

Schools Forum

Minutes of the meeting held on Monday, 20 September 2021

Present: Alan Braven, Andy Park, Helen Child, Jo Fenton, Joshua Rowe, Michael Carson Tony Daly, Jenny Smillie, Gavin Shortall, Mike Cooke, Andrew Burton, Lolita Hall, Jimmy Buckley, John Morgan, Councillor Reid, Cath Baggaley

Also present: Councillor Bridges (Portfolio holder)

Apologies: Gillian Houghton, Hatim Kapacee, Walid Omara

SF/20/16. Minutes

The minutes of the meeting held on 12 July 2021 were submitted for consideration as a correct record.

Decision

To agree the minutes of the meeting held on 12 July 2021 as a correct record.

SF/20/17. Schools Funding Settlement

The Forum considered a report of the Directorate Finance Lead – Children and Schools which provided a summary of the recently announced provisional school funding settlement for Manchester's maintained schools for the 2022/23 financial year. The report highlighted that the Settlement includes funding for pupil growth, inflation, and high needs funding.

The Forum had been invited to consider the funding settlement headlines and the potential impact on Manchester. In doing so, members were asked to note that the final settlement was notional meaning that estimates of grant increases were based on the interpretation of recent announcements. The exact settlement figures were expected in December of this year and would be calculated using October 2021 census data. Information on the Early Years settlement would also be included in that Settlement.

The report set out notional allocations and key headlines for each respective funding blocks and summarised that in light of changes to pupil numbers and their characteristics, Manchester should receive an additional £18.052m grant next year. This was mainly made up by a 2% uplift and an £8m increase in the high needs block. With regard to the increase in High needs funding, the Directorate Finance lead – Children and schools informed the Forum its was anticipated that the High Needs block deficit could be balanced in conjunction with the agreed actions set out in the Recovery Plan.

With regard to the key headline that schools should receive an uplift of approximately 2% of their budget share the Forum agreed that this did not reflect

unfunded cost pressures such as inflationary factors and rising energy costs and so represented a reduction in real-terms.

Decisions

1. To note the School Funding Settlement headlines.
2. To note the potential impact on Manchester schools based on the interpretation of recent announcements.

SF/20/18. National Funding Formulae (NFF) Consultation

The Forum considered a report of the Directorate Finance Lead – Children Services and Education which provided an outline of the recently published Department for Education consultation on the ongoing development and implementation of the single system to direct funds to schools (the National Funding Formula (NFF)). The Forum was invited to consider the further workings on the anticipated financial impact of the NFF on Manchester's schools as well as the Council's draft response to the consultation, which had been included for information.

Key points highlighted for consideration were:

- A modelling exercise of the consultation proposal to set out the potential financial implications of a move to the NFF, whether it be gradual or immediate, with a preferred model put forward by the Authority to mitigate the impact on Manchester schools.
- The proposal to replace different local criteria to allocate growth funding with a more formulaic approach, in light of budgets being set under a lagged funding system and the impact of growth and falling rolls.
- Proposed changes to the funding route to Local Authorities in respect of duties for Academies as well as maintained schools. The DfE plan to consider whether local authority funding should become part of MHCLG's Local Government Finance Settlement (LGFS) rather than a reduced Central Schools Services Block.
- The role of local Decision Making - the consultation sought to establish whether local authorities should still have a role in the way funding is allocated through their own local formulae.
- The proposal to move maintained school funding away from financial year basis and align it to the academic year
- A proposal to implement a direct and more consistent formula for SEND (Special Education Needs and Disabilities) funding.

The Directorate Finance Lead – Children and Schools introduced the report and explained that the consultation outlined a plan that would involve requiring Local Authority to bring each of its local formula factors "at least 10% closer to the NFF factor value", compared with 2022/23. After an initial 10% movement closer to the NFF in 2023/24, and subject to the impact of this movement, the DfE aimed to move at least 15% to the NFF in 2024/25 and at least 20% in 2025/26. Schools however would continue to be protected from cash-term losses in their per-pupil funding by the Minimum Funding Guarantees (MFGs) within local formulae.

The Forum noted the National Audit Office finding on the financial sustainability of schools which had indicated that the formula would redistribute funding from the most disadvantaged pupils, towards more affluent areas and the anticipated impact on the attainment gap. Members also commented that the information provided by the DfE lacked a sufficient amount of detail to accurately model the impact of the proposals at individual school level. The Directorate Finance Lead – Children and Schools acknowledged that whilst detailed information was not yet available from the DfE to allow robust analysis, the consultation provided an indication of what could be done to prepare for its implementation.

The Forum noted the Authority's recommendation to adopt Model N2A (a 10% transition towards the NFF with an added Free School Meals factor and reduced reliance on the Minimum Funding Guarantee should that level drop) to deliver the greatest amount to schools outcome and begin transition in 2022/23 to allow schools an adjustment period. The Directorate Finance Lead – Children and Schools explained that the Authority's next step would be to consult the wider school community on the proposed model. Responses to the consultation would be brought back to a future meeting of the Forum and would include feedback on other aspects of the consultation including proposed changes to Growth funding and funding for Central School Services.

The Chair accepted that the financial model proposed by the Authority would deliver the greatest amount to Manchester's schools under the circumstances and would leave them in the best possible position for the phased introduction to the NFF. The Forum then resolved to submit its own response to the consultation which would be circulated to Manchester schools with an encouragement that they themselves respond to the consultation. The following members agreed to jointly draft the Forum's response: Andy Park, Mike Cooke and Gavin Shortall.

Decisions

1. To note the proposals under the National Funding Formula consultation
2. To note the potential impact on Manchester.
3. To support Manchester's draft response to the consultation
4. To agree that the following Forum members shall lead on formulating the Forum's own response to the consultation: Andy Park, Mike Cooke and Gavin Shortall

SF/20/19. Oral Update - Outcome of the implementation of the Excessive balance clawback mechanism

The Directorate Finance Lead – Children and Schools told the Forum that the Excessive Clawback Mechanism's Appeals Panel had recently met. None of the appeals had been upheld and consequently £304,000 had been allocated to address the High Needs Block deficit.

Decision

To note the oral update.

