



## **Schools Forum**

Date: Monday, 17 January 2022  
Time: 4.00 pm  
Venue: Virtual meeting over Zoom

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published

## **Membership of the Schools Forum**

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

**Primary Sector Headteachers (4)** Mike Cooke, Hatim Kapacee, Saeeda Ishaq, Gavin Shortall

**Primary Sector Governors (3)** Tony Daly, Philip Geldard, Lolita Hall

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

**Special School Governor (1)** Walid Omara

**Academy Representative (7)** Joseph Brownridge, Helen Child, Andy Park, Emma Merva, Joshua Rowe, Michael Carson, Edward Vitalis

**Pupil Referral Unit Representative (1)** Andrew Burton

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

**Non-School Members (6)** Councillor Reid, Cath Baggaley, John Morgan, Jenny Smillie, Jimmy Buckley, Antonio de Paola

## Supplementary Agenda

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|---|--------|
| <b>4. De-delegation 2022/23</b><br>The report of the Directorate Finance Lead – Children and Schools is enclosed.                 | 3 - 4  |
| <b>5. Dedicated Schools Grant (DSG) 2022/23</b><br>The report of the Directorate Finance Lead – Children and Schools is enclosed. | 5 - 29 |

## Further Information

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

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This supplementary agenda was issued on **Monday, 17 January 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2 , Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

## Manchester City Council Report for Resolution

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

**Subject:** **De-delegated Budgets 2022/23 – Final**

**Report of:** **Head of Finance – Children’s, Schools and Schools**

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### Summary

The purpose of the report is to seek permissions from maintained School Forum representatives on the de-delegation for 2022/23, which enables some services to maintained schools to be provided centrally, and the funding to do so is retained by the local authority (LA). If de-delegation stops, then the centrally retained funding would be delegated in the main school budget and the local authority would either stop providing or would charge for the service. The “de-delegation” approach means that the deductions occur after the formula has been applied and individual schools can see the cost of each element in their budget share.

The [De-Delegation 2022/23 report \(agenda item 4\)](#) was presented to School Forum 15 November 2021, seeking permissions from maintained School Forum representatives on the deduction for the de-delegation of: education services grant duties, trade union and on-line free school meals software, as November’s School forum was not quorum this was not permitted. This report includes an update on the delegation rates based on October 2021 census data and now seeks the permission from maintained School Forum representatives for the de-delegation for 2022/23.

The November [De-Delegation 2022/23 report \(agenda item 4\)](#) highlighted the potential that a further proposal for de-delegation 2022/23, following Department of Education (DfE) consultation in October 2021: [How LA School Improvement Functions are funded](#), which requested views on the removal of the School Improvement Monitoring & Brokering Grant (SIMBG) and to allow local authorities to fund via the de-delegation process. Outcome of this consultation is expected spring 2022. The Council do not seek any de-delegation 2022/23 for school improvement services

### Recommendations

In accordance with Schools Forum powers, maintained schools’ representatives are asked to approve de-delegation for the following:

- Trade Union Duties: £200k which at current pupil levels equates to £5.39 per school aged pupil
- Education Services Grant General Duties: £500k which at current pupil levels equates to £13.67 per school aged pupil.
- On-line free school meal (FSM) checking software: £55.3k which at current pupil levels equates to £1.46 per school aged pupil.

Maintained schools' representatives are asked to note the following:

- There is no request for de-delegation 2022/23 following the DfE consultation on phasing out the School Improvement Monitoring & Brokering Grant (SIMBG)

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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.

**Supporting Reports:**

15 November 2021	Schools Forum – De-delegation 2022/23
20 September 2021	Schools Forum - National Funding Formula (NFF) Consultation

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**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Dedicated Schools Grant 2022/23

**Report of:** Head of Finance – Children’s and Schools

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**Summary**

This report provides the:

- Dedicated Schools Grant (DSG) allocation announced by the Department for Education (DfE) on the 16<sup>th</sup> December 2021
- Outlines the allocation of the budget across individual school budgets (ISB) and local authority (LA) retained schools budget (RSB).

The announcement included confirmation of new supplementary grant funding, allocation details to be determined at a later date.

Local authorities receive and manage the DSG within four blocks: schools, central school services, high needs and early years. A large proportion of it is paid directly to schools and other settings to provide for majority of education services. A proportion of the DSG is provided for local authorities to deliver education services.

**Recommendations**

Schools Forum Members are asked to provide a view and comment on:

**DSG allocation and School Funding 2022/23**

All Manchester primary and secondary schools should receive a per pupil increase between 2% minimum and up to 3.2% on pupil-led funding.

Central services school block funding has reduced on a per pupil basis by 2.5% despite there being no reduction in functions councils are required to provide.

The high needs block has increased by £9.441m in 2022/23, this should enable the Council to manage existing and anticipated pressures next year, in addition to being able to cover most of the previous year shortfall. Although the planned recovery was not achieved last financial year the Council is confident at this stage that most of deficit can be recovered 2022/23 and the residual recovered by year three, 2023/24 as planned.

Early year rates have increased by 21p and 17p per hour in the two-year-old and three and four-year old offer respectively. Final notifications of the adjustment to funding of the two-year-old and the three and four-year-old offer will be received in July 2022 and July 2023.

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**Supporting Reports:**

20 September 2021	Schools Forum - School Funding Settlement 2022/23
20 September 2021	Schools Forum - National Funding Formula (NFF) Consultation
15 November 2021	Schools Forum – Schools Consultation Outcome for NFF Transition
12 July 2021	Schools Forum – High Needs Block Overview

## 1. INTRODUCTION

1.1 The Dedicated Schools Grant (DSG) for 2022/23 was received on 16 December 2021, this is a ring-fenced grant. The grant is made up of four blocks: schools, central school services, early years and high needs. The majority of the grant is used to fund:

- Individual schools' budgets in maintained schools and academies in Manchester.
- Early years nursery entitlement for two, three- and four-year olds in maintained school nursery classes, private, voluntary and independent (PVI) nurseries.
- Provision for pupils with high needs including those with Education Health & Care Plans (EHCPs) in special schools, special provision, mainstream schools and further education in Manchester and independent settings (commonly known as Out of City placements).

1.2 This report which for ease of reference is structured as follows:

Section 1	Introduction
Section 2	Outline of the 2022/23 DSG allocation at Local Authority (LA) level
Section 3	Distribution of grant across educational establishments and Council retained budgets.
Section 4	New Supplementary Grant 2022/23
Section 5	Pupil Premium 2022/23
Section 6	Recommendations and Conclusion

## 2. DEDICATED SCHOOLS GRANT (DSG) 2022/23 ALLOCATION AT LOCAL AUTHORITY LEVEL: STAGE ONE

### Manchester's DSG 2022/23 Settlement

2.1 The 2022/23 DSG notification received on the 16<sup>th</sup> December 2021 and totals **£627.682m**. Table one provides a breakdown of the grant across the DSG blocks and sets out why the grant changed between 2021/22 and 2022/23.

2.2 The overall increase in DSG since last year is £25.055m, table one sets the movement since last year:

- **£19.944m** of the change is due to increases in the grant, £9.990m in the school block, £8.746m uplift in the high needs block. Part of this increase is due to the city having greater need, free school meals have increased by further 3.9% since October 2020 census, which is given a heavier weighting in the formula. £1.368m of the increase relates to increase in hourly rates for early years and £160k reduction in central school services grant.
- **£4.865m** of the increase in the grant relates to increases in pupil numbers.
- **£246k** increase in growth fund, based on pupil growth between October 2020 and October 2021, along with increases to unit funding rates (last financial year this was a downward adjustment of **£1.711m**).

**Table one: DSG settlement 2022/23 compared to 2021/22**

<b>DSG 2022/23 v. 2021/22</b>					
	<b>Schools</b>	<b>Central School Services</b>	<b>High Needs</b>	<b>Early Years</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
2022/23	475.054	3.796	110.024	38.808	627.682
2021/22	456.200	3.902	100.584	41.942	602.627
<b>Difference</b>	<b>18.853</b>	<b>-0.105</b>	<b>9.441</b>	<b>-3.134</b>	<b>25.055</b>
<b>The difference is a result of the change in £m:</b>					
Formula	9.990	-0.161	8.746	1.368	19.944
Pupil Numbers	8.617	0.055	0.695	-4.502	4.865
Growth Fund	0.246				0.246
<b>Difference</b>	<b>18.853</b>	<b>-0.105</b>	<b>9.441</b>	<b>-3.134</b>	<b>25.055</b>

- Excluding DSG supplementary grant for high needs £4.034m, please see section 4.

### Schools Block

- 2.3 The Schools Block allocation of £475.054m has been calculated bottom up on the basis as if the national funding formula (NFF) was applied at school level, Appendix one sets out the NFF rates. Local authorities are permitted to use a local funding formula (LFF) to distribute the aggregated total between each school and academy. The £475.054m will be allocated out to schools in individual budget shares or held for the growth fund.
- 2.4 The allocation has increased by £18.853m in 2022/23. The DfE has applied an average of a 2.8% increase to all core factors of the NFF, except premises which remain funded at historic rates. The funding allocation provides a guaranteed unit of funding of **£5,046.82** per primary pupil and **£6,792.57** per secondary pupil.
- 2.5 The guaranteed funding rates outlined above are calculated by the DfE before October 2021 census takes place. The rates are therefore calculated on the basis of pupil characteristic data as recorded on the October 2020 census. This means that whilst deprivations levels will have risen between October 2020 and October 2021 census, the Local Authority does not receive funding for that increase in 2022/23; it will be seen in the LA's funding allocations in 2023/24, i.e. there is a one-year lag. To note, the LA still funds schools on updated pupil characteristic and deprivation data as in October 2021.
- 2.6 The budget is based on 81,441 children aged 5-16 years. The allocation has increased by **£8.617m** to reflect overall growth in primary and secondary sector pupils between October 2020 and October 2021, of 1,282 (1.6%).
- 2.7 Table two below shows the breakdown of the allocation across 81,441 pupils aged 5-16 years. Table three illustrates the changes in pupil numbers, and Manchester's guaranteed unit of funding since 2020/21. Primary pupil numbers have fallen marginally in 2022/23, while secondary numbers continue to grow.



**Table two: Schools Block Allocation**

<b>Schools Block</b>	
<b>Guaranteed Unit of Funding:</b>	
Primary	£5,046.82
Secondary	£6,792.57
<b>Numbers on roll – 81,441</b>	
Primary	49,513
Secondary	31,928
	£466,752,977
Growth Funding	£3,880,548
Premises	£4,420,018
<b>Total</b>	<b>£475,053,544</b>

**Table three: Schools Block Funding 2020/21 – 2022/23**

<b>Schools Block</b>	<b>2020/21</b>	<b>2021/22</b>	<b><u>2022/23</u></b>
Primary number on roll	49,960	49,579	49,513
Secondary number on roll	29,475	30,580	31,928
<b>Total</b>	<b>79,435</b>	<b>80,159</b>	<b>81,441</b>
<u>Guaranteed Unit of Funding</u>	£5,351	£5,691	£5,833
Primary	£4,669	£4,946	<b>£5,047</b>
Secondary	£6,209	£6,636	<b>£6,793</b>
Funding through the growth and premises (£m)	£9.625	£8.056	£8.301
<b>Block Total (£m)</b>	<b>£425.944</b>	<b>£456.200</b>	<b>£475.054</b>

**Central School Services Block (CSSB)**

- 2.8 The CSSB allocation is £3.796m and supports the LA's role in education. It comprises two elements:
- 'On-going Responsibilities' - funding for this is determined by number of pupils and deprivation.
  - 'Historic Commitments' (previously known as Combined Services) - funding for this is based on past actual costs.
- 2.9 'Ongoing Responsibilities' funds: Admissions, copyright licenses, servicing of Schools Forum and duties local authorities have for both maintained schools and academies.
- 2.10 The per pupil amount for 'On-going Responsibilities' has reduced by 2.5% which equates to per pupil reduction of £1.11 to £43.10 per pupil. The impact of the reduction in the rate per pupil has been partly mitigated by an increase in Manchester's pupil numbers, resulting in an overall net reduction of £34k.

- 2.11 The DfE previously indicated that the 2.5% per pupil downward adjustment on the 'On-going Responsibilities' will continue for approximately another five years, to bring in-line with NFF. This was prior to the NFF consultation September 2021, which considered if CSSB funding should become part of Local Government Finance Settlement (LGFS) going forward. Manchester received protection this year of £3.21 per pupil, which equates to £257k. Although Manchester's projected pupil numbers growth will partly offset the impact of reduced per pupil amount, this has started to become a budget pressure.
- 2.12 'Historic Commitments' are time-limited and expected to reduce over a time period, following a previous DfE decision to reduce historic commitments by 20% from 2020/21. As in preceding years Manchester has requested protection against this reduction, of £71.6k 2022/23. The Council has evidenced the on-going commitment for unsupported borrowing against a school's capital scheme of £358k per year, which runs until 2032/33. The Council is waiting DfE confirmation regarding this protection, expected March 2022.

**Table four: Central Schools Service Block (CSSB)**

CSSB 2022/23 v. 2021/22			
	2022/23	2021/22	Difference
<b>Historic Commitments</b>	<b>286,400</b>	<b>358,000</b>	<b>-71,600</b>
<b>On-going responsibilities:</b>			
Unit of funding	£43.10	£44.21	-£1.11
Oct 21 census number on roll	81,441	80,159	1,282
<b>Total On-going responsibilities:</b>	<b>£3,510,086</b>	<b>£3,543,829</b>	<b>-£33,744</b>
<b>CSSB Total</b>	<b>£3,796,486</b>	<b>£3,901,829</b>	<b>-£105,344</b>

High Needs Block (HNB)

- 2.13 The HNB allocation is **£110.024m** and provides increased funding for children and young people with special educational needs and disability from early years to age 25 years. The DfE has allocated an additional £0.78bn to the high needs block nationally. Manchester's additional high needs block grant is **£9.441m**, an increase of 9.39% compared to 2021/22.
- 2.14 This block of funding is for those pupils or students who require provision that would not normally be available within the delegated resources of a mainstream school. It is also for pupils who would require additional targeted resources in order to meet their needs in a mainstream setting or placement in a specialist setting, such as a SEN resource unit or a special school. It enables both councils and providers to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision (AP) for pre-16 pupils who cannot receive education in schools and further education placements where pupils remain in education up to 25 years.

- 2.15 The high needs block funding formula considers several weighted factors that combine to create the block allocation. Previously it was based on historical allocations plus small annual amounts of growth. This is the third year of the three-year schools funding settlement announced in September 2019, the HNB has received significantly increased grant allocations to support the recognised growing SEND pressures. Table five sets out the high needs block grant allocation 2021/22 and 2022/23.

**Table five: High Needs Block (HNB)**

High Needs Block	Based on	2021/22 £m	2022/23 £m
Basic entitlement	£4,699.67per special school pupil	9.347	9.625
Formulaic elements	Population, FSM, IDACI, Bad Health, Prior Attainment, Hospital Education, Historic Allocations	91.066	100.623
Import/Export Adjustment	Movement of pupils in/out the authority	-0.519	-0.477
Additional Special Free School		0.69	0.253
<b>Total</b>		<b>100.584</b>	<b>110.024</b>

- 2.16 In 2022/23 the HNB will be finalised in the new calendar year once the confirmation of the adjustment for the 'import and export' is taken account off. The 'import and export' relates to pupils that attend a school in a different local authority than where they are resident.
- 2.17 The 'import and export' adjustment is made following confirmation of January 2022 census data and Individualised Learner Record (ILR) R06 February return. This relies on schools and colleges with pupils who reside in another local authority area making sure that where applicable the 'top-up flag' is selected for Manchester to receive the grant to meet pupil needs.

### Early Years

- 2.18 The early years block funding is £38.808m and is provisional, this reflects the 2022/23 early years national funding formula (EYNFF) rates for all councils published in December 2021. Both the two-year-old rate and the three and four-year-old rate for Manchester have increased in 2022/23, by **21p** and **17p** per hour respectively. This is an increase of 3.4% for three- and four-year olds and 3.8% for two-year olds.
- 2.19 The block allocations are not yet finalised and will ultimately be adjusted on take-up of

the early years offer at January census 2022 and 2023, adjustments to the block are expected in July 2022 and July 2023. A summary of the initial block allocation is provided in table six below.

- 2.20 TPG and TPECG funding will continue to be paid to school nursery settings and maintained nursery schools as separate grants in 2022/23. Allocations are expected to be published by DfE in Spring 2022.

**Table six: Early Years Block**

<b>Early Years Block</b>	<b>2022/23</b>
<b>Three and Four-year-old: Initial 15 hours for 38 weeks</b>	
Guaranteed Unit of Funding (hourly rate)	<b>£5.18</b>
Number on roll	8,366
Sub-total (£m)	<b>£24.70</b>
<b>Three and Four-year-old: Working parents offer 15 hours for 38 weeks</b>	
Guaranteed Unit of Funding (hourly rate)	<b>£5.18</b>
Est. of eligible children	2,081
Sub-total (£m)	<b>£6.14</b>
<b>Two-Year-Old Offer: 15 hrs for 38 weeks aged 2</b>	
Guaranteed Unit of Funding (hourly rate)	<b>£5.67</b>
Number on roll	2,052
Sub-total (£m)	<b>£6.63</b>
Early Years Pupil Premium (£m)	<b>£0.83</b>
Disability Assess Fund (£m)	<b>£0.23</b>
Maintained nursery school supplementary funding (£m)	<b>£0.27</b>
<b>Total (£m)</b>	<b>£38.81</b>

### 3. DEDICATED SCHOOLS GRANT (DSG) ALLOCATION ACROSS SCHOOLS, PROVIDERS AND CENTRALLY RETAINED: STAGE TWO

#### Schools Block

- 3.1 The schools block funds individual mainstream schools' budgets. Funding is currently based on a local funding formula. This formula applies to all primary and secondary schools and academies. It applies to schools regardless of whether they remain with the local authority or convert to an academy during the year. When calculating the school funding formula, local authorities are required to comply with strict national guidelines within the current year's Operational Guidance for Pre-16 Schools Funding on GOV.UK.
- 3.2 This section of the report sets out how the Council intends to passport increase in school funding to schools. Manchester seeks to maximise pupil led funding and stability for all schools. Following previous confirmations of their intention to roll out a direct national funding formula (NFF) for all schools, the DfE launched an NFF consultation in July 2021. The Local Authority, in consultation with Schools Forum and schools, has made the decision to move the local formula factor (LFF) 10% closer towards the NFF in 2022/23. Model N2A was brought to Forum in September 2021 outlining the estimated impact of moving 2021/22 budgets 10% closer towards the NFF. This model has now been re-run on 2022/23 data and is outlined below in Table seven.

**Table seven. 2022/23 DSG Schools Model**

<b>Model N2A</b>	
LFF Factors	10% Transition to 22/23 NFF (see Appendix One)
Lump sum	£151,630
MFG	2.00%
Capping	3.20%

- 3.3 Schools receive the higher of the LFF or the minimum funding guarantee (MFG), which is a per pupil funding protection.
- 3.4 **Local Funding Formula (LFF)** – pupil led factors have moved 10% closer to their NFF counterparts in 2022/23 under Model N2A. This has led to increases in factors where the LFF rates were lower than NFF rates, for example, FSM6, secondary IDACI bandings, primary EAL, LPA, and mobility. Conversely, where LFF factors were previously higher than NFF unit rates, these factor rates have seen a small decrease, for example, basic entitlement, several primary IDACI bandings, secondary EAL, LPA, and mobility, and the lump sum value. A notable addition to the formula is that of the Free School Meals (FSM) factor, in addition to the existing FSM6 factor, which has been applied at the full 2022/23 NFF rates and will provide additional deprivation funding to all 166 Manchester schools. The addition of the FSM factor to the LFF has been actioned in recognition of the increasing levels of deprivation within the City, having seen a 3.9% increase in FSM eligibility since October 2020. See Appendix one for a detailed list of the proposed 2022/23 LFF rates under the new model.
- 3.5 The Council will set the **lump sum** at £151.6k per school in 2022/23, which is still

£30,330 higher than the lump sum under the NFF in 2022/23. Premises and exceptional costs have been uplifted in line with the allocations from the DfE. From 2022/23, business rates funding will be centralised by the DfE and schools will no longer receive a nominal allocation for this. DfE is expected to release further details on this new centralised process in the summer term.

- 3.6 **Minimum Funding Guarantee (MFG):** The DfE have outlined that the allowable per pupil protection compared to the 2021/22 budgets must range between **0.5% to 2%**. Model N2A seeks to set the **MFG protection** at the highest allowable level of 2% per pupil. This mirrors the 2% protection that would have been applied under the NFF.
- 3.7 Last year's MFG protection totalled £8.77m (125 schools), and in order to ensure that pupil related funding increases by at least 2% in 2022/23, an extra £5.29m will be added onto the formula funding under MFG in Model N2A. This will impact just 72 schools in 2022/23, which is lower than the number schools requiring MFG protection in 2021/22. This is beneficial as it reduces the number of schools relying on MFG.
- 3.8 **Gains Cap** – In September 2021, the Council and Schools Forum agreed that in order to afford the addition of the FSM factor to the 2022/23 LFF, the Council would need to implement a larger cap on school budgets. In 2021/22, the cap was set at 3% (18 schools) and the Council estimated that this may need to be brought down. However, the Council has been able to lift the cap in 2022/23 to 3.2%, which means that schools can now enjoy gains from between a minimum of 2% and a maximum of 3.2% per pupil before adjusting for pupil numbers and premises related factors. The capping affects a larger number of schools in 2022/23 (61 schools), which demonstrates how the additional deprivation funding provided to schools under the new FSM factor has helped provide a boost to school budgets. Capping may only be applied to the extent that it makes the formula affordable, and it must be applied on the same basis to all schools. New and growing schools' pupil related increases may be higher as the cap is not applied, as per DfE requirements. See Tables eight and nine for the impact of capping under Model N2A.

**Table eight: Number of schools under MFG and Capping**

	Model N2A
	No. of schools
LFF (No MFG or cap)	33
MFG	72
Gains cap	61
<b>Total</b>	<b>166</b>

**Table nine: LFF, MFG, and Gains Cap Funding**

	Model N2A
	£m
LFF (No MFG or cap)	467.29
MFG	5.29
Gains cap	-2.85
<b>Total</b>	<b>469.73</b>



- 3.9 **Growth Fund** – The growth fund has been created by the Council to support schools which are required to provide extra places to meet basic need, including pre-opening and reorganisation costs. The Council's 2022/23 growth fund budget allocation is £3.881m, an increase of £246k to the 2021/22 growth allocation. The Council intends to budget for 570 places in new and growing schools through the schools funding formula, which is estimated to cost £2.020m. In addition to this, a further sum of money is required to be retained centrally to fund explicit growth for in-year expansions. This is expected to fund at least 120 primary and 60 secondary places, as well as other growth payments to growing schools, and has been budgeted at the balancing £1.861m.
- 3.10 Manchester faced significant growth fund pressures in 2021/22, with the allocation having shrunk by £1.710m compared to 2020/21. This was a result of slowed down pupil growth between October 2019 and October 2020 censuses, however, it was expected that the budgetary pressures for growth in the schools block should stabilise from 2022/23 onwards as actual pupil growth starts to fall in line with the funding allocations and several historic commitments come to the end of their cycles. This understanding appears correct as the growth fund allocation for 2022/23, at present, seems more suitable to meet the level of known growth commitments in the city. Table ten details the growth fund budget for 2022/23.

**Table ten: Growth Fund Commitments 2022/23**

Growth Fund	£m
<b>2022/23 Allocation</b>	<b>3.881</b>
Implicit Growth (new and growing)	-2.020
Explicit Growth (in-year expansions)	-1.861

- 3.11 **Reception uplift** - The proposed LFF for 2022/23 also includes funding for 77 pupils picked up under the reception uplift mechanism. In order to ensure that no school loses out in respect of deferred entry to reception arising from the use of the October census count, the Council has chosen to apply an uplift, which represents the difference in the number of reception pupils between the October school census and the following January school census. The NFF does not provide funding to the Council for reception uplift and this is therefore an additional feature funded by the Council for schools.

#### Central School Services Block

- 3.12 This block provides funding for councils to carry out central functions on behalf of pupils in state-funded maintained schools and academies. The block is split into funding for historic commitments and funding for LA school responsibilities, such as
- 3.13 Although part one of governments NFF consultation (reported to forum September 2021) included the DfE proposal as to whether this funding should become part of Local Government Finance Settlement (LGFS). The DfE have not yet confirmed this changed. The proposal creates risk for CSSB funding, by rolling it into a wider formula funding mechanism as it would subject it to cuts in line with overall funding reductions. Following the outcome of the consultation, the Council will review the impact on the CSSB.

High Needs Block

- 3.14 It is anticipated the £9.441m increase in the high needs block funding will meet the current and future increase in demands from additional special school places and expected growth in the wider scope of the High Needs Block (HNB) in 2022/23.
- 3.15 The Teachers Pay Grant (TPG) and Teacher Pension Employer Contributions Grant (TPECG) has been transferred into the DfE national funding formula in financial year 2022/23 rather than paid as a separate grant and does not form part of growth funding within 2022/23.
- 3.16 It should also be noted that this section does not reference nor include any additional funding that is to be provided as a Supplementary Grant by the DfE specifically ringfenced to the HNB in 2022/23. This is referenced under section 4 of this report and is in addition to the information provided below. Paragraph 3.19 - 3.32 and table eleven outlines HNB spend.

**Special schools & Resource Units & RHOSEY Commission: £4.772m Increase -**

- 3.17 The school population in Manchester has increased significantly since 2008 and continues to grow. This has led to an increased demand for school places across Manchester, including places offering specialist provision. Continued expansion of provision planned for 2022/23 is a further **75** new special school places across Manchester. This is in addition to the significant expansion delivered in 2021/22 and those schools yet to reach full capacity.
- 3.18 The additional funding also includes £0.539m for Rodney House Outreach for Early Years (RHOSEY) commission, previously part of Early Years block. This supports early years settings through outreach and training for children with significant learning needs. The 2022/23 allocation includes additional funding for Special Schools which will be built into the banded top-up funding, comparison of rates see appendix 6. The changes are as follows:
- 2% inflationary uplift on all special school rates.
  - Adjustment for the hydro-pool will increase by 50% to mitigate expected increase in energy costs.

**Mainstream EHCPs (Educational Health Care Plans): £1.946m increase**

- 3.19 Manchester has managed a total of 5,658 EHCP's across the casework service. This is an increase in excess of 120% from the number of plans managed in 2015 (2,547 in total).
- 3.20 At the time of calculation there were 1,247 pupils with an EHCP plan within Manchester mainstream primary schools. These will move into 2022/23 at an overall cost of £7.490m per annum. Based on average trend data it is estimated there will be an additional **326** EHCP plans issued to Primary age pupils during 2022/23.



- 3.21 At the time of calculation there were 708 pupils with an EHCP plan within Manchester mainstream secondary schools. These will move into 2022/23 at an overall cost of £4.07m per annum. Based on average trend data it is calculated there will be an additional **161** new EHCP plans issued to Secondary age pupils during 2022/23.

**Post-16 with High Needs: £1.077m increase**

- 3.22 For funding purposes, a high needs student is defined as a young person aged 16-18 who requires additional support costing over £6,000; and any young person aged 19-25 subject to an EHCP that requires additional support costing over £6,000. Post-16 pressures mainly relate to the growth in learner numbers, additional responsibilities for high needs post 19-year olds that came into force in September 2013 and increased complexity of need. In 2021/22 (year to date) Manchester's post-16 learners total 531, it is expected that there will be **94** additional post-16 learners with high needs in 2022/23. Three new provision settings will be undergoing a due diligence process to be undertaken by the ESFA during 2022 to improve capacity and choice for Post 16 learners.
- 3.23 Post 16 costs are expected to continue increasing incrementally in future years. Cohorts of pupils aged 16 in 2013 when additional responsibilities were placed on local authorities will now be reaching the age of 25 and moving into employment or utilising education services within the adult services sector. The increase in size of future cohorts which expanded due to the implementation of further responsibilities in 2013 requires further modelling to ensure demand and costs can be met in future years.

**Out of City Placements & Other Local Recoupment: £2.011m increase**

- 3.24 Expected growth of **60** pupils placed in independent specialist provisions 2022/23 at an average assumed cost of £34.5k per annum. It is anticipated that demand for out of city school placements will ease due to in year expansions in Manchester special schools however any savings within 2022/23 are expected to be offset by a growth in the use of Personal Budgets at an anticipated full year cost of £235k during 2022/23. This element has not been incorporated into previous year budgets.
- 3.25 The current average cost of an annual personal budget at £16k is a significant reduction on a placement within an independent specialist setting and has the potential to see increased take-up should the current Covid19 pandemic be prolonged.
- 3.26 Vulnerable individuals are likely to be deemed safer within an environment over which families hold greater control which a Personal Budget option provides.
- 3.27 Pupils currently placed in Other Local Authority currently number 269. There is a forecast increase of **23** additional pupils in 2022/23.

**High Needs Central Services: £117k increase**

- 3.28 Both efficiencies and pressures have been identified within the High Needs central

services area. A restructuring of the EHCP Casework team has been undertaken during 2021/22 in addition to a review of the Safeguarding in Education team. Additional capacity within the teams is required to assist in delivering a service which is in line with the significant growth noted across the HNB. Savings will be achieved through reduced reliance on external provision of EHCP plan writing services and disposal of unused operational facilities. The net effect of identified efficiencies and pressures requires an additional allocation of £117k within the High Needs block central services area.

### **DSG deficit recovery reduction £482k**

- 3.29 Manchester's DSG is projected to have an overall overspend by £1.980m 2021/22, as at period 8 monitoring. Last year £1.832m from the HNB was allocated to recovery, although this has not yet been achieved due to budget pressures, mainly within Post-16 and Out of City placements, the Council is confident that three-year recovery will still be achieved 2023/24. Budget allocation for 2022/23 includes £1.350m assigned to the recovery (£482k less than 2021/22), with the residual deficit expected to be recovered 2023/24.

**Table eleven: High Needs Block growth 2022/23**

	2022/23  £m	2022/23 Additional places to previous year	Other Changes
<b>Additional HNB Allocation</b>	<b>9.441</b>		
<b><u>Growth: Current and Future</u></b>			
Special Schools, Resource Units	4.772	84	2%, RHOSEY transfer
Mainstream EHCP	1.946	482	
Post 16 Places	1.077	94	
Out of City Places	2.011	83	
Central Services	0.117		pressures
<b>TOTAL: Growth</b>	<b>9.923</b>		
<b>DSG Recovery Balance Reduction (Yr.2 of 3 yr. recovery)</b>	<b>-0.482</b>		
<b>Balance</b>	<b>0</b>		

Early Years

- 3.30 £37.868m of the early years block is allocated to early years providers for the two and three- and four-year olds entitlements, early years pupil premium, disability access fund and maintained nursery school supplementary fund. £0.940m is retained by the Council for the teams that support and administer the early years offers.
- 3.31 As stated earlier in the report, the provisional early years block for 2022/23 was announced by the DfE in December 2021 and reflects increases in the hourly rates funding of 21p per hour for the two-year-old offer and 17p per hour for the three and four-year-old offer.
- 3.32 **Two-Year-Old Offer** – Funding has increased by **21p per hour**. The Council seeks to pass the **full** increase to providers.
- Council now funded at £5.67 per hour.
  - Providers funded at £5.56 per hour to providers
  - Council retains £0.11 per hour as in previous years.
- 3.33 **Three and Four-Year-Old Offers** - Funding to the Council has increased by 17p per hour. Funding to providers is based on fixed base hourly rate and an additional amount targeted towards children that come from deprived families. The deprivation payment is made to settings in relation to individual children who live in postcode areas of high deprivation. The Council seeks to pass the **full** 17p increase to providers via increase of the hourly **base** funding rate. Whereby the:
- Council would be funded at a rate of £5.18 per hour
  - Providers funded at £4.92 on average per hour (with £4.65 proposed in the base rate and an average deprivation supplement of £0.27)
  - £0.26 per hour is retained by the Council, as in 2021/22.
- 3.34 Manchester retains less than 2.5% of the full early years allocations to support early years education. On the three and four-year-old entitlements, over 95% of the funding will be passported to providers in line with funding compliance requirements.
- 3.35 The Council is funded on the level of take-up of the offer as recorded on January censuses. The Council uses this part of the grant to fund early years providers based on take-up May, October and January census points. Due to the impact of the pandemic on take-up of the free entitlement offers, January 2021 take-up levels are low, leading to a smaller early year's allocation for 2022/23. Funding allocations will be updated based on January 2022 and January 2023 censuses in due course.
- 3.36 **The Rodney House Outreach Service (RHOSY)** - Due to a budgetary pressures on the early years block in 2022/23, and the LA's decision to pass on the full increases on both two-year-old rate and the three and four-year-old entitlements to schools and private, voluntary, and independent providers, this service will be funded via the high needs block in the new year, subject to an annual review in the future.

**4 2022/23 SUPPLEMENTARY GRANT**

- 4.1 Manchester has been allocated £18m from the Government's £1.6bn supplementary funding, on-top of the 2022/23 DSG. The supplementary funding recognises additional

costs that local authorities and schools will face in the coming year, including providing support for the cost of Health and Social Care Levy, applied initially through employers' national insurance contributions, and wider costs pressures. For 2022/23 this is in the form of a separate grant, where possible the DfE intend to incorporate this funding into core budget allocations for 2023/24, so for schools 5 to 16 years, this will mean the funding being rolled into the schools national funding formula (NFF) for 2023 to 2024. Finalised allocations of the schools' supplementary grant will be published in spring 2022, along with the conditions of the grant

#### 4.2 The £18m allocation to Manchester is made up of:

- £14m for schools, early years and post-16 provision in schools. For primary and secondary sector, the DfE will publish school-level allocations in spring 2022, for LA's to pay individual schools at the rates published. Early years and post-16 elements of the school's supplementary grant will be allocated on a simple per-pupil basis. Finalised allocations of the schools supplementary grant will be published in spring 2022, along with the conditions of the grant.
- £4m for special schools and alternative provisions. This is not provided at school level; the additional funding also takes into account that colleges and other providers supporting students with high needs. The Council will develop options, including increases to the top-up funding paid from the local authorities' high needs budgets.

## 5 2022/23 PUPIL PREMIUM

- 5.1 Pupil Premium grant funding will continue in 2022/23, based on the October 2021 census (same as October 2020 census was used for 2021/22 allocations). The DfE have also confirmed increased funding rates for the pupil premium 2022/23. The rates are increasing on average by 2.8%, in line with the inflation forecasts, as illustrated on table twelve below.

**Table twelve – Pupil Premium 2022/23**

<b>Pupil Premium rates 2022/23</b>		
<b>Pupil Premium eligibility criteria</b>	<b>Primary Rates £</b>	<b>Secondary Rates £</b>
Free School Meals - FSM6 (Pupils eligible for FSM, or have been eligible in the past 6 years)	£1,385	£985
Looked-after children	£2,410	£2,410
Children who have ceased to be looked-after	£2,410	£2,410
Service children	£320	£320

- 5.2 Early Year Pupil Premium (EYPP), which is funding for early years pre-school settings to improve the education for disadvantaged 3 and 4-year-old has increase by 7p per hour to 60p. EYPP funding is up to maximum of 570hours per eligible pupil, the result of the hourly increase is that the annual entitlement has increased from £302 to £342.

**6. CONCLUSION AND RECOMMENDATIONS**

- 6.1 DSG arrangements for 2022/23 are the same as the current year with the grant continuing to be allocated in four blocks based on national formulae.
- 6.2 Table thirteen below sets out the grant breakdown of DSG blocks. The table provides a summary of the split between individual school budgets and those budgets retained centrally by the authority across each of the blocks in 2022/23 and 2021/22.

**Table thirteen – DSG individual school budgets and retained school budgets**

	<b>Schools</b>	<b>Central School Services Block</b>	<b>High Needs</b>	<b>Early Years</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Retained School Budgets	1.861	3.796	37.226	0.940	<b>43.823</b>
Individual School Budgets	473.193	0	72.798	37.868	<b>583.859</b>
<b>DSG 2022/23</b>	<b>475.054</b>	<b>3.796</b>	<b>110.024</b>	<b>38.808</b>	<b>627.682</b>
Retained School Budgets	1.1	3.902	33.884	1.569	<b>40.455</b>
Individual School Budgets	455.1	0	66.699	40.372	<b>562.171</b>
<b>DSG 2021/22</b>	<b>456.200</b>	<b>3.902</b>	<b>100.583</b>	<b>41.942</b>	<b>602.627</b>

- 6.3 Schools Forum Members are asked to provide a view and comment on:
- All Manchester primary and secondary schools should receive a per pupil increase between 2% minimum and up to 3.2% on pupil-led funding. Central services school block funding has reduced on a per pupil basis by 2.5% despite there being no reduction in functions councils are required to provide.
  - The high needs block has increased by £9.441m in 2022/23, this should enable the Council to manage existing and anticipated pressures next year, in addition to being able to cover most of the previous year shortfall. Although the planned recovery was not achieved last financial year the Council is confident at this stage that most of deficit can be recovered 2022/23 and the residual recovered by year three, 2023/24 as planned.
  - Early year rates have increased by 21p and 17p per hour in the two-year-old and three and four-year old offer respectively. Final notifications of the adjustment to funding of the two-year-old and the three and four-year-old offer will be received in July 2022 and July 2023.

**Appendix one: Local Formula Factor Values**

2022/23		Manchester's Local Funding Formula	National Funding Formula	Manchester's Local Funding Formula	LFF Change
		2021/22	2022/23	2022/23	21/22 to 22/23
Per Pupil Factors		£	£	£	£
Basic Entitlement	Primary	3,486	3,217	3,459	-0.78%
	KS3	4,641	4,536	4,630	-0.23%
	KS4	5,292	5,112	5,274	-0.34%
FSM	Primary		470	470	-
	Secondary		470	470	-
FSM Ever 6	Primary	522	590	529	1.36%
	Secondary	501	865	538	7.29%
IDACI Primary	Band A	604	640	608	0.58%
	Band B	517	490	514	-0.52%
	Band C	461	460	461	-0.05%
	Band D	406	420	407	0.30%
	Band E	374	270	364	-2.78%
	Band F	314	220	304	-3.11%
IDACI Secondary	Band A	529	890	565	6.77%
	Band B	465	700	489	5.08%
	Band C	397	650	423	6.44%
	Band D	249	595	284	13.89%
	Band E	211	425	232	10.07%
	Band F	150	320	167	11.60%
EAL	Primary	403	565	419	3.93%
	Secondary	2,187	1,530	2,121	-3.01%
Mobility	Primary	555	925	592	6.59%
	Secondary	1,581	1,330	1,556	-1.57%
Prior Attainment	Primary	693	1,130	737	6.29%
	Secondary	2,968	1,710	2,842	-4.25%
Minimum Funding Level	Primary		4,265		
	Secondary		5,525		
School-led factors		£		£	£
Lump Sum	Pri & Sec	155,000	121,300	151,630	-2.17%
Funding Floor (per pupil)	Pri & Sec		2.00%		

**Appendix two: Early Years Rates****2-Year-olds**

<b>Current Formula</b>	<b>Applies to</b>	<b>2021/22 (Hourly rate) £</b>	<b>2022/23 (Hourly rate) £</b>
Base Rate	All providers	5.35	5.56

**3- and 4-Year-olds**

<b>Current Formula</b>	<b>Applies to</b>	<b>2021/22 (Hourly rate) £</b>	<b>2022/23 (Hourly rate) £</b>
Base Rate	All providers	4.48	4.65
Deprivation supplement*	All providers	0.00 - 0.45	0.00 - 0.45

<b>Deprivation Supplement</b>	
Post code of Child	Hourly Rate (£)
Top 6% most deprived	0.45
7% - 15% most deprived	0.31
16% - 30% most deprived	0.21
31% - 50% most deprived	0.11
51% and above	0

\*Average Deprivation supplement of £0.27p per hour, no change from 2021/22. All the increase has been added to the base rate.



**Appendix three: Places - Special Schools**

Name	Institution Category	Places Funded April 2022 (as per Moderated)	Budgeted in Year Expansions	Total High Needs Places Budget 2022/23
<b>SPECIAL SCHOOLS</b>				
Ashgate Specialist Support School	Maintained Special	141	-	<b>141</b>
Bridgelea PRU	Pupil Referral Unit	86	8	<b>94</b>
Camberwell Park	Maintained Special	178	2	<b>180</b>
Grange School	Maintained Special	236	-	<b>236</b>
Lancasterian School	Maintained Special	155	-	<b>155</b>
Manchester Hospital Schools	Maintained Special	57	13	<b>70</b>
Manchester KS3 & 4 PRU	Pupil Referral Unit	388	-	<b>388</b>
Endeavour Federation Schools	Maintained Special	306	-	<b>306</b>
Melland High	Academy – Special	186	-	<b>186</b>
North Ridge High	Maintained Special	199	1	<b>200</b>
Piper Hill High	Academy – Special	239	1	<b>240</b>
Pioneer House	Academy – Special	122	-	<b>122</b>
Prospect House	Academy – Special	50	50	<b>100</b>
Rodney House	Maintained Special School	62	-	<b>62</b>
The Birches	Maintained Special	156	-	<b>156</b>
Anticipated Additional Increases				
<b>TOTAL SPECIAL SCHOOLS</b>		<b>2561</b>	<b>75</b>	<b>2636</b>

- 388 Apr-Aug 22 then 310 Sep to Mar 23



**Appendix four: Places - Resource Units in Mainstream Schools**

	<b>Institution Category</b>	<b>Total Pre-16 Places</b>	<b>Total 16-18 Places</b>	<b>Total 19+ School Places</b>	<b>Sept 21 Agreed Expansions</b>	<b>Total Places</b>
Alma Park	Maintained	12	-	-	-	12
Barlow Hall Primary	Academy	7	-	-	-	7
Abraham Moss	Maintained	12	-	-	-	12
Bowker Vale Primary	Maintained	7	-	-	-	7
Broad Oak Primary	Maintained	7	-	-	-	7
Manchester Academy	Academy	17	-	-	-	17
Newall Green Primary School	Academy	6	-	-	-	6
Pike Fold Primary School	Maintained	7	-	-	-	7
Rack House Primary School	Maintained	7	-	-	-	7
St James' CofE Primary School Gorton	Academy	7	-	-	-	7
St Pauls RC High	Academy	12	-	-	-	12
St Peter's RC High	Maintained	12	-	-	-	12
St Willibrord's RC Primary	Maintained	7	-	-	-	7
Webster Primary School	Academy	8	-	-	-	8
William Hulme Grammar	Academy	12	-	-	-	12
Ashbury Meadow Primary	Maintained	14	-	-	-	14
<b>TOTAL RESOURCE UNITS IN MAINSTREAM SCHOOLS</b>		<b>154</b>	-	-	-	<b>154</b>

**Appendix five: Post-16 Providers**

	Institution Category	Total 16-18 Places	Total 19+ Post School Places	Sept 22 Agreed Expansions	Total Places
Loreto College	Further Education Provider	40	20	-	60
The Manchester College	Further Education Provider	184	87	49	320
Xaverian College	Further Education Provider	13	-	-	13
Manchester Adult Education Services	Further Education Provider	8	39	-	47
Pinc College (formally Project Inc.)	Special Post-16 Institutions	-	-	70	70
The Digital Workhub	Special Post-16 Institutions	-	-	10	10
The Growth Company	Special Post-16 Institutions	-	-	10	10
<b>TOTAL POST-16 PROVIDERS</b>		<b>245</b>	<b>146</b>	<b>139</b>	<b>530</b>

**Note:** The table relates to agreed commissioned places, based on place change notification.

**Appendix six: Special School Place and Top up Values (includes 2% increase place & top-up)**

Category	Need	Details	2021/22 £	2022/23 £ *Inflation uplift tbc
Elements 1 and 2 place funding	Pre and post 16	Funding for all LA commissioned places	10,000	10,000
Element 3 top up Banding  (using Matching Provision to Need Tool Descriptions)	S1	An independent learner within a specialist setting.	7,300	7,646
	S2	A structured learner within a specialist setting.	8,200	8,564
	S3	A supported learner within a specialist setting.	9,300	9,686
	S4	Highly severe, complex or exceptional needs. Approach to meeting individual needs is required. Consideration may be given to accessing partnership funding.	11,000	11,420
	S5	Pupils with the most complex/exceptional needs and previously moderated accessing Partnership funding.	15,000	15,500

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