

Schools Forum

Minutes of the meeting held on Monday, 21 September 2020

Present: Nichola Davidge, Edward Vitalis, Phil Hoyland, Isobel Booler, Councillor Stone, Antonio De Paola, Alan Braven, Mike Cooke, Andy Park, Michael Carson, Michael Flanagan, Joshua Rowe, Tony Daly, John Morgan, Hatim Kapacee, Saeeda Ishaq

Also present:

Jimmy Buckley (Observer), Gavin Shorthall (Observer)

SF/20/9. Statement concerning Chair of the Meeting and Membership of the Forum

Andy Park – Vice Chair of the Forum advised that he would be chairing the meeting in the role of Vice Chair since Ian Fenn had retired in April 2020, An election of the new chair and Vice Chair would be dealt with at the next meeting of the Forum.

The Directorate Finance Lead - Children's and Schools added that there were also a number of vacancies on the Forum which the Local Authority was seeking to fill. A member enquired about the number of available places for Trades Union members on the Forum to better reflect the views of staff. The Chair agreed to add a report on the Constitution discussing its formulaic membership to a future meeting of the Forum.

Decisions

1. To note that there will be an election of the Chair and Vice Chair of Forum at the next scheduled meeting.
2. To add a report on the Constitution discussing membership to a future meeting of the Forum.

SF/20/10. Minutes

It was explained that the minutes of the last meeting, held on 16 March 2020 were not available at the time of the meeting. The Chair said that those minutes would be submitted to the next meeting of the Forum.

Decision

To note that the minutes of the meetings held on 16 March 2020 would be submitted to the November 2020 meeting of the Forum.

SF/20/11. Dedicated Schools Grant and School Balances Outturn 2019/20

The Forum considered a report of the Directorate Finance Lead – Children and Schools which discussed the provisional outturn for Manchester maintained schools. The report set out the outturn position on school balances as at 31 March 2020 as

well as the provisional outturn position on the Dedicated Schools Grant (DSG) which included the centrally retained DSG.

The main headlines were an overall surplus of £14.81m, a decrease of £11.42m in the total Schools Balances (Revenue and Capital) held compared to 2018/19. The final position on the centrally retained element of the DSG was reported as an overspend of £4.28m.

It was highlighted that in light of the COVID-19 pandemic, the Local Authority (LA) had acknowledged that schools would be burdened with additional costs and was keen to facilitate business continuity where possible. It had therefore been decided that the automatic excessive surplus balance clawback would not be implemented in 2020/21. The Forum was asked to approve the DSG deficit balance on central expenditure carried forward to 2020/21 of (£4.28m) and note that the suspension of the clawback mechanism meant that the planned timescale for recovery of the deficit to support the High Needs Block (HNB) would be altered. The clawback would however recommence the following financial year and be used to support the HNB deficit.

There was a discussion about the suspension of capital projects during the pandemic and the importance of ensuring Headteachers were aware of the LA's intention to reinstate the clawback the following financial year when managing their budgets.

The Director of Education talked about the uneven picture across the city in terms of school balances. In the context of some schools being either in deficit, within the allowable threshold or above that threshold, there was a discussion about how this impacted on a school's ability to meet the additional costs that arise from the requirement to have anti COVID measures in place. This financial disparity was felt by some members of the Forum to be unfair. The Director of Education acknowledged the added difficulties schools faced as a result of the pandemic but stressed that the LA was not in a position to even out the balances across the city outside of the COVID Fund for Schools.

Decisions

1. To note Local Authority maintained school balances as at 2019/20
2. To note the Dedicated Schools Grant deficit balance to be carried forward into 2020/21
3. To note the suspension of the automatic Excessive Surplus Balance Mechanism for 2020/21 in light of the COVID-19 pandemic.
4. To note that the Local Authority intends to resume the automatic Excessive Surplus Balance Mechanism for the next financial year.

SF/20/12. Outcome of Financial Transparency Consultation

The Forum considered a report of the Directorate Finance Lead - Children's and Schools which discussed the outcome of the government Consultation on the financial transparency of Local Authority (LA) maintained schools and Academies. The Consultation had outlined the current financial transparency arrangement for maintained schools, and proposed a number of changes to bring arrangements in

line with those for Academies, which the Government consider to have greater transparency. The driver for this was reported as a higher percentage amongst maintained schools across England that accumulate a deficit when compared to Academy Trusts. The impact of those changes for schools and LA were set out in the report and the Forum was asked to comment on that.

The report set out the eight proposals that had been circulated in the Consultation, seven of which would be implemented. It was explained that as a result of consultation responses, the proposal for a minimum of a three-year audit cycles for maintained schools had subsequently been withdrawn, however the DfE planned to work with LAs to identify how audits could be more regular and targeted effectively. The Directorate Finance Lead - Children's and Schools said that Manchester already requires schools to provide multi-year budgets and the role of School Assurance meetings was highlighted. The Directorate Finance Lead - Children's and Schools said that strengthened work with schools that are in deficit or with low balances would form the majority of the work required.

The Forum noted that the additional requirements would need to be reflected in the Scheme for Financing schools and the Financial Regulations, and would therefore be presented to a future meeting of the Forum for consideration.

Decision

1. To note the changes that will arise from the consultation on the financial transparency of LA maintained schools and academies.
2. To note that the additional requirements would need to be reflected in the Scheme for Financing schools and the Financial Regulations, and would be presented to a future meeting of the Forum for consideration.

SF/20/13. Growth Fund: Post Opening Grant - New Schools

The Forum considered a report of the Directorate Finance Lead - Children's and Schools which discussed a proposal to align the Local Authority's (LA) Post Opening Grant (POG) mechanism with that of the scheme that is operated by the Department for Education (DfE). This was so that, in future, a new school could be opened with the support of the LA and be offered the same level of funding as that which is in place for new Free Schools. In doing so it would also and provide a simpler, more straightforward and more equitable scheme.

The report set out the LA's current funding arrangement alongside that for the DfE and proposed that the LA amends its funding of post operating costs to mirror the DfE's approach. It was highlighted that the expectation was for this amendment to cost more across the full growth period of the new school, however this was felt to be an affordable increase that the LA's Growth Fund budget could currently absorb.

The Directorate Finance Lead - Children's and Schools talked the Forum through the main aspects of the report. The Forum subsequently approved the amendment to the Post Opening Grant element of the Local Authority's Growth Fund criteria for new schools.

Decision

To approve the amendment to the Post Opening Grant element of the Local Authority's Growth Fund criteria for new schools

SF/20/14. Provisional Funding Settlement

The Forum considered a report of the Directorate Finance Lead - Children's and Schools which summarised the recently announced provisional School Funding settlement for 2021/22, which forms the second year of a £14.4bn three-year funding settlement. The report set out the announcement's main headlines for the Schools and High Needs elements of funding and outlined the potential impact on Manchester based on the interpretation of those announcements. The Directorate Finance Lead - Children's and Schools talked the Forum through the main aspects of the report. The Forum was asked to note the projections on how the Settlement would affect Manchester schools and provide comment. It was noted that the final Settlement would not be announced until December 2020 following the October census data and that it was anticipated that the DfE would put forward proposals to implement the National Funding Formula (NFF).

The Forum was keen to understand what the financial outcome would be for Manchester schools in real terms taking into account inflationary factors such as the Teachers' Pension Grant, the impacts of the introduction of the NFF and the Minimum Funding Guarantee. The Forum acknowledged that the introduction of the NFF had been subject to delay for a number of years but was assured that ongoing discussion about the rollout with the DfE, indicated that there was now greater certainty around its implementation. The Directorate Finance Lead - Children's and Schools assured the Forum that once the Settlement was finalised, the associated funding statement would be as transparent as possible.

There was a discussion about pupil growth, including those with higher needs. A member asked about the feasibility of an increase in per pupil funding for High Needs pupils. The Directorate Finance Lead - Children's and Schools explained that because of the growth in Manchester's population it would not be financially viable given existing, long-standing pressures on the Block. The Member then spoke about increasing difficulties meeting the needs of pupils with Social, Emotional and Mental Health Needs as a result of that. The Director of Education agreed to bring a report to Forum on projections for pupil growth in the city. She referred to lots of positive work having taken place with the DfE to reflect growth in the High Needs Block as well as considerable amount of work undertaken by the LA to deliver efficiencies in post-16 elements and Out Of City placements which would soon begin to reap benefits.

Decision

1. To note the School Funding Settlement headlines.
2. To note that Manchester has yet not received its' confirmed settlement and, at this stage, the estimates of grant increases are based on the interpretation of recent announcements.