



## **Schools Forum**

Date: Monday, 18 November 2019

Time: 4.00 pm

Venue: Council Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

### **Access to the Council Ante Chamber**

Public access to the Council Ante Chamber 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**

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**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

**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

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- 1. Urgent Business**  
To consider any items which the Chair has agreed to have submitted as urgent
- 2. Appeals**  
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda
- 3. Minutes**  
To note as a correct record the minutes of the last meeting
- 4. Illustrative National Funding Formula Comparison to Local Funding Formula** 5 - 22  
The report of the Directorate Finance Lead – Children's and Education is enclosed.
- 5. Provisional Dedicated Schools Grant 2020/21 Update** 23 - 34  
The report of the Directorate Finance Lead – Children's and Education is enclosed.
- 6. Excessive School Balance Clawback - Update** 35 - 38  
The report of the Directorate Finance Lead – Children's and Education is enclosed.

## Information about the Forum

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

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

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

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

Smoking is not allowed in Council buildings.

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

## Further Information

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

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

This agenda was issued on **Wednesday, 13 November 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

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**Manchester City Council****Report for Resolution****Report to:** Schools Forum**Subject:** Illustrative Comparison of National Funding Formula to Local Funding Formula**Report of:** Directorate Finance Lead – Children’s and Education

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**Summary**

In 2020/21, as in previous years, the local authority will need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2020/21. The formula applies directly to maintained schools for the financial year, and for academies it will form the basis for their funding, distributed to them by the Education and Skills Funding Agency. The local formula must comply with statutory guidance, but within these restrictions the final decision on the formula rests with the local authority after consultation with schools and the Schools Forum. In consultation with Schools Forum and schools the local authority made the decision to maintain the existing local funding formula (LFF) in full in 2018/19 - 2019/20. This report provides consideration as to whether this approach continues 2020/21 onwards.

**Recommendations and Conclusions**

Based on the analysis undertaken by the Local Authority it is recommended that Schools Forum approves maintaining the Local Funding Formula for 2020/21. Overall the LFF, Model 1, provides slightly greater funding across all schools and thus provides greater protection in the transition to hard NFF. This approach will be reviewed in light of further announcements related to the implementation of hard NFF.

Schools Forum (School Members only) are asked to consider the Local Authority’s recommendation to maintain the Local Funding Formula for 2020/21.

**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.

23 September 2019 - Schools Forum: Schools Funding Settlement

## 1. INTRODUCTION

- 1.1 A report was brought to Forum on 23rd September 2019 detailing Manchester's local funding formula (LFF) factors as compared to the national funding formula (NFF) factors in 2019/20. The Department for Education (DfE) have confirmed their commitment to moving to a hard funding formula nationally, but have not established implementation timelines.
- 1.2 In 2018/19 and 2019/20 the Council continued with the LFF as it was felt this afforded Manchester schools financial stability whilst preparing for the eventual move towards the hard NFF. In the September 2019 Schools Forum meeting, the Forum asked the Local Authority to consider whether Manchester LFF needs closer alignment to the NFF.

## 2. NATIONAL FUNDING FORMULA

- 2.1 Mainstream schools funding continues to be delivered in most part through the Schools Block of the Dedicated Schools Grant (DSG). As for 2019/20, each Local Authority (LA) area allocation will be determined using a National Funding Formula (NFF). The LA are responsible for distributing this funding between schools through a Local Funding Formula, (LFF). This is known as a 'soft' NFF.
- 2.2 More LA areas are closer to NFF based on their 2019/20 formulae than in 2018/19. The implementation date of a hard formula is still to be established.
- 2.3 In 2018/19 and 2019/20, the Local Authority made the decision to continue full implementation of the LFF. This afforded schools financial stability whilst preparing for the eventual move towards the hard NFF. Schools Forum is asked to reconsider what steps, if any, should be taken to align LFF factors to those under the NFF to ensure that Manchester continues to adopt the most financially viable options for local schools. Table one below shows a breakdown by formula factor of 2019/20 schools block budgets under three different models:
- i. **Model 1:** 2019/20 LFF (current)
  - ii. **Model 2:** 2019/20 APT re-run with NFF values, uplifted by Manchester's Area Cost Adjustment (ACA)
  - iii. **Model 3:** 2019/20 APT re-run with 50% transition to NFF values on each formula factor, uplifted by ACA

This is broken down at a school level in Appendix one.

**Table one: 2019/20 NFF and LFF funding, categorised by formula factors**

		Model 1			Model 2			Model 3		
		LFF (£m)			APT Model with NFF Rates MFG at +0.5%, incl. ACA (£m)			APT Model with 50% Transition to NFF Rates MFG at +0.5%, incl. ACA (£m)		
		PRI	SEC	TOTAL	PRI	SEC	TOTAL	PRI	SEC	TOTAL
<b>PUPIL-LED FUNDING</b>										
Basic entitlement		156.27	126.28	282.55	136.95	117.01	253.97	147.04	121.99	269.03
Deprivation	FSM	0.00	0.00	0.00	5.76	3.44	9.20	2.88	1.72	4.60
	FSM6	10.08	6.95	17.03	10.99	11.48	22.47	10.56	9.24	19.80
	IDACI	18.91	8.72	27.63	16.58	13.80	30.39	17.79	11.28	29.08
EAL		4.91	5.17	10.08	6.62	3.45	10.07	5.78	4.33	10.10
LPA		12.83	19.01	31.84	19.95	10.47	30.42	16.43	14.79	31.22
<b>PUPIL-LED PROTECTION</b>		MFG @ 0.5%			MFG @ 0.5%			MFG @ 0.5%		
MFG @ +0.5%		2.49	3.60	6.09	14.59	11.22	25.81	7.94	6.84	14.78
<b>SCHOOL-LED FUNDING</b>										
Lump sum		20.93	4.74	25.66	14.93	3.38	18.31	17.98	4.07	22.06
<b>MOBILITY FACTORS</b>		0.61	0.34	0.95	0.61	0.34	0.95	0.61	0.34	0.95
<b>PREMISES FACTORS</b>		2.52	1.75	4.27	2.52	1.75	4.27	2.52	1.75	4.27
<b>Total Schools Block*</b>		229.53	176.57	<b>406.10</b>	229.49	176.36	<b>405.86</b>	229.52	176.36	<b>405.88</b>

\*Includes funding for growth.

- 2.4 Model 1 results in slightly higher funding levels than under Models 2 and 3. Net budgets across the three models offer similar levels of funding, which is because the protection provided by the Minimum Funding Guarantee (MFG) largely negates the impact of changes to individual pupil-led factor values in the short term. There is no apparent pattern to the protection provided under MFG; it simply protects pupil-led funding levels from year-on-year changes in pupil characteristics.

Key points to note are:

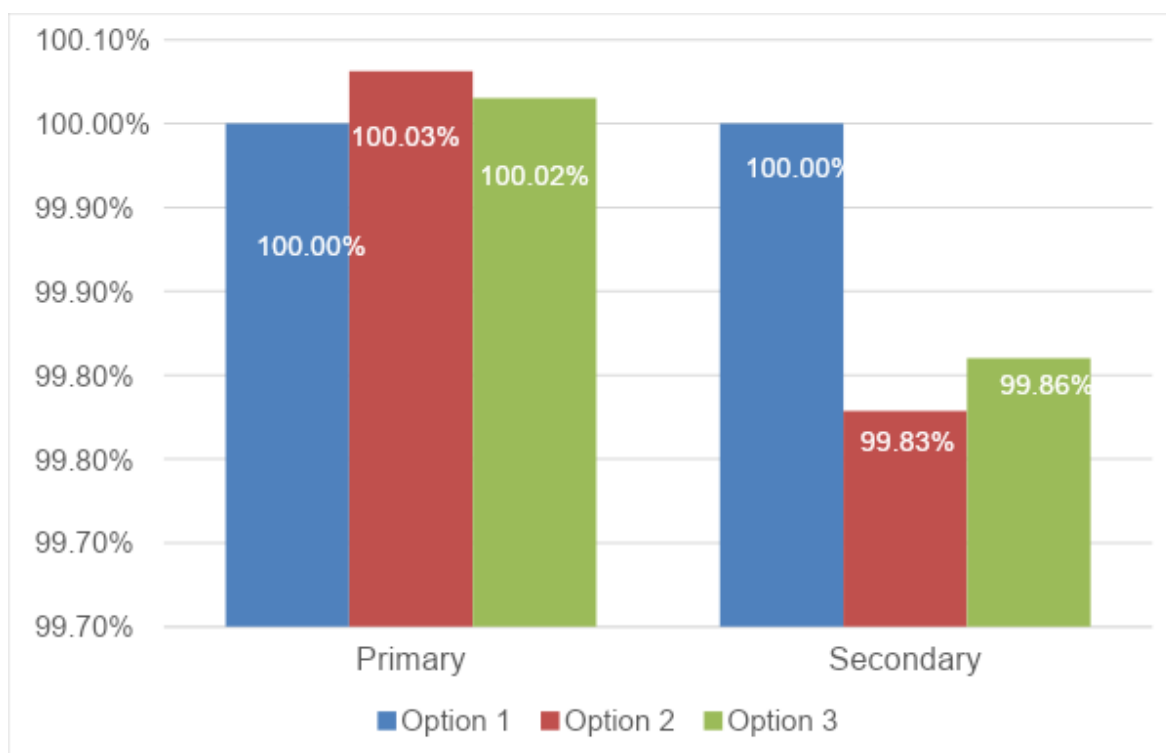
- Basic entitlement funding under Model 1 is £28.6m higher than under Model 2 (NFF values).
- Deprivation funding under Model 1 LFF is £17.4m lower than under Model 2; and £8.8m lower than under Model 3.
- Net funding across basic entitlement and deprivation, however, is highest under the current Model 1. At the moment, Manchester funnels a majority of



formula funding under basic entitlement due to significant levels of inherent deprivation in the city.

- d) Lump sum funding is highest under the current Model 1. To note, school-led funding is not protected under MFG.
- 2.5 Analysis of the school level budgets detailed in Appendix one finds that 54% of Manchester schools would have seen gains in 2019/20 under Model 2, whilst the other 46% of schools are better off under the current Model 1. 0% of schools are better off under Model 3, which suggests that it would not be beneficial to schools to gradually transition towards NFF factor values, and rather, an immediate transition may be seen as more favourable.
- 2.6 Schools better off under Model 2 saw gains ranging between +0.01% and +1.04% of schools' budgets, whilst losses under Model 2 ranged from between -0.01% and -2.89%. The average gain in budget under Model 2 (compared to Model 1) was £2,026 and the average loss was -£2,672.
- 2.7 Total funding categorised by phases (with "all-through" schools classed as "secondary") across the three models can be seen in Graph one below.

**Graph one: 2019/20 Funding to Primary and Secondary phases under Models 1, 2, and 3**



The primary to secondary funding ratio under the models is comparable on the whole, rounded to 57:43 primary:secondary across all three models.

### 3. FUNDING FLOOR PROTECTION

- 3.1 Stage one of the funding process outlines funding allocated to the local authority by the DfE under the NFF, which is currently protected by a funding floor protection. This ensured that Manchester's 2019/20 NFF allocations saw at least a 1% gain in per-pupil funding rates when compared to 2017/18 APT baselines.
- 3.2 The funding floor calculation has changed from 2020/21 onwards with:
- a) the baseline moving from 2017/18 data to 2019/20 NFF allocations,
  - b) the protection increasing from 1% to 1.84%.

This change is overall expected to reduce the amount received in additional funding under the funding floor.

- 3.3 Illustrative NFF allocations for 2019/20 show that the LA received additional funding due to the funding floor totalling c.£26m. Provisional NFF allocations for 2020/21 show that the amount received by the LA under the funding floor has reduced to c.£18m for next year, and it should be noted that this reduction comes after the 4% increase to NFF factor values announced in September.
- 3.4 The LA expects that this additional funding received under the funding floor protection will continue to decrease on a year-by-year basis, as use of rolling baselines will gradually minimise the amount of protection required. The DfE have yet to confirm how the funding floor baseline will operate in future years, and while it is expected that it will remain part of the funding formula, the LA estimates that in a 5-6 year period, the funding floor protection will not be required.

### 4. CONCLUSION AND RECOMMENDATIONS

- 4.1 Mirroring the NFF values exactly has a negligible impact on budgets in the short term due to the function of the MFG. Considering a more gradual move towards NFF values has similar results on the whole, however, does not benefit schools on an individual level.
- 4.2 Whilst net levels of funding under the current LFF Model 1 and Model 2 with NFF values are similar, Model 2 moves a significant proportion of the funding under the MFG protection, which currently stands at +0.5%. MFG levels for 2020/21 will range between +0.5% and +1.84% as per DfE guidelines, however, it is clear that adopting Model 2 leaves schools vulnerable to fluctuations in overall funding caused by fluctuating levels of protection.
- 4.3 Based on the analysis undertaken by the Local Authority it is recommended that Schools Forum approves maintaining the Local Funding Formula for 2020/21. Overall the LFF, Model 1, provides slightly greater funding across all schools and thus provides greater protection in the transition to a hard NFF. This approach will

be reviewed in light of further announcements related to the implementation of hard NFF.

- 4.4 Schools Forum (School Members only) are asked to consider the Local Authority's recommendation to maintain the Local Funding Formula for 2020/21.

## Appendix One

				Model 1	Model 2	Model 3	
DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3522020	Abbey Hey Primary Academy	Primary	Academy	2,751,618	2,752,750	2,752,174	Option 2
3522001	Abbott Community Primary School	Primary	Maintained	1,069,322	1,069,327	1,069,325	Option 2
3524271	Abraham Moss Community School	All-through	Maintained	11,322,958	11,324,893	11,323,908	Option 2
3522048	Acacias Community Primary School	Primary	Maintained	1,854,908	1,854,710	1,854,811	Option 1
3523301	All Saints CofE Primary School	Primary	Maintained	1,052,764	1,051,341	1,052,066	Option 1
3522321	All Saints Primary School	Primary	Maintained	1,051,000	1,049,755	1,050,389	Option 1
3522006	Alma Park Primary School	Primary	Maintained	1,926,591	1,927,429	1,927,002	Option 2
3523043	Armitage CofE Primary School	Primary	Maintained	2,019,880	2,021,210	2,020,533	Option 2
3522010	Ashbury Meadow Primary School	Primary	Maintained	1,993,857	1,997,377	1,995,584	Option 2
3522326	Baguley Hall Primary School	Primary	Maintained	2,186,283	2,187,183	2,186,724	Option 2
3522325	Barlow Hall Primary School	Primary	Academy	1,469,968	1,468,263	1,469,131	Option 1
3522017	Beaver Road Primary School	Primary	Academy	2,432,834	2,434,925	2,433,860	Option 2
3522341	Benchill Primary School	Primary	Maintained	2,217,828	2,219,640	2,218,717	Option 2
3522328	Birchfields Primary School	Primary	Maintained	2,714,377	2,713,957	2,714,171	Option 1
3522039	Bowker Vale Primary School	Primary	Maintained	1,832,522	1,832,531	1,832,526	Option 2
3522040	Briscoe Lane Academy	Primary	Academy	2,359,201	2,360,892	2,360,030	Option 2
3522298	Broad Oak Primary School	Primary	Maintained	1,934,531	1,931,306	1,932,949	Option 1
3522247	Broadhurst Primary School	Primary	Maintained	1,040,673	1,041,320	1,040,991	Option 2
3522079	Brookburn Community School	Primary	Academy	1,587,438	1,588,093	1,587,759	Option 2
3524256	Burnage Academy for Boys	Secondary	Academy	5,917,846	5,917,182	5,917,520	Option 1
3522340	Button Lane Primary School	Primary	Maintained	1,921,432	1,923,056	1,922,229	Option 2

## Appendix One

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DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3522057	Cavendish Primary School	Primary	Maintained	2,456,066	2,456,440	2,456,249	Option 2
3524002	Cedar Mount Academy	Secondary	Academy	6,076,069	6,080,622	6,078,303	Option 2
3522058	Chapel Street Primary School	Primary	Maintained	2,847,030	2,846,543	2,846,791	Option 1
3522060	Charlestown Community Primary School	Primary	Maintained	1,990,514	1,992,072	1,991,278	Option 2
3523040	Cheetham CofE Community Academy	Primary	Academy	2,752,879	2,756,051	2,754,435	Option 2
3522288	Cheetwood Primary School	Primary	Maintained	998,039	997,571	997,810	Option 1
3523003	Chorlton CofE Primary School	Primary	Maintained	895,833	895,433	895,637	Option 1
3524281	Chorlton High School	Secondary	Academy	8,287,959	8,288,211	8,288,082	Option 2
3524014	Chorlton High School South	Secondary	Maintained	1,927,567	1,940,108	1,933,720	Option 2
3522004	Chorlton Park Primary	Primary	Academy	2,531,842	2,531,850	2,531,846	Option 2
3523402	Christ The King RC Primary School Manchester	Primary	Maintained	1,858,585	1,858,588	1,858,586	Option 2
3522068	Claremont Primary School	Primary	Maintained	2,949,540	2,949,316	2,949,430	Option 1
3523490	CofE School of the Resurrection	Primary	Maintained	1,015,486	1,014,874	1,015,185	Option 1
3522296	Crab Lane Primary School	Primary	Maintained	1,903,329	1,906,095	1,904,686	Option 2
3522025	Cravenwood Primary Academy	Primary	Academy	1,773,859	1,771,083	1,772,497	Option 1
3522036	Cringle Brook Primary School	Primary	Academy	1,057,591	1,065,274	1,061,361	Option 2
3522073	Crossacres Primary Academy	Primary	Academy	2,442,595	2,444,926	2,443,739	Option 2
3522075	Crosslee Community Primary School	Primary	Maintained	1,869,951	1,873,049	1,871,471	Option 2
3522076	Crowcroft Park Primary School	Primary	Maintained	1,074,864	1,074,457	1,074,665	Option 1

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			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3522327	Crumpsall Lane Primary School	Primary	Maintained	1,824,347	1,823,692	1,824,026	Option 1
3524007	Dean Trust Ardwick	Secondary	Academy	6,146,494	5,973,641	6,038,705	Option 1
3523305	Didsbury CofE Primary School	Primary	Academy	884,784	885,644	885,206	Option 2
3529999	Didsbury High School	Secondary	Academy	764,134	710,096	739,187	Option 1
3522005	E-ACT Blackley Academy	Primary	Academy	1,954,011	1,952,955	1,953,493	Option 1
3524011	Eden Boys' Leadership Academy, Manchester	Secondary	Academy	1,793,074	1,755,346	1,744,739	Option 1
3524012	Eden Girls' Leadership Academy , Manchester	Secondary	Academy	1,786,352	1,760,645	1,746,054	Option 1
3522044	Gorton Primary School	Primary	Maintained	357,376	350,686	354,093	Option 1
3522113	Green End Primary School	Primary	Academy	1,926,646	1,926,973	1,926,807	Option 2
3522019	Haveley Hey Community School	Primary	Academy	1,907,821	1,907,059	1,907,447	Option 1
3522129	Heald Place Primary School	Primary	Maintained	2,946,170	2,945,391	2,945,788	Option 1
3522303	Higher Openshaw Community School	Primary	Maintained	1,711,635	1,711,602	1,711,619	Option 1
3523408	Holy Name Roman Catholic Primary School Manchester	Primary	Maintained	903,009	910,121	906,499	Option 2
3523005	Holy Trinity CofE Primary School	Primary	Maintained	1,698,434	1,701,403	1,699,891	Option 2
3522249	Irk Valley Community School	Primary	Maintained	1,949,688	1,947,487	1,948,608	Option 1
3523508	King David Primary School	Primary	Academy	1,529,614	1,529,616	1,529,615	Option 2
3522141	Ladybarn Primary School	Primary	Academy	1,941,355	1,941,577	1,941,464	Option 2
3524005	Levenshulme High School	Secondary	Academy	6,374,422	6,374,510	6,374,465	Option 2
3522142	Lily Lane Primary School	Primary	Maintained	2,707,680	2,710,432	2,709,030	Option 2

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3522023	Longsight Community Primary	Primary	Academy	1,057,484	1,057,077	1,057,285	Option 1
3524753	Loreto High School Chorlton	Secondary	Maintained	4,624,947	4,624,987	4,624,967	Option 2
3526905	Manchester Academy	Secondary	Academy	7,349,394	7,350,935	7,350,150	Option 2
3526913	Manchester Communication Academy	Secondary	Academy	7,123,609	7,123,712	7,123,660	Option 2
3522024	Manchester Communication Primary Academy	Primary	Academy	1,722,886	1,732,160	1,727,436	Option 2
3524008	Manchester Creative and Media Academy	Secondary	Academy	6,593,258	6,593,523	6,593,388	Option 2
3524004	Manchester Creative Studio	Secondary	Academy	0	0	0	Option 1
3526908	Manchester Enterprise Academy	Secondary	Academy	6,577,705	6,584,920	6,581,245	Option 2
3524013	Manchester Enterprise Academy Central	Secondary	Academy	3,067,769	3,002,522	3,014,393	Option 1
3526909	Manchester Health Academy	Secondary	Academy	5,185,175	5,192,033	5,188,540	Option 2
3522305	Manley Park Primary School	Primary	Maintained	1,791,494	1,790,856	1,791,181	Option 1
3522161	Mauldeth Road Primary School	Primary	Maintained	1,853,786	1,856,854	1,855,291	Option 2
3522324	Medlock Primary School	Primary	Maintained	1,885,157	1,884,066	1,884,622	Option 1
3522164	Moston Fields Primary School	Primary	Maintained	1,660,855	1,660,827	1,660,842	Option 1
3522165	Moston Lane Community Primary School	Primary	Maintained	2,013,808	2,014,244	2,014,022	Option 2
3523503	Mount Carmel RC Primary School	Primary	Maintained	1,920,722	1,920,838	1,920,779	Option 2
3522022	New Islington Free School	Primary	Academy	1,277,218	1,283,972	1,280,532	Option 2
3522184	New Moston Primary School	Primary	Maintained	2,214,136	2,214,619	2,214,373	Option 2



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			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3524006	Newall Green High School	Secondary	Academy	3,544,866	3,541,768	3,543,346	Option 1
3522182	Newall Green Primary School	Primary	Academy	2,601,158	2,599,604	2,600,396	Option 1
3522186	Northenden Community School	Primary	Maintained	912,759	913,195	912,973	Option 2
3522014	Oasis Academy Aspinal	Primary	Academy	1,008,363	1,008,585	1,008,472	Option 2
3522016	Oasis Academy Harpur Mount	Primary	Academy	1,926,447	1,925,993	1,926,224	Option 1
3522329	Old Hall Drive Academy	Primary	Academy	1,917,088	1,917,310	1,917,197	Option 2
3522338	Old Moat Community Primary	Primary	Academy	1,780,230	1,778,968	1,779,611	Option 1
3522330	Oswald Road Primary School	Primary	Maintained	2,387,081	2,386,649	2,386,869	Option 1
3524761	Our Lady's RC High School	Secondary	Maintained	5,371,099	5,373,381	5,372,219	Option 2
3523475	Our Lady's RC Primary School Manchester	Primary	Maintained	886,872	885,907	886,399	Option 1
3523506	Park View Community Primary	Primary	Maintained	1,895,596	1,894,452	1,895,035	Option 1
3524248	Parrs Wood High School	Secondary	Academy	8,698,761	8,698,983	8,698,869	Option 2
3522300	Peel Hall Primary School	Primary	Maintained	1,249,507	1,249,900	1,249,700	Option 2
3522302	Pike Fold Primary School	Primary	Maintained	1,924,913	1,924,605	1,924,762	Option 1
3522216	Plymouth Grove Primary School	Primary	Maintained	1,918,214	1,917,151	1,917,692	Option 1
3522232	Rack House Primary School	Primary	Maintained	1,800,605	1,804,087	1,802,313	Option 2
3522234	Ravensbury Community School	Primary	Maintained	1,973,049	1,973,160	1,973,104	Option 2
3522008	Ringway Primary School	Primary	Maintained	1,682,997	1,686,150	1,684,544	Option 2
3522013	Rolls Crescent Primary School	Primary	Academy	1,887,594	1,885,649	1,886,640	Option 1
3522012	Rushbrook Primary Academy	Primary	Academy	2,955,468	2,954,742	2,955,112	Option 1



## Appendix One

				Model 1	Model 2	Model 3	
DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3523464	Sacred Heart Catholic Primary School	Primary	Maintained	1,022,015	1,022,237	1,022,124	Option 2
3523505	Sacred Heart RC Primary School	Primary	Maintained	1,336,717	1,339,824	1,338,242	Option 2
3524766	Saint Paul's Catholic High School	Secondary	Academy	4,515,409	4,514,453	4,514,940	Option 1
3522301	Sandilands Primary School	Primary	Maintained	1,771,178	1,770,396	1,770,794	Option 1
3523491	Saviour CofE Primary School	Primary	Maintained	1,018,582	1,016,796	1,017,706	Option 1
3522018	Seymour Road Academy	Primary	Academy	1,920,805	1,920,378	1,920,595	Option 1
3523041	St Agnes Cof E Primary School	Primary	Maintained	1,937,170	1,936,972	1,937,072	Option 1
3523415	St Aidan's Catholic Primary School	Primary	Maintained	1,009,623	1,010,272	1,009,941	Option 2
3523418	St Ambrose RC Primary School	Primary	Maintained	975,746	978,727	977,209	Option 2
3523310	St Andrew's CofE Primary School	Primary	Maintained	1,672,061	1,671,474	1,671,773	Option 1
3523504	St Anne's RC Primary School	Primary	Maintained	925,001	922,505	923,776	Option 1
3523422	St Anne's RC Primary School Crumpsall Manchester	Primary	Maintained	1,865,991	1,866,538	1,866,260	Option 2
3523424	St Anthony's Catholic Primary School	Primary	Academy	2,600,680	2,601,354	2,601,011	Option 2
3523011	St Augustine's CofE Primary School	Primary	Maintained	1,123,085	1,124,396	1,123,728	Option 2
3522007	St Barnabas CofE Primary Academy	Primary	Academy	1,084,044	1,084,480	1,084,258	Option 2
3523473	St Bernard's RC Primary School Manchester	Primary	Maintained	1,282,327	1,278,979	1,280,684	Option 1
3523429	St Brigid's RC Primary School	Primary	Maintained	1,027,042	1,026,611	1,026,831	Option 1
3523432	St Catherine's RC Primary School	Primary	Maintained	1,493,571	1,491,700	1,492,653	Option 1
3523434	St Chad's RC Primary School	Primary	Maintained	1,015,951	1,015,746	1,015,850	Option 1

## Appendix One

				Model 1	Model 2	Model 3	
DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3523015	St Chrysostom's CofE Primary School	Primary	Maintained	1,893,642	1,893,434	1,893,540	Option 1
3523501	St Clare's RC Primary School	Primary	Maintained	1,843,047	1,842,109	1,842,587	Option 1
3523042	St Clement's CofE Primary School	Primary	Maintained	1,069,744	1,069,139	1,069,447	Option 1
3523500	St Cuthbert's RC Primary School	Primary	Maintained	1,178,420	1,174,467	1,176,480	Option 1
3523439	St Dunstan's RC Primary School	Primary	Maintained	1,488,889	1,488,828	1,488,859	Option 1
3523440	St Edmund's RC Primary School	Primary	Maintained	1,050,301	1,050,524	1,050,410	Option 2
3523474	St Elizabeth's Catholic Primary School	Primary	Academy	936,383	934,279	935,351	Option 1
3523445	St Francis RC Primary School	Primary	Maintained	1,025,061	1,024,032	1,024,556	Option 1
3523316	St James' CofE Primary School, Birch-in-Rusholme	Primary	Maintained	970,164	971,029	970,588	Option 2
3523446	St John Bosco RC Primary School	Primary	Maintained	1,017,180	1,016,987	1,017,085	Option 1
3523448	St John Fisher and Thomas More Catholic Primary School	Primary	Academy	1,454,002	1,453,183	1,453,600	Option 1
3523045	St John's CofE Primary School	Primary	Maintained	1,967,365	1,973,467	1,970,359	Option 2
3523489	St John's RC Primary School	Primary	Maintained	1,563,790	1,562,415	1,563,115	Option 1
3523494	St Joseph's RC Primary School Manchester	Primary	Maintained	1,031,302	1,031,524	1,031,411	Option 2
3525200	St Kentigern's RC Primary	Primary	Maintained	1,584,857	1,585,210	1,585,030	Option 2
3523044	St Luke's CofE Primary School	Primary	Maintained	1,923,962	1,923,304	1,923,639	Option 1
3523452	St Malachy's RC Primary School	Primary	Maintained	1,050,015	1,051,112	1,050,553	Option 2

## Appendix One

				Model 1	Model 2	Model 3	
DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3523455	St Margaret Mary's RC Primary School Manchester	Primary	Maintained	1,352,583	1,352,947	1,352,761	Option 2
3523022	St Margaret's CofE Primary School	Primary	Maintained	2,643,437	2,648,005	2,645,678	Option 2
3523028	St Mary's CofE Junior and Infant School	Primary	Maintained	1,901,610	1,900,042	1,900,841	Option 1
3523484	St Mary's CofE Primary School Moston	Primary	Maintained	1,020,676	1,020,056	1,020,372	Option 1
3523457	St Mary's RC Primary School Manchester	Primary	Maintained	1,471,327	1,471,815	1,471,567	Option 2
3524762	St Matthew's RC High School	Secondary	Maintained	7,018,030	7,019,167	7,018,588	Option 2
3523460	St Patrick's RC Primary School	Primary	Maintained	904,220	899,636	901,971	Option 1
3523039	St Paul's CofE Primary School	Primary	Maintained	1,314,666	1,314,458	1,314,564	Option 1
3523465	St Peter's Catholic Primary School	Primary	Maintained	993,141	992,929	993,037	Option 1
3524770	St Peter's RC High School	Secondary	Maintained	6,257,397	6,257,846	6,257,617	Option 2
3523325	St Philip's Church of England Primary School	Primary	Maintained	990,928	990,460	990,698	Option 1
3523482	St Richard's RC Primary School	Primary	Maintained	1,897,168	1,897,603	1,897,381	Option 2
3522043	St Wilfrid's C of E Primary	Primary	Academy	1,278,040	1,279,027	1,278,524	Option 2
3523034	St Wilfrid's CofE Junior and Infant School	Primary	Maintained	1,072,539	1,073,175	1,072,851	Option 2
3523469	St Wilfrid's RC Primary School	Primary	Maintained	957,003	957,934	957,460	Option 2
3523472	St Willibrord's RC Primary School	Primary	Maintained	1,067,344	1,066,754	1,067,055	Option 1
3522037	St. James C.E. Primary	Primary	Academy	1,377,730	1,389,894	1,383,698	Option 2

## Appendix One

				Model 1	Model 2	Model 3	
DfE	School	Phase	Type	LFF (Current)	APT re-run with NFF values, uplifted by ACA	APT re-run with 50% Transition to NFF values	Which is higher?
			<b>SUBTOTALS</b>	<b>406,098,966</b>	<b>405,860,637</b>	<b>405,881,748</b>	
3522015	Stanley Grove Primary Academy	Primary	Academy	2,976,160	2,976,312	2,976,235	Option 2
3522332	Temple Primary School	Primary	Maintained	3,136,920	3,137,001	3,136,960	Option 2
3524768	The Barlow RC High School and Specialist Science College	Secondary	Maintained	5,134,860	5,135,386	5,135,118	Option 2
3526914	The Co-operative Academy of Manchester	Secondary	Academy	7,322,068	7,328,291	7,325,122	Option 2
3523507	The Divine Mercy Roman Catholic Primary School	Primary	Maintained	1,939,372	1,940,927	1,940,135	Option 2
3524010	The East Manchester Academy	Secondary	Academy	6,014,297	6,015,266	6,014,773	Option 2
3524810	The King David High School	Secondary	Academy	2,989,706	2,989,041	2,989,379	Option 1
3522009	The Willows Primary School	Primary	Academy	1,842,005	1,841,678	1,841,844	Option 1
3524765	Trinity CofE High School	Secondary	Academy	6,897,511	6,898,313	6,897,905	Option 2
3522038	Unity Community Primary	Primary	Academy	1,180,485	1,192,858	1,186,556	Option 2
3522278	Varna Community Primary School	Primary	Maintained	1,985,290	1,984,573	1,984,938	Option 1
3522323	Webster Primary School	Primary	Academy	2,339,700	2,338,760	2,339,239	Option 1
3522042	West Didsbury CE Primary School	Primary	Academy	1,182,925	1,192,454	1,187,600	Option 2
3524257	Whalley Range 11-18 High School	Secondary	Academy	8,124,349	8,124,703	8,124,523	Option 2
3522002	Wilbraham Primary School	Primary	Maintained	2,873,143	2,873,005	2,873,075	Option 1
3526907	William Hulme's Grammar School	All-through	Academy	6,271,784	6,274,333	6,273,034	Option 2
3524276	Wright Robinson College	Secondary	Maintained	11,008,879	11,010,153	11,009,504	Option 2



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## **Manchester City Council**

### **Report for Resolution**

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

**Subject:** **Provisional Dedicated Schools Grant 2020/21 Update**

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

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#### **Summary**

The recently published provisional Dedicated School Grant (DSG) allocations 2020/21 are provided in the report. Final notification of DSG allocations are expected week commencing 16 December 2019.

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.

#### **Recommendations**

Schools Forum members are asked to note and comment on:

- DSG 2020/21 provisional funding announcements.
- That the Local Authority is not seeking to request for a block transfer from schools block to high needs.
- Manchester is expected to receive the confirmed DSG 2020/21 notification week commencing 16 December 2019.
- Pressure arising from the 20% reduction to the central schools block historical commitments.

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

- Trade Union Duties (£186k which at current pupil levels equates to £4.82 per school aged pupil - section 7)
- Education Services Grant General Duties (£500k which at current pupil levels equates to £12.39 per school aged pupil - section 8).
- Free School Meal checking software (£42k which at current pupil levels equates to £1.05 per school aged pupil – section9).

**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)

**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:**

23 September 2019	Schools Forum - School Funding Settlement
23 September 2019	Schools Forum - Early Years Block Funding
18 November 2019	Schools Forum – Illustrative NFF to LFF Comparison



## 1. INTRODUCTION

- 1.1 Following the three year funding announcements in September, the Department for Education (DfE) have recently published provisional Dedicated Schools Grant (DSG) allocations 2020/21, based on October 2018 pupil data. To note, actual DSG allocations received in December will be based on October 2019 pupil data and will vary.
- 1.2 The provisional allocations to the four DSG blocks: schools, high needs, central services schools and early years block is outlined in table one below.

**Table one: Manchester's Provisional DSG Allocations**

<b>BLOCK</b>	<b>Schools Block</b>	<b>High Needs Block</b>	<b>Central School Services</b>	<b>Early Years Block</b>
2020/21 NFF (provisional)	414,045	88,252	3.503	TBC
2019/20 DSG	409,073	76.941	3.658	41.113
<b>-loss/gain</b>	<b>4,972</b>	<b>11,311</b>	<b>-0.155</b>	<b>TBC</b>

## SCHOOLS BLOCK

- 2.1 Schools block funding for a local authority area is calculated bottom up school-by-school on the basis of the National Fund Formula (NFF). Local authority areas above the NFF, like Manchester, receive funding floor protection, which totals c.£26m for Manchester in 2019/20. If the NFF was applied in full with no funding floor protection, Manchester's schools would receive on average £350 per pupil less than they do now.
- 2.2 The recent announcement includes funding for cost pressures, in light of which all authorities will see at least a 1.84% per pupil increase in allocations. At current pupil levels, Manchester's schools block funding is likely to increase by 1.22% (£4.972m) in cash terms.
- 2.3 Tables two demonstrates the percentage changes in per pupil terms on local authorities when comparing the provisional 2020/21 NFF allocations against their respective 2019/20 NFF baselines. Manchester has seen the lowest percentage increase (both in cash terms and on a per pupil basis) when compared against other North West authorities. When compared to other core cities, Manchester has had the second lowest increase on a per pupil basis (Nottingham being lowest).

**Table two: Percentage Per Pupil Change in 2020/21 NFF (vs. 2019/20 NFF baseline)**

Region	No. of LA	Average Per Pupil Increase 2020/21	Impact Most Favourable	Impact Least Favourable
England	149	4.16%		
<b>Manchester</b>		<b>2.13%</b>		
North West	23	4.26%	Knowsley	Manchester
Core Cities	7	3.65%	Sheffield	Nottingham

- 2.4 The percentage per pupil increase between 2019/20 and 2020/21 NFF allocations for Manchester is estimated at an average of 2.13% by the DfE. However, this average includes an anomalous increase for a newly opened free school, which is excluded to arrive at the more realistic per pupil increase of 1.85%.
- 2.5 Given the provisional schools block allocations for 2020/21, which funds individual primary, secondary and all-through schools' budgets, along with the confirmation of Teachers' Pay and Pension Grants, it is not expected that the recent funding announcement causes significant concern for Manchester schools.
- 2.6 Beyond 2020/21 DfE have reiterated their intention to implement a hard NFF. Manchester could potentially see a sharp reduction in funding levels if the transition to the formula does not include a funding floor protection mechanism. Consideration to Manchester moving closer to NFF is detailed in agenda item 4 of the papers provided to Forum.

### **Impact of National Funding Formula increases on the Local Funding Formula to Manchester Schools**

- 2.7 Local Authorities are able to provide for a per pupil protection, Minimum Funding Guarantee (MFG) calculation, in their formula of between +0.5% to +1.84%; amounts outside of this would need separate approval from the Secretary of State. It is also permissible to limit gains under capping arrangements; capping to be no greater than the amount of MFG.
- 2.8 Given the provisional 2020/21 schools block funding the local authority are seeking to set a minimum MFG of at least +0.5%. The MFG rate will be confirmed once the cost of formula funding using the October 2019 census dataset is known and the DSG settlement is confirmed in December.
- 2.9 The DfE has applied a 4% increase to all core factors of the National Funding Formula, except free schools meal (cost of meal 1.8% to be applied), and premises which remain at historical cost. Manchester's funding levels have seen an average 1.85% per pupil increase and continue to be protected under the funding floor. Schools Forum is asked to note that the Local Authority will seek

to increase funding for: pupils, pupil characteristics, and protection under the MFG as much as is affordable within the formula. This is ultimately dependent on data from the October 2019 census, including numbers on roll and deprivation characteristics, and as yet a figure cannot be confirmed. Further updates will be brought to Forum after final 2020/21 DSG allocations are published in December.

### 3 HIGH NEEDS BLOCK (HNB)

- 3.1 All local authorities will receive an increase of at least 8% per head for two to eighteen year old population through the funding floor. Above this minimum increase, the formula will be capped at 17%, allowing LAs to see a maximum increase of up to 17% per head of population. Provisionally Manchester's HNB should receive an increase of £11.31m in 2020/21.
- 3.2 The LA is not seeking to transfer from schools block to the high needs block (HNB), based on the provisional 2020/21 DSG allocation. The increase in the HNB allocation is to be used to manage the existing pressures and fund anticipated high needs pupil growth, as set out in section three of this report.
- 3.3 Table three below demonstrates the percentage changes in per pupil terms on local authorities when comparing the provisional 2020/21 NFF allocations against their respective 2019/20 NFF baselines. The table outlines the number of authorities where the funding floor (minimum) and the funding cap (maximum) has been applied.
- 3.4 Manchester's per pupil increase has not been impacted by either the 8% funding floor or 17% funding cap. Manchester's provisional per pupil rate has increased by 14.33%, which is higher than the North West average, and slightly below the average for the Core cities. Manchester's per pupil value has increased from £590 to £674 relative to the 2019/20 NFF baseline.

**Table three: Percentage change in per pupil in the funding floor and gains calculation (per capita of 2-18yrs population)**

Region	No. of LA	No. of LA <u>uplifted</u> by Funding Floor	No. of LA <u>Capped</u> Funding	No. of LA <u>No Floor or Cap</u> Applied	Average Per Pupil Inc.
England	149	53	32	64	12.01%
<b>Manchester</b>				✓	<b>14.33%</b>
North West	23	6	6	11	12.99%
Core Cities	7	0	4	3	15.14%

- 3.5 Manchester's HNB is projected to overspend by £3.42m 2019/20, giving an expected DSG overspend of £2.46m. The additional £11.31m will fund existing

shortfalls and expected growth in both special schools and education, health & care plans (EHCPs) in 2020/21, detailed in table four below. The DfE three year announcement did not include information on how much of the additional funds will be earmarked for high needs allocation 2021/22 onwards. The DfE have stated at a recent conference the HNB increase has been front-loaded due to the current pressures within this block.

- 3.6 If there is no change to Manchester HNB allocations from 2021/22 onwards, there will be an in-year deficit of c.£4.40m 2022/23. Table four below shows an overview of the financial outcomes for the next three years if no population changes are applied. Schools Forum is asked to note that the local authority is seeking assurance from the DfE that population increases are to be applied to HNB funding allocation 2021/22 onwards.

**Table four: Three year overview of pressures against increase in HNB allocations**

	2020/21 £000	2021/22 £000	2022/23 £000
<b>Additional HNB Allocation</b>	<b>11,311</b>	<b>11,311</b>	<b>11,311</b>
<b><u>Growth: Current and Future</u></b>			
Mainstream EHCPs	1,853	2,573	3,341
Special School Places (includes funding increase for inflation)	3,712	3,906	4,398
Post 16 Places	1,780	3,254	5,064
Out of City Places	1,055	1,927	2,912
<b>TOTAL: Growth</b>	<b>8,429</b>	<b>11,660</b>	<b>15,715</b>
<b>Recovery Balance</b>	<b>2,464</b>	<b>0</b>	<b>0</b>
<b>Balance (Surplus)/Deficit</b>	<b>-418</b>	<b>349</b>	<b>4,404</b>

#### 4. EARLY YEARS BLOCK (EYB)

- 4.1 September's announcement included an additional £66m nationally for early year's provision. DfE plan to use this additional sum to fund increases to early years hourly funding rates for all authorities on the two year old offer and for the vast majority of regions on the three & four year old entitlement. Manchester saw increases of 1.6% and 1.7% to the two and three & four year old rates, respectively. Table five below shows the impact of this provisional increase on Manchester's early years block funding level.

**Table five: Estimated hourly increase to Manchester's EYB funding level**

	<b>2019/20 (£ / hour)</b>	<b>2020/21 (£ / hour)</b>
Two year old offer	5.30	5.38
Three & four year old offer	4.87	4.95

- 4.2 Provisional EYB allocations for 2020/21 have not yet been released by the DfE. However, based on the Spring 2019 census data updated with the increased rates (as in table five above), the estimated EYB is £41.761m, shown in table six below. This is an estimated increase of £0.65m compared to current 2019/20 EYB funding.

**Table six: Estimated 2020/21 DSG EYB allocation**

<b>Early Years Funding Stream</b>	<b>Spring 2019 Census (PTE)</b>	<b>£m</b>
Disadvantaged two year olds	2,516	7.716
Universal entitlement for three and four year olds	9,470	26.720
Additional entitlement for three and four year old children of eligible working parents	2,172	6.128
Supplementary funding for Maintained Nursery Schools	-	0.338
Early Years Pupil Premium (EYPP)	-	0.726
Disability Access Fund (DAF)	-	0.133
		<b>41.761</b>

- 4.3 In 2019/20, Manchester received a total of £338k for the Maintained Nursery Schools supplementary funding grant, this is passported equally to the two MNSs, which equates to roughly 32% of Manchester MNSs' total early years block allocations. The DfE has confirmed that in 2020/21, the MNS supplementary grant will be allocated to local authorities at their 2019/20 rate.

## **5. CENTRAL SERVICES SCHOOL BLOCK (CSSB)**

- 5.1 The CSSB funding is made up of two parts; historic commitments based on lagged actual cost, and on-going responsibilities where funding is formula driven (90% via a per pupil rate and 10% deprivation). The provisional 2020/21 CSSB allocation shows a reduction of £155k, broken down as follows:
- Historic commitment reduced by 20% = £72k
  - On-going responsibilities - per pupil allocation reduced by 2.5% = £83k
- 5.2 The historic commitment funding covers the commitment for unsupported borrowing against a school's capital scheme of £358k per year, the scheme runs

until 2032/33. The 20% reduction 2020/21 creates a pressure for the CSSB. Beyond 2020/21 it has not been confirmed whether the 20% reduction in the funding for historic commitments will continue. In the past, the DfE have repeatedly stated that they expect such commitments to be wound up sooner rather than later. Given the risk of further reductions to this part of the DSG, options needs to be developed and considered given that the repayment of borrowing continues until 2033.

- 5.3 Seven of the North West authorities, and two of the core cities, including Manchester received the maximum loss of -2.50% per head for on-going commitments in the CSSB, as demonstrated in table seven below.

**Table Seven: Percentage change in per pupil rate CSSB**

Region	No. of LA	No. of LA <u>Max Gain</u> +1.94%	No. of LA <u>Max Loss</u> -2.50%	No. of LA <u>No max</u> <u>gain or</u> <u>Loss</u>	Average Per Head Change
England	149	62	43	44	0.09%
<b>Manchester</b>			✓		<b>-2.50%</b>
North West	23	12	7	4	0.36%
Core Cities	7	4	2	1	0.44%

- 5.4 The on-going responsibilities element of the CSSB funding covers: Admissions, Schools Forum, Copyright licenses and responsibilities LAs hold for all schools. The indicative reduction of £83k is a result of the per pupil rate change from £42.62 to £41.58 based on October 2018 pupil numbers on roll (NOR). It is expected that c.2k pupil increase in the October 2019 census will mitigate the drop in the per pupil rate for 2020/21.
- 5.5 Beyond 2020/21 it is expected that the 2.5% per pupil downward adjustment to the on-going responsibilities of the CSSB will continue for another 10 years. Manchester's on-going expected pupil numbers increases will offset part of the impact of reduced per pupil amount in the short term. Further modelling will be undertaken to assess to what extent the reduction will need managing in the future.

## 6. SCHOOLS BLOCK DE-DELEGATION

- 6.1 Schools Finance Regulations set out that certain amounts can be deducted from maintained school budgets with the approval of sector representatives at Schools Forum. Most of the items concerned were previously centrally top-sliced so that the funding was not included in the total available for distribution by formula. The "de-delegation" approach means that the deductions occur after the formula has run and individual schools can see the cost of each element to their budget share.

6.2 The local authority is seeking Forum (maintained school representatives only) approval to de-delegate the following budgets 2020/21 in respect of maintained primary and secondary schools only:

- Trade Union Facility £186k
- Education Services, general duties £0.5m
- Free School Meal (FSM) checking software £42k

## 7. Trade Union Facility Arrangements

7.1 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 current pupil numbers, this equates to a de-delegated budget of £186k, which is approximately £4.82 per pupil, which is a reduction compared to previous financial year at £6.14 per pupil.

7.2 The Union also offers this service on a traded basis to academies, special and nursery schools, at the same rate as maintained schools. Currently forty nine academies (83%), fifteen special schools (94%) and both nursery schools purchase this SLA. The increased take-up from academies 2019/20 compared to the previous financial year has enabled a reduced rate for both maintained and academies.

7.3 Schools Forum members representing maintained schools are asked to approve the de-delegation of the Trade Union budget 2020/21.

## 8. Education Services general (ESG) duties for maintained schools

8.1 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 seven 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 £12.39 per pupil.

**Table seven: Former Education Services grant duties**

General former Education Services Grant Duties	£000	
<b>Human Resources</b> advice to maintained schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff, determination of conditions of service	61	Contribution to cost of Schools Humans Resources Manager post.



for nonteaching staff, appointment or dismissal of employee function		
<b>Governor Support</b> Advice to maintained schools around appointment of governors	68	Contribution to Governor Support Team (not funded from other sources of education funding)
<b>Quality Assurance</b>	321	Contribution to cost of Quality Assurance posts. Audit moderation of assessments for National Curriculum monitoring
<b>Asset Management</b> 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.
<b>Total</b>	<b>500</b>	

- 8.2 Schools Forum members representing maintained schools are asked to approve the de-delegation of the ESG budget 2020/21.

## 9. Free School Meal Checking Software

- 9.1 Maintained schools use the online free school meals (FSM) software to check pupils' eligibility to free school meals. The online FSM system has helped schools maximise funding through DSG and Pupil Premium, identifying additional eligible pupils. Manchester in May 2018 secured, at a significant discount, a three-year software licence from Capita for maintained schools, at a total cost £123k. The cost of these licenses 2020/21 is £42k. At this stage, it is estimated to be £1.05 per pupil, but is subject to confirmation of the October 2019 census.

- 9.2 Schools Forum members representing maintained schools are asked to approve the de-delegation of the FSM software budget 2020/21.

## 10. CONCLUSIONS AND RECOMMENDATIONS

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

- DSG 2020/21 provisional funding announcement.
- No request for a block transfer from schools block to high needs.
- Manchester expects to receive the confirmed DSG 2020/21 notification week commencing 16 December 2019.
- Pressure arising from the 20% reduction to the central schools block historical commitments.

- 10.2 In accordance with Schools Forum powers, maintained schools



representatives are asked to approve de-delegation for the following:

- Trade Union Duties (£186k which at current pupil levels equates to £4.82 per school aged pupil – section 7)
- Education Services Grant General Duties (£0.5m which at current pupil levels equates to £12.39 per school aged pupil – section 8).
- Free School Meal checking software (£42k which at current pupil levels equates to £1.05 per school aged pupil – section 9).

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**Manchester City Council  
Report for Resolution****Report to:** **Schools Forum****Subject:** **Excessive Schools Balance Clawback Update and Consultation on the arrangements of DSG Deficits and use of Local Authority General reserves.****Report of:** **Directorate Finance Lead – Children Services and Education**

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**Summary**

Manchester's approved Scheme for Financing Schools includes a schools balance control mechanism, which is designed to control and claw back, where appropriate, schools' excessive surplus balances. The automatic clawback is based on excessive balances above the allowable threshold that have been held for more than four years.

The outcome from the September 2019 appeals following the automatic clawback mechanism 2019/20 is provided in this report.

**Recommendations**

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

- the outcome from the automatic excess balance control mechanism appeals panel.
- intention to review the implementation and impact of the new clawback mechanism before March 2020.

**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  
Telephone: 0161 234 1463  
E-mail: [a.summerfield@manchester.gov.uk](mailto:a.summerfield@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.

**Previous Reports:**

14 May 2018	Schools Forum - Dedicated Schools Grant and School Balances 2017/18 Outturn Report
16 July 2018	Schools Forum - Analysis of Excessive School Balances 2017/18
19 November 2018	Schools Forum - Schools Excessive Balances update Report
18 March 2019	Schools Forum – Excessive Schools Balances Mechanism
13 May 2019	Schools Forum - Dedicated Schools Grant and School Balances 2018/19 Outturn Report
13 May 2019	Schools Forum – Consultation Outcome for the changes to the Scheme for Financing Schools
17 June 2019	Schools Forum – Excessive School Balance Mechanism Revised Proposal

**1. INTRODUCTION**

- 1.1 In total, 34 of 114 schools maintained by the local authority were subject to the automatic clawback this year, the clawback totalled £2.12m.
- 1.2 Manchester's balance control mechanism allows for schools to appeal the automatic clawback by submitting written evidence to a sub-group of the Schools Forum. The terms of reference for the sub-group is to review appeals against the automatic clawback of excessive balances held for more than four years. The panel's decision is final. Where the clawback is £100k or greater, individual schools can choose to send representatives to attend the panel while consideration is given to their appeal. The panels were held in September 2019 and were made up of four members of Schools Forum.

**2. APPEALS PANEL**

- 2.1 Of the 34 schools subject to the clawback, 29 appealed clawback decision. The panel's decision took into account:
- any extenuating circumstances
  - multi-year budgets, underlying budget assumptions applied to the individual school's budget planning.
- 2.2 At the time of writing this report, the outcomes are: no appeals were rescinded, 26 clawback decisions were upheld (£1.443m), one decision was partially up-held (£23k), and two are on-hold, to be re-considered at a later date (£0.554m). Please see table one for a breakdown.

**Table one: Appeals outcome**

Sector	Appeals Submitted		Decision to Uphold Clawback		Appeals On-Hold	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	40	1	6	1	34
Primary	22	1,711	21	1,114	1	520
Secondary	1	58	1	58	0	0
Special	4	289	4	289	0	0

- 2.3 As previously reported and approved by Schools Forum, the LA intends to use these funds to offset high needs block pressures.

**3. CONCLUSION**

- 3.1 All Schools Forum members are asked to note and comment on:
- the outcome from the automatic excess balance control mechanism appeals panel.
  - intention to review the implementation and impact of the new clawback mechanism before March 2020.

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