **Schools block** – In order to enable the Council to prepare the Schools Budget for 2018/19 in the November 2017 Forum was consulted on whether Manchester continues with the local funding formula, without adjusting any formula factor in line with current National Funding Formula values.
  - The LA is seeking permission from maintained school member as to whether the Local Authority continues to hold budgets for Trade Union facilities management and former Education Services Grant general duties.
  - **Early years** – At present the Local Authority plans increase the hourly rate for the 3 and 4 year old offer by 10p per hour, the outcome of the recent consultation with providers is set out in Agenda item 6. The Local Authority is also seeking to request a disapplication of regulations that limit the amount of early year's budget that can be retained.
  - **High Needs** – The Local Authority is not seeking to change the high needs block funding formula for schools or specialist providers. However, it is not anticipated the high needs block anticipated grant and additional Council funding will sufficiently meet all of the demand in the high needs block. Given this the LA is continuing to review high needs budgets in order to create the capacity for additional high needs places and to manage other high needs block pressures.
  - **Central school services block** – decision and composition of the block is outlined in agenda item 5.

## 2. DEDICATED SCHOOLS GRANT BLOCKS

- 2.1 The government has published indicative funding for the DSG Schools, Central Services and High Needs blocks based on October 2016 census data which will be updated for October 2017 data in December 2017.
- 2.2 It is currently estimated that the increase in pupils in mainstream schools in October 2017 will generate an additional £13.5m over and above the indicative funding allocations for the Schools, High Needs and Central Services blocks set out in table one below.

**Table one**

|  | <b>Schools</b> | <b>High Needs</b> | <b>Central Schools Services Block</b> |
|--|----------------|-------------------|---------------------------------------|
|  | <b>£000</b>    | <b>£000</b>       | <b>£000</b>                           |
| 2018/19 estimated allocation (October 17 census) | 398,340        | 73,372            | 3,989                                 |
| 2017/18 Baseline                                 | 385,370        | 72,969            | 3,864                                 |
| <b>Difference</b>                                | <b>12,970</b>  | <b>403</b>        | <b>125</b>                            |

- 2.3 There is an anticipated change in the DSG blocks allocation between 2017/18 baseline and 2018/19 of £13.5m. This is a result of pupil growth attracting additional funding to the City and 0.5% increase in pupil elements of the national funding schools block formula.
- 2.4 The provisional early years block will be notified to the Local Authority mid-December 2017.

## 3. SCHOOLS BLOCK - DE-DELEGATION

- 3.1 Schools Finance Regulations set out that certain amounts can be deducted from maintained school budgets with the approval of sector representatives at Schools Forum. Most of the items concerned were previously centrally top-sliced so that the funding was not included in the total available for distribution by formula. The “de-delegation” approach means that the deductions occur after the formula has run and individual schools can see the cost of each element to their budget share.
- 3.2 The LA is seeking the Forum (primary and secondary representatives only) approval to de-delegate the following budget in respect of maintained primary

and secondary schools only. The Union also offer this service on a traded basis to academies, special and nursery schools.

### **Trade Union Facility Arrangements**

- 3.3 Facilities time is provided for specific Trade Unions representatives to represent staff in other schools and academies where required and cover for these representatives are reimbursed to the employing school through this budget. This covers the support of staff at all levels of seniority and includes representatives for a range of teaching and support staff from Trade Unions. Based on current academy conversions and estimated October 17 pupil numbers, this equates to a budget of £254k, which equates to approximately £5.94 per pupil.
- 3.4 The Union also offer this service on a traded basis to academies, special and nursery schools, Currently 20 academies, 6 specials and one nursery school purchases this SLA, this generates just over £85k, currently the TU facility arrangements budget is projected to balance. Primary and Secondary School Forum members are asked to approve the de- delegation of the Trade Union budget; approval is required at a phase level.

### **Education Services general duties for maintained schools**

- 3.5 It is proposed that £0.5m is held by the Local Authority to cover statutory general duties which were previously covered through general element of ESG. At this stage this is estimated to be £11.90 per pupil, but is subject to DfE confirmation of the October 2017 census. Table 2 provides an outline of the contribution to current general rate ESG funded budgets. Based on current academy conversions and estimated October 17 pupil numbers, this equates to a budget of £500k, which equates to approximately £11.93 per pupil.

**Table two**

| <b>General former Education Services Grant Duties</b>  | <b>£000</b> |   |
|--|-------------|---|
| <b>Human Resources</b><br>advice to maintained schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff, determination of conditions of service for nonteaching staff, appointment or dismissal of employee function | 61          | Contribution to cost of Schools Humans Resources Manager post.  |
| <b>Governor Support</b><br>Advice to maintained schools around appointment of governors  | 68          | Contribution to Governor Support Team (not funded from other sources of education funding)                          |
| <b>Quality Assurance</b>   | 205         | Contribution to cost of Quality Assurance posts. Audit moderation of assessments for National Curriculum monitoring |
| <b>Attendance</b>  | 116         | Contribution to cost of Attendance posts and software   |
| <b>Asset Management</b><br>General landlord duties for all maintained schools.<br>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).   | 50          | Contribution to cost of Asset Management post.  |
| <b>Total</b>   | <b>500</b>  |   |

#### 4. CONCLUSION AND RECOMMENDATIONS

4.1 Forum is asked to note estimated 2018/19 DSG.

4.2 In accordance with the Forum powers, maintained school primary and secondary school members, on a phase basis are asked to approve de-delegation for the following item:

- Trade Union Duties (£254k which at current pupil levels equates to £5.84 per school aged pupil – para 3.3)
- Education Services Grant General Duties (£500k which at current pupil levels equates to £11.93 per school aged pupil – para 3.5).