



## Schools Forum

Date: Monday, 23 September 2019

Time: 4.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

### **Access to the Council Antechamber**

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

## Membership of the Schools Forum

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

**Primary Sector Headteachers (4)** Patricia Adams, Mike Cooke, Hatim Kapacee, Saeeda Ishaq

**Primary Sector Governors (4)** Nichola Davidge, Tony Daly, Michael Flanagan, vacancy

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

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

**Academy Representative (6)** Elizabeth Fritchley, Andy Park, Emma Merva, Ian Fenn, Joshua Rowe, Michael Carson, Edward Vitalis

**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, Antonio de Paola

## Agenda

---

1. **Urgent Business**  
To consider any items which have been submitted for consideration as urgent business
2. **Appeals**  
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda
3. **Election of Chair and Vice Chair**
4. **Minutes** 5 - 10  
To approve as a correct record the minutes of the meeting held on 17 June 2019 (enclosed)
5. **School Funding Settlement** 11 - 18
6. **Early Years Block** 19 - 22
7. **Special Schools Formula Review** 23 - 24

## Information about the Forum

---

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

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

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

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

Smoking is not allowed in Council buildings.

Joanne Roney OBE  
Chief Executive  
Level 3, Town Hall Extension,  
Albert Square,  
Manchester, M60 2LA

## Further Information

---

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

Reena Kohli  
Tel: 0161 234 4235  
Email: [r.kohli@manchester.gov.uk](mailto:r.kohli@manchester.gov.uk)

This agenda was issued on **Wednesday, 18 September 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA



## Manchester Schools Forum

### Minutes of the meeting held on 17 June 2019

#### Present:

**Secondary Sector Headteachers:** - Gillian Houghton  
**Secondary Sector Governors:** - vacancy  
**Primary Sector Headteachers:** Mike Cooke, Patricia Adams,  
**Primary Sector Governors:** Nichola Davidge, Michael Flanagan  
**Special School Headteachers:** Alan Braven  
**Special School Governor:** - Walid Omara,  
**Academy Representatives:**, Ian Fenn  
**Pupil Referral Unit Representative:** -  
**Nursery School Representative:** - Joanne Fenton  
**Non-school members:**, Isobel Booter,

**Council Officers:** Amanda Corcoran (Director of Education), Reena Kohli,  
 (Directorate Financial Lead - Children and Families), Anne Summerfield (Principal  
 Finance Officer – Schools)

**Apologies:** Elizabeth Fritchley, Emma Merva, Michael Carson, Edward Vitalis, Cath  
 Baggaley, Helen McAndrew

#### **SF/19/14 Minutes**

Hatim Kapacee said that he had been incorrectly recorded as absent from the last meeting.

#### **Decision**

To agree the minutes of the meeting held on 13 May 2019 as a correct record subject to the amendment above.

#### **SF/19/15 Excessive School Balance Mechanism – Revised Proposal**

The Forum considered a report of the Directorate Finance Lead – Children and Schools which set out proposed revisions to proposals that were set out within the Scheme for Financing Schools' excessive school balances clawback mechanism. The Forum had considered the mechanism at its last meeting and in its consideration of whether to clawback balances above the allowable threshold held for a period of more than two years had recommended that officers undertake further to explore the extent to which a more flexible, fair and consistent procedure in light of comments made at that meeting.

The Directorate Finance Lead – Children and Schools explained that the following matters had been considered

- i) exclusion of additional devolved formula capital and supplementary free school meals grant paid to schools in March 2019 from the excess balance calculation.

- ii) extending the number of years the excess balance can be held for before clawback is considered and actioned.
- iii) removal of maintained nursery schools (MNS) from the clawback mechanism.
- iv) increasing of the allowable balance threshold, currently 8% for special schools.

The Director Finance Lead - Children and Schools explained that the above options had all been considered. With regard to the matter concerning the exclusion of late grants from the calculation, she said that this would be excluded from this year's calculation only due to the timescales that those grants were released that year.

She also explained that it was not proposed that maintained nursery schools (MNS) be excluded from the mechanism, nor would the allowable threshold for special schools be increased. Given the increased focus on high needs funding pressures and MNS longer term funding sustainability, the Local Authority (LA) was of the view that the risk of increasing balances in these sectors will not support the City's case for sufficient funding for additional need

However, at the revised the proposal contained an amendment such that the number of years an excess balance may be held had been extended to four years. It was asserted that that that would give schools more than sufficient time to plan and appropriately spend balances above the allowable threshold.

In addition, the formation of an appeals panel was proposed as a sub-group to Schools Forum. The terms of reference for the sub-group would be to review any appeals against potential clawback of balances. It was not expected that this group would meet more than twice each year. The group would consider written evidence from schools subject to clawback. The panel would be made up of three members of Schools Forum and would be supported by an LA officer. In specific situations (i.e. discussion around own school), it will become necessary for a substitute head teacher or governor to take the place of a colleague on the sub-group

Consequently, maintained school members of the Forum were invited to approve:

- that 50% of an excess balance held for more than four years may be clawed back.
- to agree the formation of an appeal panel that considered written evidence from individual school's subject to clawback.

All Schools Forum members were invited to:

- comment on the plan to review the implementation of the mechanism before March 2020.

The Forum explored the proposals and noted that the recouped money would be used to mitigate to High Needs Block overspend. There was a discussion about the arrangements for the proposed appeals panels. A member suggested an option for a face to face meeting should be included. The Forum agreed to this noting that the implementation would be reviewed before March 2020.

## Decisions

1. To agree that the proposed change to the excess balance mechanism to claw back 50% of all excessive surplus balances held for four years or more.
2. To agree the formation of an appeal panel that considered written evidence from individual school's subject to clawback with the option of a face to face meeting, if requested.
3. To note the plan to review the implementation of the mechanism before March 2020.

## SF/19/16 Free School Meals Eligibility

The Forum considered a report of the Directorate Finance Lead – Children and Schools which discussed a range of proactive measures that had been undertaken in order to maximise Free School Meal (FSM) funding to schools. It was explained that last year, Manchester had changed the way FSM eligibility was captured for funding purposes after undertaking a data exercise that assessed FSM eligibility which appeared to have been under-reported in the past. The report described the impact on the numbers of children eligible for FSM since the implementation of new method of capturing FSM eligibility last year.

The Forum was invited to note that since the introduction of the on-line FSM checker, the identification of eligible FSM has increased by 2.5% in Manchester, whereas nationally there has been a reduction of 1.3%. It was therefore concluded that had Manchester not initiated the roll out of the on-line checker the identification of eligible FSM would not have increased in the manner it had.

There was a discussion about the costs to schools of purchasing the software. The Forum noted that School Forum approval would again be sought to de-delegate the cost of the online checker at a future meeting of the Forum.

## Decision

To note that the Local Authority will seek approval from the School Forum to de-delegate the cost of the on-line checker at a future meeting.

## SF/19/17 Update from the National Funding Conference

The Forum considered a report of the Director of Education and Directorate Finance Lead - Children's and Schools which provided an update on the National Fair Funding conference which took place in May 2019 with a focus on the future outlook for educational funding and how local authorities could be affected.

The Directorate Finance Lead – Children and Schools introduced the report which set out themes relating to:

- Recognition of a High Needs Block tipping point
- Effective Local systems of alternative provision

- Dedicated Schools Grant recovery Plan
- Early Years Funding
- Schools Forum
- Analysis of High Needs issues
- Affordable Schools

There was a discussion about the Department for Education’s call for evidence of High needs pressures. The Directorate Finance Lead – Children and Schools told the Forum that Local Authorities, individual schools were being consulted on this and being asked they can do to make the new system work including the management of EHCPs and post 16 pressures.

**Decision**

To note the update.

**SF/19/18 Section 251 Benchmarking**

The Forum considered a report of the Directorate Finance Lead – Children and Schools which outlined the Department for Education (DfE) budget data collection return and a summary of the current benchmarking information produced by the DfE from returns submitted by each Local Authority.

The Forum discussed the report which concluded that in 2018/19, Manchester appeared to be an outlier when compared to both statistical neighbours and NW authorities. It was explained that this was due to more money being delegated per capita to schools through the Individual Schools Budgets, and less being centrally retained when compared to neighbouring and statistical neighbours.

There was a discussion about whether to in future include statistical information comparing outcomes with cost per capita to establish Manchester delivered better outcomes in view of the increased cost per capita compared with statistical neighbours. The Director of Education agreed to explore the extent to which this could be achieved.

**Decision**

To note the report.

**SF/19/19 Forward Plan**

The Forum considered a report of the Directorate Finance Lead – Children and Schools which presented future items for consideration for the forthcoming academic year (as set out below.)

Meeting	Reports
23rd September 2019	<ul style="list-style-type: none"> <li>• National Funding Formula updates</li> <li>• Central Schools Block</li> <li>• Dedicated Schools Grant monitoring Q1 &amp; Q2</li> </ul>



18th November 2019	<ul style="list-style-type: none"> <li>● Early Years Funding 2019/20 update</li> <li>● National Funding Formula updates</li> <li>● Benchmarking Schools Block</li> </ul>
16th December 2019	<ul style="list-style-type: none"> <li>● DSG Report 2020/21</li> </ul>
20th January 2020	<ul style="list-style-type: none"> <li>● DSG settlement and budget for forthcoming year</li> </ul>
16th March 2020	<ul style="list-style-type: none"> <li>● DSG budget monitoring</li> </ul>
11th May 2020	<ul style="list-style-type: none"> <li>● Outturn report – School Balances and centrally retained DSG</li> <li>● DSG update – adjustment to grant allocations</li> <li>● High Needs Block</li> </ul>
15th June 2020	<ul style="list-style-type: none"> <li>● Annual Review of Scheme for Financing Schools and School Financial regulations</li> <li>● Review of Analysis of Reserves</li> <li>● Early Years Block review</li> </ul>
13 <sup>th</sup> July 2020	<ul style="list-style-type: none"> <li>● National Funding Formula updates</li> </ul>

### Decision

To note the report.

This page is intentionally left blank

## Manchester City Council

### Report for Resolution

**Report to:** Schools Forum

**Subject:** Schools Funding Settlement

**Report of:** Directorate Finance Lead – Children’s and Education

---

#### Summary

Included in this report is a summary of the recently announced three year school funding settlement and an outline of the potential impact on Manchester. The three year settlement includes funding for pupil growth, inflation, high needs funding and cash increases for schools which currently receive core funding below the national minimum funding levels.

#### Recommendations

School Forum members are asked to:

- Note school funding settlement headlines.
- Note that Manchester has yet not received the confirmed settlement and at this stage the estimates of grant increases are based on interpretation of recent announcements.

#### Contact Officers:

Name: Reena Kohli

Position: Directorate Lead Children and Families Finance

Telephone: 0161 234 4235

E-mail: [r.kohli@manchester.gov.uk](mailto:r.kohli@manchester.gov.uk)

Name: Anne Summerfield

Position: Principal Finance Lead - Schools

Telephone: 0161 234 1463

E-mail: [a.summerfield@manchester.gov.uk](mailto:a.summerfield@manchester.gov.uk)

Name: Nehal Ayub

Position: Senior Finance Manager - Schools

Telephone: 0161 234 1467

E-mail: [n.ayub@manchester.gov.uk](mailto:n.ayub@manchester.gov.uk)

#### Background documents (available for public inspection):

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

## 1. INTRODUCTION

1.1 In early September 2019, a number of school funding settlements were announced. The three year settlement includes funding for pupil growth, inflation, high needs funding and increases where core funding is below the national minimum funding levels. This report provides an outline of the recent announcements and potential impact for Manchester.

## 2. SCHOOL FUNDING SETTLEMENT (ENGLAND)

2.1 The three year school funding settlement totals £14.5bn nationally, table one below sets out the core funding settlement and Teachers' Pension grant settlement.

**Table one: School Funding Increase**

	2020/21	2021/22	2022/23	Total
	<b>£bn Cumulative</b>			
<b>Schools and High Needs Block</b>	2.6	4.8	7.1	<b>14.5</b>
<b>Teachers' Pension Grant</b>	1.5	1.5	1.5	<b>4.5</b>

### National key headlines

#### Schools Block

- The schools' national funding formula for 2020/21 will continue to have the same factors.
- Primary minimum funding levels will be: £3,750 per pupil in 2020/21 and £4,000 per pupil in 2021/22.
- Secondary minimum funding levels will be £5,000 per pupil from 2020/21.
- 1.84% funding floor (protection) on a per pupil basis to Local Authority area schools block national funding formula allocation.
- 4% increase to all factors of National Funding Formula, except Free Schools Meal (cost of meal 1.8% to be applied), and premises.
- No cap on gains.
- Local authorities will continue to set a minimum funding guarantee in local formulae, which in 2020/21 must be between +0.5% and +1.84%.
- Confirmation that a hard national funding formula for schools will be introduced, but not in 2020/21.
- The Department for Education will publish provisional allocations in October, including local authorities' final primary and secondary units of funding for the schools block.

#### High Needs Block

- £0.7bn of the £14.5bn will be allocated to high needs.

### Early Years Block

- Early years to be allocated an additional £66m to increase hourly rates for two, three and four year olds.

### Other Grants

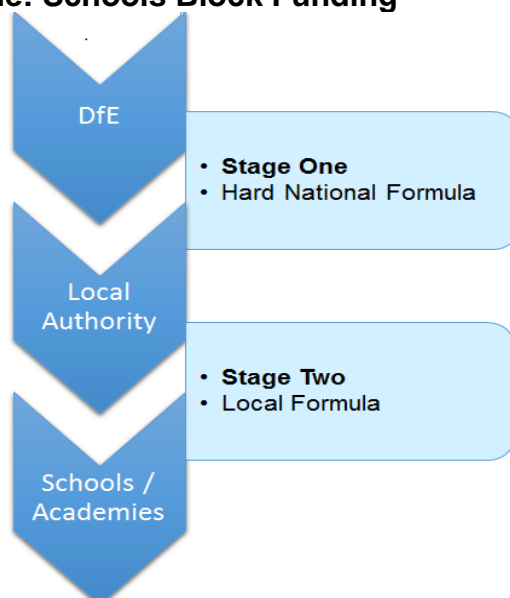
- Teachers' Pension Grant will continue 2020-2023. This is estimated to cost £1.5bn across England.
- Teachers' Pay Grant will continue.
- Both Pension and Pay grant for teachers to be transferred to Dedicated Schools Grant funding, likely to be in 2021/22.
- Pupil Premium and PE and Sports grant are part of current school baseline budget. The recent announcements focus on increase to current baseline and therefore at this stage it is assumed that these grants will continue - pending confirmation from the Department for Education to be provided at a later date.

## 3. POTENTIAL IMPACT FOR MANCHESTER

### Primary and Secondary Schools Core Funding

- 3.1 DSG funding is provided in two stages. First stage is the government's grant to a local authority area, and then the local authority determines the grant distribution to the local educational establishments. There is a national funding formula (NFF) at local authority level, which was introduced in 2018/19.

#### Illustration one: Schools Block Funding



- 3.2 Stage one - funding allocated to local authority areas from Department for Education. Funding is based on pupil characteristics, premises characteristics and pupil numbers. Alongside funding as per national formula, funding floor

protection is provided if a minimum increase on a per pupil basis is not allocated through the funding formula.

- 3.3 In 2020/21 Manchester will see an increase in total cash terms due to changes in individual school's pupil characteristics (Ever 6 Free School Meals, IDACI, Prior Attainment) or as a result of funding floor protection to bring up the of the 1.84% per pupil funding floor protection. The national funding formula rates are provided in Appendix one of this report.
- 3.4 If there were no change to Manchester's pupil numbers or pupil characteristics, it is estimated that Manchester's additional allocation under the National Funding Formula at local authority area level could be around £6m compared to 2019/20 due to the 1.84% funding floor protection.
- 3.5 Stage two - The school formula allocation is the distribution of the grant received from the Department for Education across educational establishments in the local authority area. Manchester local formula factors are different to the national funding formula rates, please see Appendix one. At this stage, the per pupil increase to Manchester schools under the local formula is not known. Updates on this will be provided when settlement information is received from the Department for Education.

#### High Needs

- 3.6 Local Authorities will receive an increase of at least 8% per head for 2 to 18 year old population through the funding floor. This minimum increase in 2020/21 allocations will be based on local authorities' high needs allocations in 2019/20, including the additional £125 million announced in December 2018. Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population. Based on this, it is estimated that Manchester's additional allocation will be in the range of £6m-£7m.
- 3.7 The high needs block forecast overspend is estimated to be £3.3m and £2.9m in 2019/20 and 2020/21 respectively based on current trends and before taking account of the additional funding in the settlement. Demographic growth for special school places, EHCP and post 16 SEND growth is estimated to total £2m in both 2020/21 and 2021/22 respectively. Special schools heads have requested consideration is given to recognise inflationary pressures as their top-up values have not been uplifted for a number of years. Primary and secondary mainstream schools saw 0.5% uplift in 2018/19 and 1% in 2019/20. The special schools formula is currently being reviewed and the inflation pressures will be considered as part of the review.
- 3.8 Local authorities will continue to be able to transfer up to 0.5% from their schools block funding, with agreement from their Schools Forum and schools to the high needs block. Local authorities are expected to demonstrate to Schools Forum that they have consulted locally with all maintained schools and academies when seeking approval to transfer funds from the schools block. The Council would want to avoid any reduction from school budgets and based on the

estimated position as this stage does not propose to consult on a request a transfer 0.5% from the schools block funding to the high needs block next year in 2020/21.

- 3.9 However if actual additional allocations are lower than estimated to be and the projected deficit increases during the autumn term, the Council may need to consider a proposal transfer from the schools to high needs blocks. A further report will be brought to Schools Forum in November as it is expected that more information regarding the settlement will be provided by the Department for Education by this date.

#### Early Years Block

- 3.10 The basis of allocation has not been confirmed but it is estimated that Manchester's increase will total £0.6m and will be primarily used to increase the hourly rates paid to schools and private, voluntary and independent providers. Funding of the nursery school supplementary grant beyond March 2020 is not yet confirmed, however updates on the grant are expected to be announced shortly. In 2019/20, Manchester's grant totals £338k.

#### Teachers' Pension Grant and Pay Grants

- 3.11 Both the Teachers' Pension Grant and Pay Grants will continue to be paid separately from the National Funding Formula in 2020/21. The DfE will publish the rates that determine the 2020/21 allocations in due course.

### **4. CONCLUSIONS AND RECOMMENDATIONS**

- 4.1 The estimated allocations provided in the report are based on an interpretation of the detail provided in the schools' settlement announcements. Further information will be provided by the Government in October 2019. DSG allocations for next year will be provided in December 2019.
- 4.2 Where actual DSG additional allocations are lower than forecast and the projected deficit 2019/20 increases in this term, the Council may need to seek a 0.5% transfer from the schools to high needs block.
- 4.3 Further updates on the budget settlement will be reported to Schools Forum over the next few months.

All School Forum members are asked to:

- Note school funding settlement headlines.
- Note that Manchester has yet not received the confirmed settlement and at this stage the estimates of grant increases are based on interpretation of recent announcements.

### Appendix One - Schools Block National and Local Formula Funding

		Manchester's Local Funding Formula	National Funding Formula	National Funding Formula	Increase
		2019/20	2019/20	2020/21	
Per Pupil Factors		£	£	£	
Basic Entitlement	Pri	3,151	2,747	2,857	4%
	KS3	4,171	3,863	4,017	4%
	KS4	4,793	4,386	4,561	4%
FSM	Pri		440	448	1.8%
	Sec		440	448	1.8%
FSM Ever 6	Pri	498	540	550	4%
	Sec	478	785	799	4%
IDACI Primary	Band A	576	575	598	4%
	Band B	493	420	437	4%
	Band C	439	390	406	4%
	Band D	387	360	374	4%
	Band E	357	240	250	4%
	Band F	299	200	208	4%
IDACI Secondary	Band A	504	810	842	4%
	Band B	443	600	624	4%
	Band C	379	560	582	4%
	Band D	237	515	536	4%
	Band E	201	390	406	4%
	Band F	143	290	302	4%
EAL	Pri	384	515	536	4%
	Sec	2,085	1,385	1,440	4%
Mobility	Pri	529	1*	*	
	Sec	1,508	*	*	
Prior Attainment	Pri	661	1,022	1,063	4%
	Sec	2,829	1,550	1,612	4%
Minimum Funding Level	Pri		3,500	3,750	7%
	Sec		4,800	5,000	4%
School Led Factors		£	£	£	
Split Site			*	*	
Rates			*	*	
Exceptional			*	*	
PFI			2**	**	
Lump Sum	Pri. & Sec.	155,000	110,000	110,000	
Funding Floor (per pupil)	Pri. & Sec.		1%	1.84%	0.84%

1\* Historic allocations based on 2018-19 allocations to school (from APT for maintained, and GAG for academies).

2\*\*Historic allocations based on 2018-19 allocations to schools, multiplied by RPIX factor for FY 2017-18.





This page is intentionally left blank

---

**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Early Years Block Funding Overview

**Report of:** Reena Vandhna Kohli – Directorate Finance Lead Children's Services

---

**Summary**

This report provides an overview of the funding allocated to Manchester for 2019/20, the overspend on the early years block in 2018/19, and risks and uncertainties surrounding early years funding. Due to pressures in the early years block there is a need to review sustainability of funding and consider how the Council can manage the risks in the early years block.

**Recommendations**

There remains uncertainty around final DSG early years block allocation for the year 2019/20. Final allocations will not be confirmed until July 2020. There remains a risk that funding received from the DfE will be lower than what the Council has paid to providers. It is expected at this stage that this year's outturn will not be as high as last year's £2.19m deficit. The Council will be monitoring the position closely and will bring further updates to Forum.

All Forum members are asked to note and comment on the report and risks to the early year block funding.

**Contact Officers**

Name: Reena Vandhna Kohli  
Position: Directorate Lead Children and Schools Finance  
Telephone: 0161 234 4235  
E-mail: [r.kohli@manchester.gov.uk](mailto:r.kohli@manchester.gov.uk)

Name: Anne Summerfield  
Position: Principal Finance Lead  
Telephone: 0161 234 1463  
E-mail: [a.summerfield@manchester.gov.uk](mailto:a.summerfield@manchester.gov.uk)

Name: Nehal Ayub  
Position: Senior Finance Manager  
Telephone: 0161 234 1467  
E-mail: [n.ayub@manchester.gov.uk](mailto:n.ayub@manchester.gov.uk)

**Background documents (available for public inspection)**

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

## 1. INTRODUCTION

1.1 The early years block (EYB) of the Dedicated Schools Grant (DSG) provides funding to cover the free entitlement provision for two, three, and four year olds in Manchester. For the year 2019/20, this is currently set at £41.11m. The early years entitlements are:

- the 15 hours entitlement for disadvantaged two year olds
- the universal 15 hours entitlement for all three and four year olds
- the additional 15 hours entitlement for eligible working parents of three and four year olds

1.2 This report provides an overview of the 2019/20 EYB allocation, the overspend on the EYB in 2018/19, and risks and uncertainties surrounding early years funding.

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

- Pressures on the early years block in the previous financial year and 2019/20 onwards.
- Early years block position in 2019/20 and uncertainty regarding the adjustments to the block.

## 2. OVERALL EARLY YEARS POPULATION

2.1 Table one below shows the number of early years pupils accessing the free entitlement provision in Manchester schools and private, voluntary, and independent childcare settings (PVI's), as per the January 2019 census. Part time equivalent (PTE) pupil numbers from the January 2018 census are also shown.

**Table one: January 2018 and January 2019 census data**

Jan 2019 Census	Schools	PVIs	TOTALS	Jan 2018 Census
<b>2 Year Olds</b>	210	2,306	2,516	2,897
<b>3 &amp; 4 Universal</b>	6,354	3,116	9,470	9,493
<b>3 &amp; 4 Extended</b>	1,206	966	2,172	1,639
<b>TOTALS</b>	<b>7,764</b>	<b>6,526</b>	<b>14,158</b>	<b>14,029</b>

2.2 The number of pupils accessing the 2 year old offer has decreased by 13.2% between January 2018 and January 2019 censuses. This issue is widespread, albeit on a smaller scale, across other authorities nationally.

2.3 The number of 3 and 4 years old pupils taking up the universal 15 hours provision has remained fairly steady between the two years. Manchester has seen a 32.5% increase in the uptake of the additional 15 hours offer. The latter is a result of active promotion of the additional 15 hours funding scheme by the Council and individual schools following the introduction in September 2017, and the increased uptake is in line with expectations.

### 3. EARLY YEARS BLOCK FUNDING OVERVIEW

- 3.1 Manchester's EYB for 2019/20 was £40.83m. This initial allocation was the first of three DfE notifications for the 2019/20 early years block budget and was based on January 2018 census data (i.e. 2018 pupil numbers shown in table one).
- 3.2 The current DSG allocation was published by the DfE in July 2019, and presents notification two of three for the current financial year. This update reflects the new level of funding as per January 2019 census data. As anticipated Manchester received a significant increase in funding on the additional 15 hours offer, as well as a downwards adjustment on the two year old offer.
- 3.3 The July 2019 update led to an early years block allocation of £41.11m and is split between six funding streams, shown in table two below.

**Table two: Updated 2019-20 DSG early years block allocation – July 19**

<b>Funding Stream</b>	<b>£m</b>
the early years entitlement for disadvantaged two year olds	7.60
the early years universal entitlement for three and four year olds	26.29
the early years additional entitlement for three and four year old children of eligible working parents	6.03
supplementary funding for Maintained Nursery Schools (MNS)	0.34
the Early Years Pupil Premium (EYPP)	0.72
the Disability Access Fund (DAF)	0.13
	<b>41.11</b>

- 3.4 The July 2019 DSG update also outlined the final adjustment for the previous financial year 2018/19. This was a net total of £171k in our favour.
- 3.5 **Final** DSG early years block allocations for 2019/20 (three of three) will be published in July 2020, and will be a weighted average based on:
- 5/12ths of the January 2019 census pupil numbers (PTE)
  - 7/12ths of the January 2020 census pupil numbers (PTE)

As final 2019/20 allocations will therefore not be released until after the end of the financial year, there remains a considerable amount of uncertainty regarding the level of funding the Local Authority will receive for the year. This is a significant risk area for the early years budget - as in previous years.

---

## 4. NURSERY SCHOOLS

- 4.1 Maintained Nursery Schools (MNS) are legally constituted as 'schools' (unlike PVIs), which is recognised by DfE, and therefore are in receipt of additional funding to meet costs such as those of the head teacher and governing body.
- 4.2 Manchester has two MNS which are currently funded at 70 x 30 hour places per term. Unlike other nursery settings, funding is not clawed back for any downwards variances to capacity. However, if the average number of places in a MNS over the financial year exceeds 70 (i.e. more than 210 places across the three terms), then the MNS will receive an additional payment to cover the difference.
- 4.3 As of 2017/18, MNSs are in receipt of supplementary funding. This was introduced in order to protect MNS funding rates following the launch of the EYNFF and the requirement for universal base rates for all providers. This payment has continued in 2019/20 and equates to roughly 32% of Manchester MNSs' total early years block allocations. Funding beyond March 2020 is not yet confirmed, however updates on the grant are expected to be announced shortly.

## 5. RISKS AND UNCERTAINTIES

### Early years block pressures

- 5.1 Future spring term census term determines the funding adjustments to the block for this year and there remains a considerable degree of uncertainty relating to the final early years block allocations for the year. In the eventuality of rising pupil numbers in Autumn followed by a decline in Spring, the Council may receive a final early years block allocation that is lower than amounts paid out to providers in year. Based on recent trends analysis it is foreseeable that the 2019/20 EYB outturn could range between a balanced budget and a £1m underspend. At present the Local Authority has reported and is working on the basis of a £0.4m underspend in this block.
- 5.2 As mentioned earlier, supplementary funding for maintained nurseries beyond March 2020 remains uncertain. The Education Settlement announced on 3<sup>rd</sup> September 2019 outlines an additional £66 million to be awarded to Councils for early years provision and does not include the nursery school supplementary grant.

## 6. CONCLUSIONS AND RECOMMENDATIONS

- 6.1 There remains uncertainty around final DSG early years block allocation for the year. Final allocations will not be confirmed until July 2020. In particular there is a risk that free entitlement funding from the DfE will be lower than what the Council has paid out to providers. However, it is not expected at this stage that outturn will be as high as last year's £2.19m deficit; the Council is currently projecting a £0.4m underspend in EYB. The Council will be monitoring the position closely and will bring further updates to Forum.
- 6.2 All Forum members are asked to note and comment on the report and risks to the early year block funding.

---

**Manchester City Council**

**Report for Resolution**

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

**Subject:** **Special Schools Funding Review**

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

---

**Summary**

This report provides Forum with an update on progress made to date on the current Special Schools funding review and will also outline planned actions moving forward showing the next steps and approach required to finalise the change process.

**Recommendations**

All Forum members are asked to note and comment on the timeline for the planned consultation on changes to Special School Funding 2020/21 onwards.

**Contact Officers:**

Name: Reena Vandhna Kohli  
Position: Directorate Finance Lead  
Telephone: 0161 234 4235  
E-mail: r.kohli@manchester.gov.uk

Name: Anne Summerfield  
Position: Principal Finance Lead  
Telephone: 0161 234 1463  
E-mail: a.summerfield@manchester.gov.uk

Name: Samuel Russell  
Position: Senior Finance Manager  
Telephone: 0161 234 1464  
E-mail: s.russell@manchester.gov.uk

**Background documents (available for public inspection):**

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

13<sup>th</sup> May 2019: Schools Forum - Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review

## 1. INTRODUCTION

- 1.1 The purpose of this report is to state and explain progress made in respect of the Special Schools Funding review and outline the finalised action plan for moving forward.

## 2. PROGRESS TO DATE

- 2.1 Engagement began with Special Schools head teachers during early March assessing the wider implications of high needs funding. These engagement meetings allowed the Local Authority to better understand the different settings within Manchester in greater detail.
- 2.2 The Local Authority has consolidated pupil and costing data from Special Schools and Manchester services in order to produce a reasonable and effective funding model. The Local Authority is currently undertaking options analysis in order to assess different allocation techniques. Agenda item 4 in September 2019 Schools Forum includes a proposal to allocate part of the high needs block increase for 2020/21 to inflationary uplifts.
- 2.3 The table one sets out the review's action plan below.

**Table one: Special School Formula action plan**

<b>Timeline</b>	<b>Deadline</b>
Options Analysis	23 <sup>rd</sup> September 2019
Summarise key findings/models and disseminate to Special School head teachers	27 <sup>th</sup> September 2019
Initiate Consultation with Special Schools	7 <sup>th</sup> October 2019
Deadline for Consultation Returns	8 <sup>th</sup> November 2019
December Forum report summarising Outcomes	16 <sup>th</sup> December 2019
Department for Education (DfE) Settlement for financial year 2020/21	21 <sup>st</sup> December 2019

## 3. RECOMMENDATIONS

- 3.1 Schools Forum is asked to note the intention to undertake a formula review consultation with Special Schools.