



Schools Forum

Date: Monday, 20 November 2023
Time: 4.00 pm
Venue: Virtual: To be held 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

Secondary Sector Headteachers Lee Ormsby

Primary Sector Headteachers Mike Cooke, Hatim Kapacee, Saeeda Ishaq, Gavin Shortall

Primary Sector Governors Tony Daly, Lolita Hall, Angela Stansfield, Iram Cheema

Special School Headteachers Alan Braven

Special School Governor Walid Omara

Academy Representative Joseph Brownridge, Helen Child, Andy Park, Joshua Rowe, Karl Harrison, Edward Vitalis, Jill Usher

Pupil Referral Unit Representative Colin Harvey-Rigby

Nursery School Representative Amy Davenport

Non-School Members Councillor Reid, Cath Baggaley, John Morgan, Antonio de Paola, Isabelle Qamar

Supplementary Agenda

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|----|---|---------|
| 4. | High Needs Block (HNB) SEND Improvement Measures Recovery Plan
The report of the Directorate Finance Lead – Children’s and Schools is now enclosed. | 5 - 12 |
| 5. | 2024/25 Funding Update - October 2023 Announcement
The report of the Directorate Finance Lead – Children’s and Schools is now enclosed. | 13 - 18 |
| 6. | Early Years Quality Supplement 2024/25
The report of the Directorate Finance Lead – Children’s and Schools is now enclosed. | 19 - 22 |
| 7. | De-delegated Budgets 2024/25
The report of the Directorate Finance Lead – Education and Schools is now enclosed. | 23 - 26 |

Further Information

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

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This supplementary agenda was issued on **Wednesday, 15 November 2023** 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:	High Needs Block (HNB) SEND Improvement Measures Recovery Plan Update
Report of:	Directorate Finance Lead – Children’s and Schools

Summary

The Dedicated Schools Grant (DSG) is a ringfenced grant, that has four separate funding blocks, of which one is the high needs block (HNB), funding specialist education provision for children and young people up to 25 years old with Special Education Needs and Disabilities (SEND).

DSG cumulative position 2022/23 is a £1.417m overspend, this is primarily due to the growth in the Education, Health, and Care Plans (EHCP), Post-16, independent special placements (ISP), and use of other local authority (OLA) in the HNB. Current forecasts for 2023/24 are £3.902m overspend in year, increasing to £8.545m in year overspend 2024/25, before SEND improvement recovery actions.

The HNB is the most financially volatile block of the DSG, which has been recognised nationally as part of the DfE “SEND and Alternative Provision Improvement Plan”.

This report provides a progress update on Manchester’s SEND improvement measures recovery plan, covering the following: -

- Potential funding gap 2023/24 and 2024/25 (section 2).
- Continuing SEND improved outcomes and recovery (section 3).
- DSG financial implications and school block transfer (section 4).

All Schools Forum members are asked for note and comment:

- Current projected 2023/24 HNB overspend position in-year £3.902m pre-improvement actions (£2.932m post recovery).
- Projected 2024/25 HNB overspend £8.434m in-year pre-improvements actions.
- SEND improvement measures in the next two years to improve outcomes and financial sustainability.

All Schools Forum members are asked to comment and approve:

- SEND improvement recovery plan actions proposed by the Council and Recovery Board
- No school block transfer to HNB in 2024/25. The Council will not be

requesting 0.5% school block transfer, given the expectations of the recovery measures. If the improvement measures do not have a positive impact on outcomes and financial stability, there is an expectation that a block transfer request 2025/26 could be required.

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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:

19 September 2022	Schools Forum Agenda Item 4: High Needs Block (HNB) Recovery Plan
March 2023	SEND and Alternative Provision Improvement Plan
June 2023	Post-16 SEND Commissioning Project Plan 2023
May 2023	Post 16 SEND Strategic Commissioning Report

1. Introduction

- 1.1 The DSG is a ring-fenced grant, made up of four blocks: schools, central school services, early years, and high needs. A substantial proportion of it is paid directly to schools and other settings to provide education services. Unlike other parts of the grant the HNB has significant pressures and is the reason the DSG are in a £1.417m overall cumulative overspend. The current projected HNB overspend for 2023/24 is £3.902m pre-recovery actions in year and £2.932m post recovery in year.
- 1.2 The main areas of spend in the HNB include:
- Special school and further education (FE) college places
 - Top-up funding for nurseries, mainstream schools, special schools, FE colleges and independent schools linked to Education, Health, and Care Plans (EHCPs)
 - Support provision of special services provided by schools and councils, which include but are not limited to, the Sensory Service and resource provision in mainstream schools.
- 1.3 The HNB pressures are mainly a result in the growth in: EHCP, Post-16, independent special placements (ISP), and the use of other local authority provision (OLA). DfE have confirmed Councils will not get the same level of HNB funding increase as in previous years, 2023/24 c.13%, this is expected to drop to c.3% going forward. If growth in demand continues at the same rate as 2022/23, and no action is taken, the shortfall on the HNB is projected to be £8.434m by 2024/25, due to increase in grant less than spend. The HNB funding increase of **3%** is significantly **less than** the impact of expected 8% increase in demand (number of EHCP, Special School places, Post 16, and ISP) and inflationary cost pressures 4%.

Table One: Year on Year Funding Increase to HNB Overspend

	2021/22	2022/23	2023/24	2024/25
HNB Funding, % increase Year on Year	14%	16%	13%	3%
HNB In-Year shortfall / overspend (£m)	3.138	2.141	3.902	8.434

- 1.4 The DfE green paper “SEND and Alternative Provision Improvement Plan” looks at how to better equip mainstream settings, identify and support children and young people’s needs with early intervention and providing the right support at the right time, instead of being met by EHCPs or specialist provision while increase financial sustainability. This report investigates the Councils’ response to this and how it looks to embed improvements.
- 1.5 The Department for Levelling Up, Housing and Communities (DLUHC) has made regulations which ring-fence DSG overspends from councils’ wider financial position in their statutory accounts. So, any DSG balance from a previous financial year is carried forward and addressed in the following funding period. This ring-fence has been extended to the end of March 2025,

so DSG overspends 2025/26 is the point local authorities will need to demonstrate their ability to cover DSG overspends from their future available reserves. This means that the DSG overspend will become a greater risk to the Council, potentially affecting other services. It is therefore crucial that the HNB pressures are addressed.

2. Potential Funding Gap 2023/24 and 2024/25

- 2.1 Due to the growth in demand within high needs this has resulted in a block overspend of £2.141m 2022/23, due to four key areas of pressures: EHCP, Post-16, ISP, and OLA. 2022/23 in-year HNB and central schools block overspends were off-set by underspends in Schools and Early Years block.
- 2.2 HNB 2023/24 is forecasting £2.661m overspend, but with underspend in other DSG blocks this is reducing the overall projected DSG overspend to £2.299m. This will increase the overall cumulative overspend for DSG, from £1.417m to £3.716m, illustrated on table two below.
- 2.3 HNB recovery forecast for 2023/24 is £0.970m mainly due to a review of independent special placements, with an expected reduction in costs to multi-agency arrangements and a holistic commissioning approach to achieve a more cost-effective approach.

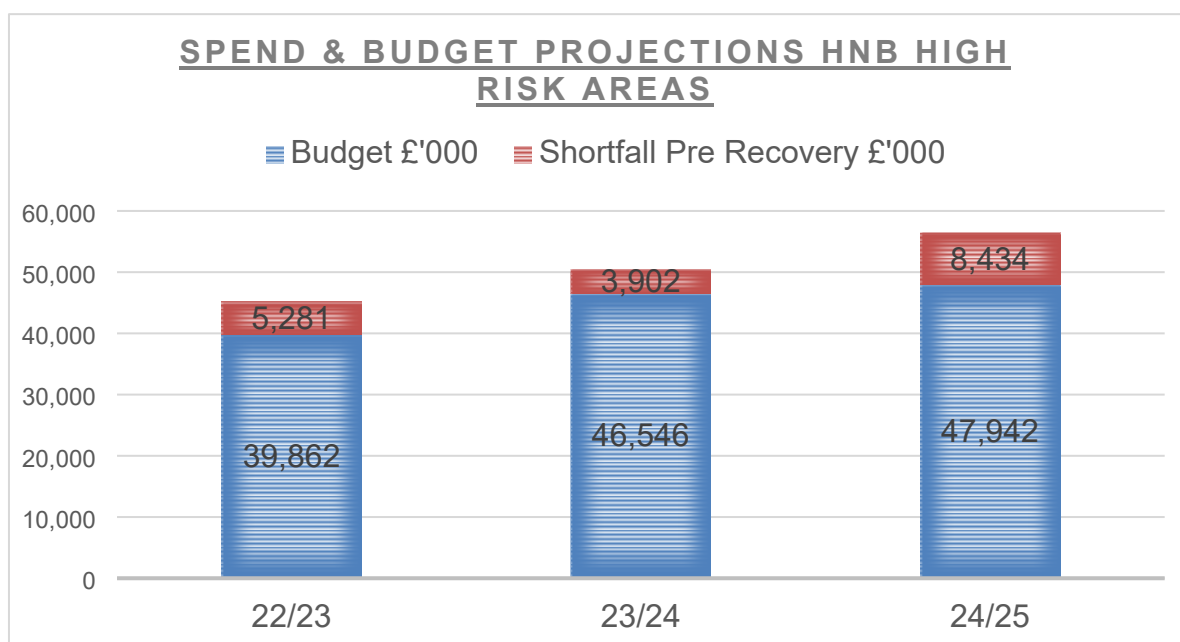
Table Two: 2022/23 HNB Overspend and Forecast 2023/24 and 2024/25

	22/23 £'000	23/24 £'000	24/25 £'000
High Risk Area Forecast Spend	45,143	50,448	56,376
Budget	39,862	46,546	47,942
Difference Pre-Recovery	5,281	3,902	8,434
Recovery Forecast	(1,790)	(970)	(8,434)
Other HNB Savings In Year	(1,350)	(271)	-
HNB Position	2,141	2,661	-
Position School/EY and Central Block	(3,232)	(362)	-
DSG Position In Year	(1,091)	2,299	-
Overall DSG Position Beginning Year	2,509	1,417	3,716
Overall DSG Position End Year	1,417	3,716	3,716

- 2.4 The SEND improvement options for 2023/24 have now been updated into 4 workstreams to better fit the SEND improvement outcomes. The 6 original outcomes have been combined into the following workstreams: -

- **Workstream 1 - Strengthen mainstream schools' graduated response.**
- **Workstream 2 – Reviewing and responding to children with an EHCP.**
- **Workstream 3 – Strengthening commissioning of specialist provision.**
- **Workstream 4 - Generating income for high needs block and review other spend.**

- 2.5 Schools Forum July 2023, the original outcomes had forecast a £4m of mitigation against HNB spend 2023/24, these have now reduced to £0.970m. This reduction is due to underestimating the length of time needed for savings to occur, alongside the increase in cost for placements in terms of both provision and higher inflationary pressures. Higher need requirements of EHCP means more independent sector placements are required at a higher average cost and inflationary rises above inflation element built in these contracts.
- 2.6 As reported to Schools Forum July 2023, the Council has been identified to lead the DfE's regional Change Partnership Programme (CPP) working with 3 other GM Local Areas and has been allocated funding of £5.896m for the partnership over two years from 2023/24. This funding supports the development, testing and implementation of the government's SEND reforms. The Council is still working through the funding guidance.
- 2.7 2024/25 HNB funding is expected to increase by c.3%, while costs are forecast to increase by c.11.7%, giving an overall projected pressure of £8.434m 2024/25. This is illustrated on the graph below.



3. Continuing SEND Improved Outcomes and Recovery Measures

- 3.1 As advised in section 2, the recovery plan has been developed to be more proactive at achieving improved SEND outcomes and the actions have been realigned into 4 workstreams.
- 3.2 The measures in the workstreams (see table 2 below) will be required to be accurately measure if outcomes are being achieved. Work is on-going to produce dashboards in the next few months, so activity can be reported back through the regular recovery board meetings and subsequent Schools Forum

meetings, including if the outcomes are impacting on HNB financially sustainable.

Table 2: Workstreams

Workstream 1 – Strengthen mainstream schools graduated response
Increase SENCO awareness of funding for SEND
Increase SENCO awareness of training and take up of interventions available
Strengthen offer for children in early years through to KS1.
Review special school outreach offer and target to need
Increase intervention for children with SEMH through outreach
Develop a clear pathway for children with health needs.
Workstream 2 – Reviewing and responding to children with an EHCP
Funding in EHCPs to be responsive to needs
Review banded funding for EHCPs
Review special school partnership and band 5+ funding
Attend reviews of children in high costs placements/independent provision
Ensure we apply the DFE High Needs operational guidance regs for children who are resident out of city.
Attend reviews of young people in special school preparing for post 19 offer
Use basic need funding to increase specialist offer matched to identified needs in Manchester
Open new secondary school in Miles Platting Sept 2024
Workstream 3 -Commissioning of Special Provision
Ensure high-cost specialist education placements are having an impact and provide value for money
Develop a banded funding model for Independent special schools
Continue to expand post 19 Offer
Increase supported internships
Include section 19 /Education Otherwise Than at School (EOTAS) offer on Alternative Provision framework to ensure best value
Workstream 4 – Generate income for HNB and review other spend
Budget transfer from Schools block (not requested for 2024/25)
Review grant conditions and determine where funding can be used to support recovery actions
Schools' Excessive balance clawback implemented and added to HN block

- 3.3 The primary aim of the workstreams combined, is to provide early interventions to give the right support at the right time to improve SEND outcomes. In doing so also achieving better value for money and reverse the financial pressures required to balance the DSG 2024/25.

4. DSG Financial Implications and School Block Transfer

- 4.1 The Council are not requesting a school block transfer 2024/25, as the expectation is that the improvement measures in the workstreams will have a positive impact on outcomes and financial stability. It is important that the Council, schools, and providers work together to ensure that better outcomes are achieved with more effective timely interventions within the funding envelope. The HNB improvement plan outcomes and financial position will be monitored to assess the impact and if other strategies are needed, including block transfer request 2025/26.
- 4.2 If at the end of 2025/26, DSG remains in an overspend position there is risk to the Council, due to DSG ringfencing rules ending. At this point local authorities will need to demonstrate their ability to cover DSG overspends from their future available reserves. The Council's overall reserves are reducing year on year due to the current financial climate.

5. Conclusion and Recommendations

- 5.1 Pre-improvement plan the DSG deficit is set to rise. In order to improve outcomes and move to a more sustainable position the Council has developed a SEND improvement plan. The plan's workstreams combined aims to simultaneously improve SEND outcomes while also achieving better value for money and reverse the £8.434m required to balance the DSG 2024/25.
- 5.2 **All Schools Forum members are asked for note and comment:**
- Current projected 2023/24 HNB overspend position £3.902m pre-improvement actions (£2.932m post recovery).
 - Projected 2024/25 HNB overspend £8.434m pre-recovery actions.
 - SEND improvement measures in the next two years to improve outcomes and financial sustainability.
- 5.3 **All Schools Forum members are asked to comment and approve:**
- SEND improvement recovery plan actions proposed by the Council and Recovery Board
 - No school block transfer to HNB 2024/25. The Council will not be requesting 0.5% school block transfer, given the expectations of the recovery measurers. If the improvement measures do not have a positive impact on outcomes and financial stability, there is an expectation that a block transfer request 2025/26 could be required.

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Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: 2024/25 Funding Update – October 2023 Announcement

Report of: Directorate Finance Lead – Children’s and Schools

Summary

This report provides a summary and impact of the Department of Education (DfE) October 2023 funding announcements:

- National Funding Formula (NFF) 2024/25 update due to technical error.
- Teacher pension contribution increase and expected funding form April 2024.

Initial allocations for the 2024/25 of the schools National Funding Formula for primary and secondary schools were published in July 2023, however pupil numbers had been under-forecast by the Department for Education (DfE)

In October 2023, DfE advised councils of a technical error that had been made in their July 2023 National Funding Formula (NFF) 2024/25 announcements. This recalculation means that where before mainstream school funding was promised an uplift of 2.4% across most NFF factor values, this **uplift will now be reduced to 1.4%** to accommodate the wider pupil cohort. The report includes implications on the 2024/25 primary and secondary school funding due to be received by the Council.

The outcome of the valuation of the Teachers’ Pension Scheme, confirmed an increase to the employer contribution rate by 5% from 1 April 2024. The DfE have stated there will be additional funding to cover the increase in the employer contribution for financial year 2024/25.

Conclusions and recommendations

The Council is due to receive the 2024/25 settlement in December 2023. Schools are likely to receive smaller budget increases than they may have anticipated following initial DfE announcements in July.

All School Forum members are asked to note and comment on:

- DfE revised 2024/25 NFF allocations and the implications for Manchester.
 - Teacher’s pension increase and expected funding 2024/25.
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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:

18 th September 2023	School Forum Agenda Item 4: Funding Updates Summer 2023
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1. Introduction

1.1 Department for Education (DfE) announcement was made in October 2023 to inform local authorities of a technical error made during the initial calculations of the 2024/25 National Funding Formula (NFF) published in July 2023. The DfE have since published **revised** allocations for the 2024/25 NFF, which now allocate the same pot of £59.6b core schools' budget between a larger pupil cohort. This recalculation means a reduction in the promised 2.4% factor uplift to 1.4%. The changes affect the Schools Block of the 2024/25 Dedicated Schools Grant (DSG).

2. Schools Block – National Funding Formula (NFF) 2024/25

2.1. **Revised 2024/25 NFF Allocations** – Initial allocations for the 2024/25 NFF were published in July 2023, however pupil numbers had been under-forecast by the DfE, which means they had under-budgeted by 0.62% for the 2024/25 pupil cohort. This recalculation means that where before mainstream school funding was promised an uplift of 2.4% across most NFF factor values, this **uplift will now be reduced to 1.4%** to accommodate the wider pupil cohort.

2.2. These changes do not affect current year funding, and revision of the indicative allocations does not mean adjusting any funding that schools have already received. At this point in time, the local funding formula (LFF) 2024/25 has not yet been agreed, as this is subject to the DSG settlement to be received December 2023 and consultation with Schools Forum January 2024.

2.3. The changes impact the NFF values only, which represent Stage One of the funding process, i.e., funding received from the DfE by the LA. The LA then uses NFF factor values to set LFF factor values for local schools for the new financial year, within strict parameters prescribed by the DfE. Appendix One sets out the difference in the NFF factor values under the 2.4% proposed uplift (July 2023 announcement) and the revised 1.4% proposed uplift (October 2023 announcement).

3. Implication at Local Authority (LA) Level

3.1. The Council's funding from the DfE is determined by multiplying primary and secondary units of funding (PUF and SUF) by pupil numbers. The 2024/25 PUF and SUF were re-calculated by DfE with revised 2024/25 NFF allocations published in October 2023. Table one below shows Manchester's PUF and SUF have decreased by £46 and £47 respectively relative to the July 2023 NFF announcement.

Table one: Changes in unit rates of funding under both announcements

	PUF	SUF
July 2023 NFF	£5,605	£7,502
Oct 2023 NFF	£5,559	£7,455
Difference	-£46	-£47

3.2. This reduction in the unit rates of funding means that the Council will receive **£3.8m less** in funding for the 2024/25 Schools Block DSG allocation than what was anticipated following the initial July 2023 NFF publications.

4. Implications at School Level

The Council has modelled implications of the revised 2024/25 NFF allocations on several Manchester schools with varying sectors and capacities. Table two below outlines the **average** changes in funding for primary school one-form, two-form, three-form entry, and a secondary school under both models. The table depicts the average funding per school that the LA would have received under the July 2023 model and the average funding per school the LA will receive under the revised October 2023 NFF.

Table two: Average DfE to LA funding differences under both models

Sector	2.4% Uplift Avg. NFF Funding £'000	1.4% Uplift Avg. NFF Funding £'000	Difference £'000
Primary 1FE	£1,200	£1,196	£4
Primary 2FE	£2,137	£2,122	£15
Primary 3FE	£3,263	£3,234	£29
Secondary	£8,072	£8,030	£42

- 4.1. As evidenced in table two above, the average reduction in NFF funding the Council will receive for a one-form entry primary school will be £4k. Comparative values for a two-form primary, three-form primary, and a secondary school are £15k, £29k, and £42k respectively. If NFF factor values had been uplifted by the initial 2.4% announced in July 2023, these are, on average, the additional budgets schools could have received, subject to the local formula.
- 4.2. Further analysis on a school-level basis, table three below, indicates the ranges in funding differences for Manchester schools in each sector, as a result of the revised NFF values.

Table three: Ranges of funding impact across sectors

Sector	Lowest Impact of Revised NFF £'000	Highest Impact of Revised NFF £'000
Primary 1FE	£1	£14
Primary 2FE	£2	£12
Primary 3FE	£17	£35
Secondary	£4	£94

5. Teachers Pensions Increase from April 2024

- 5.1 The outcome of the valuation of the Teachers' Pension Scheme confirmed a need to increase the employer contribution rate. The rate has increased by 5% to 28.6% from 1 April 2024, to ensure that the Scheme continues to meet present and future obligations.
- 5.2 DfE has secured additional funding, to cover the increase in the employer contribution rate for directly funded scheme employers for the financial year 2024/25.

The additional funding will cover:

- Mainstream 5-16 schools and high needs settings: distributed via a separate grant.
- 16-19 education and further education settings: distributed via the existing teachers' pension employer contribution grants (TPECG) that settings continue to receive since the previous increase in 2019.
- Early years: will be included in core rates for 2024-25.

DfE will be announcing further details, including funding rates and allocations, in due course.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Manchester is due to receive the 2024/25 settlement in December 2023, after which budget planning will be undertaken to set the LFF for 2024/25. Schools are likely to receive smaller budget increases than they may have anticipated following initial DfE announcements in July.

All Schools Forum members are asked to note and comment on:

- DfE revised 2024/25 NFF allocations and the implications for Manchester.
- Teacher's pension increase and expected funding 2024/25.

			July 2023 2.4% Uplift	Oct 2023 1.4% Uplift	
		National Funding Formula	National Funding Formula	National Funding Formula	Change
		2023/24	2024/25	2024/25	2024/25
Per Pupil Factors		£	£	£	£
Basic Entitlement	Primary	3,394	3,597	3,562	-35
	KS3	4,785	5,072	5,022	-50
	KS4	5,393	5,717	5,661	-56
FSM	Primary	480	490	490	0
	Secondary	480	490	490	0
FSM Ever 6	Primary	705	830	820	-10
	Secondary	1,030	1,210	1,200	-10
IDACI Primary	Band A	670	685	680	-5
	Band B	510	520	515	-5
	Band C	480	490	485	-5
	Band D	440	450	445	-5
	Band E	280	285	285	0
	Band F	230	235	235	0
IDACI Secondary	Band A	930	950	945	-5
	Band B	730	750	740	-10
	Band C	680	695	690	-5
	Band D	620	635	630	-5
	Band E	445	455	450	-5
	Band F	335	345	340	-5
EAL	Primary	580	595	590	-5
	Secondary	1,565	1,605	1,585	-20
Mobility	Primary	945	970	960	-10
	Secondary	1,360	1,395	1,380	-15
Prior Attainment	Primary	1,155	1,185	1,170	-15
	Secondary	1,750	1,790	1,775	-15
Minimum Funding Level	Primary	4,405	4,655	4,610	-45
	Secondary	5,715	6,050	5,995	-55
School-led factors					
Lump Sum	Pri & Sec	128,000	135,700	134,400	-1,300
Funding Floor (per pupil)	Pri & Sec	0.50%	0.50%	0.50%	0

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: Early Years Quality Supplement 2024/25

Report of: Directorate Finance Lead – Children’s and Schools

Summary

In 2023/24 Manchester introduced an early year’s quality supplement for 3-and 4-year-olds, as a result of the Department for Education (DfE) rolling the teachers’ pay grant (TPG), and teachers’ pensions employer contribution grant (TPECG) into Council’s overall funding allocation for 3- and 4-year-old entitlement. Previously the TPG and TPECG were paid as a separate grant direct to school-based nurseries, to support settings with teachers’ pay awards and pension costs.

January 2023, the Council opened a funding consultation with early years settings to gather views on the need for a quality supplement, metric to be used to measure it, and consideration if a further review is needed for budget setting beyond 2023/24. The consultation outcome, reported to Schools Forum March 2023, gave a strong opinion agreeing with the supplement for 2023/24 but for a review of the quality supplement going forward from 2024/25. A working group was set up to carry out the review, this report provides an update on the review and proposal regarding early years quality supplement.

Recommendations

All Schools Forum members are asked to comment and vote on:

- Inclusion of early years quality supplement in 3-and 4-year-old local funding formula (rate based on the rolling in of the TPG and TPECG into the 3-and 4-year-old core funding).
 - The eligibility criteria for the quality supplement, is where the early year’s provision must be led by a qualified teacher working directly with children and the setting incurs additional costs due to teachers pay and conditions.
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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:

16 th January 2023	School Forum Agenda Item 5: Dedicated Schools grant (DSG) 2023/24
20 th March 2023	School Forum Agenda Item 4: Budget 2023/24 Update

1. Introduction

- 1.1 Prior to 2023/24, Department for Education (DfE) provided school-based nurseries a teachers' pay grant (TPG), and teachers' pensions employer contribution grant (TPECG) as a separate grant. This was to support settings with teachers' pay award and pension costs.
- 1.2 In 2023/24 DfE rolled the early years TPG and TPECG into the Council's overall funding allocation for 3- and 4-year-old entitlement. Manchester 2023/24 introduced a quality supplement, £0.17p per hour to eligible settings. This one-year metric was approved to ensure this funding reached providers with higher staffing costs due to teachers' pay and conditions regardless of setting type.
- 1.3 January 2023, the Council opened a consultation for all Manchester early years providers, gathering views on the need for a quality supplement, metric to be used, and provided consideration if a further review is needed for budget setting beyond 2023/24. 98% of the 28 responses while agreeing with the one-year proposed funding metric for 2023/24, were in favour of a full review of the quality supplement for future years.
- 1.4 A working group, made up of representatives from early years settings, was set up to review the need for a quality supplement, if so, what metric should be used and the allocation process. This report gives details of the review and the proposed outcome going forward.

2. Working Group Review: Early Years Quality Supplement

- 2.1 The working group first reviewed the DfE guidance on funding supplements: amounts of funding paid to providers in addition to the base rate to reflect local needs or policy objectives. When using supplements, local authorities should:
 - Ensure transparency, fairness and be open to all providers which meet the eligibility criteria.
 - Use supplements to channel additional funding to providers.
 - Not distinguish between the universal 15 hours and the additional 15 hours for working parents; any supplement should apply equally to both entitlements.
- 2.2 Only certain allowable supplements can be part of the funding formula, such as deprivation (mandatory), rurality or sparsity (discretionary) and quality (discretionary). DfE encourage local authorities to use the quality supplement to distribute the additional funding they will receive because of the mainstreaming of the TPG/TPECG. The use of "quality" to describe the supplement is following DfE guidance and does not reflect any superiority on the level provision.
- 2.3 The three main areas covered by the working group included:
 - Should there be a quality supplement (rate based on the TPG/TPECG level)?
 - If no, what is the appropriate method for allocating this funding, within the funding envelope?
 - If yes, how should this funding be allocated on a fair basis?
- 2.4 The working group all agreed that it is fair to continue to have a quality supplement

(rate based on the TPG/TPECG level) as part of the early years local funding formula.

- 2.5 Various metrics and processes were discussed for allocating this funding via a quality supplement. The proposed metric agreed for settings to be eligible is: where an early year's provision is led by a qualified teacher working directly with children and the setting incurs additional costs due to teachers' pay and conditions.
- 2.6 The quality supplement would not be awarded automatically, early years settings (schools and PVI's) will need to submit a short on-line form to apply for the supplement. This will be verified and approved by the Council.

3. Conclusion and Recommendations

- 3.1 School Forum members are asked to comment and vote on:
- Inclusion of early years quality supplement in 3-and 4-year-old local funding formula (rate based on the rolling in of the TPG and TPECG into the 3-and 4-year-old core funding).
 - The eligibility criteria for the quality supplement, is where early year's provision must be led by a qualified teacher working directly with children and the setting incurs additional costs due to teachers' pay and conditions.

**-Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: De-delegated Budgets 2024/25

Report of: Directorate Finance Lead – Education and Schools

Summary

The purpose of the report is to seek permissions from maintained School Forum representatives on the 2024/25 de-delegation, for the deduction of Education Services Grant (ESG) duties and trade union facilities.

De-delegation is an option that enables some services to maintained schools to be provided centrally, and the funding to do so is retained by the Council. 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.

Recommendations

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

- Trade Union Duties: £203k which at current pupil levels equates to £5.98 per school aged pupil (section 2).
 - Education Services Grant (ESG) General Duties: £0.5m which at current pupil levels equates to £14.75 per school aged pupil (section 3).
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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. Schools Finance Regulations sets out that certain amounts can be deducted from maintained school budgets with the approval of the sector representative 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 funding formula has run and individual schools can see the cost of each element in their budget share.
- 1.2. In line with Schools Finance Regulations, the Local Authority (LA) is seeking Forum (maintained school representatives only) approval to the proposed schools block de-delegation of budgets 2024/25, in respect of maintained primary and secondary schools only:
 - Trade Union Facility £203k
 - Education Services General Duties (ESG) £0.5m

2. Trade Union Facility Arrangements

- 2.1. 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 pupil numbers based on May 2023 census, this equates to a de-delegated budget of £203k, which is approximately **£5.98 per pupil**. This is an increase of 57p per pupil compared to previous financial year at £5.41 per pupil, owing to the increased salary costs and union recharges of representatives supporting this service following pay award agreements. These provisional figures will be re-worked once the October 2023 census data is available and reported to Schools Forum in January 2024.
- 2.2. The Union also offers this service on a traded basis to academies, special and nursery schools, at the same rate as maintained schools. Currently 66 academies (90%), all sixteen special schools, and both nursery schools purchase this SLA. There has been an increase in the take-up of the traded offer since 2019/20, which has enabled the rate to be maintained below the 2019/20 rate of £6.14 per pupil.
- 2.3. Schools’ Forum members representing maintained schools are asked to approve the de-delegation of the Trade Union budget 2024/25.

3 Education Services General (ESG) Duties for Maintained Schools

- 3.1 It is proposed that £0.5m is held by the LA to cover statutory general duties which were previously covered through general element of education services grant. Table one below provides an outline of the contribution to current general rate ESG funded budgets. Based on current academy conversions and estimated pupil numbers, this equates to a budget of £0.5m, which is approximately **£14.75 per pupil**, subject to October 2023 census confirmation.
- 3.2 The approximate £14.75 per pupil 2024/25 is an increase of 55p per pupil compared with 2023/24 rate of £14.19 per pupil. This per pupil increase is due to school

academisations which represent a 6.32% drop in maintained schools' pupil numbers. The rate per pupil will be updated once October 2023 census data is available and reported to School Forum.

Table one: Former Education Services grant (ESG) duties

General former ESG Duties	£000	
Human Resources 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.
Governor Support Advice to maintained schools around appointment of governors	68	Contribution to Governor Support Team (Not funded from other sources of education funding)
Quality Assurance To monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate.	321	Contribution to cost of six School Senior Quality Assurance (SSQA) posts. Plus supports the moderation of assessments for National Curriculum monitoring.
Asset Management General landlord duties for all maintained schools. 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.
Total	500	

3.4 Schools' Forum members representing maintained schools are asked to approve the de-delegation of the ESG budget 2024/25.

4. Conclusions and Recommendations

- 4.1 In accordance with Schools Forum powers, maintained schools' representatives are asked to approve de-delegation for the following:
- Trade Union Duties: £203k which at current pupil levels equates to £5.98 per school aged pupil (section 2).
 - Education Services Grant General Duties: £0.5m which at current pupil levels equates to £14.75 per school aged pupil (section 3).

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