



Schools Forum

Date: Monday, 15 November 2021

Time: 4.00 pm

Venue: Held virtually via Zoom

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

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 Booler, Councillor Stone, Cath Baggaley, John Morgan, Elizabeth Cummings, Antonio de Paola

Agenda

- 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** 5 - 8
To agree as a correct record the minutes of the meeting held on 20 September 2021.
- 4. De-delegated budgets 2022/23** 9 - 14
The report of the Directorate Finance Lead – Children and Schools is attached.
- 5. School Condition Survey** 15 - 20
The report of the Directorate Finance Lead – Children and Schools is attached.
- 6. Schools Consultation Outcome for National Funding Formula Transition** 21 - 24
The report of the Directorate Finance Lead – Children and Schools is attached.
- 7. Scheme for Financing Schools** 25 - 28
The report of the Directorate Finance Lead – Children and Schools is attached.

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
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Albert Square,
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Further Information

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

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This agenda was issued on **Monday, 15 November 2021** 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 Schools Forum

Minutes of the meeting held on 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/21/16 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/21/17 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/21/18 National Funding Formula 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 21/19 Any other business: 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.

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Manchester City Council Report for Resolution

Report to: **Schools Forum**

Subject: **De-delegated Budgets 2022/23**

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

Summary

De-delegation is an option that enables some services to maintained schools to be provided centrally, and the funding to do so is retained by the local authority (LA). If de-delegation stops, then the centrally retained funding would be delegated in the main school budget and the local authority would either stop providing or would charge for the service.

The “de-delegation” approach means that the deductions occur after the formula has been applied and individual schools can see the cost of each element in their budget share.

The purpose of the report is to seek permissions from maintained School Forum representatives on the deduction of trade union, education services grant duties, and the on-line free school meals software costs.

This report highlights that the potential that a further proposal for de-delegation 2022/23. The Department of Education (DfE) have recently launched a consultation: [How LA School Improvement Functions are funded](#), which seeks views on the removal of the School Improvement Monitoring & Brokering Grant (SIMBG) and would flexibilities to local authorities to fund via the de-delegation process.

Recommendations

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

- Trade Union Duties: £200k which at current pupil levels equates to £5.45 per school aged pupil (section 2).
- Education Services Grant General Duties: £500k which at current pupil levels equates to £13.56 per school aged pupil (section 3).
- On-line free school meal (FSM) checking software: £55.3k which at current pupil levels equates to £1.45 per school aged pupil (section 4).

Maintained schools’ representatives are asked to note the following:

- Further request for de-delegation 2022/23 may be presented in January 2022 following the outcome of DfE consultation on phasing out the School Improvement Monitoring & Brokering Grant (SIMBG) (section 5).

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Background documents (available for public inspection):

1. INTRODUCTION

- 1.1. Schools Finance Regulations sets out that certain amounts can be deducted from maintained school budgets with the approval of the sector representative at Schools Forum. Most of the items concerned were previously centrally top-sliced so that the funding was not included in the total available for distribution by formula. The “de-delegation” approach means that the deductions occur after the formula has run and individual schools can see the cost of each element in their budget share.
- 1.2. In line with Schools Finance Regulations, the Local Authority (LA) is seeking Forum (maintained school representatives only) approval to the proposed schools block de-delegation of budgets 2022/23, in respect of maintained primary and secondary schools only:
 - Trade Union Facility £200k
 - Education Services General Duties (ESG) £0.5m
 - On-line Free School Meal (FSM) checking software – £55.3k
- 1.3. The DfE are consulting on reforming how LA school improvement functions are funded, and are proposing on phasing out the SIMBG, starting in financial year 2022/23 and for local authorities to make provision via de-delegation (section 5).

2. Trade Union Facility Arrangements

- 2.1. Facilities time is provided for specific Trade Unions representatives to represent staff in other schools and academies where required, and cover for these representatives are reimbursed to the employing school through this budget. This covers the support of staff at all levels of seniority and includes representatives for a range of teaching and support staff from Trade Unions. Based on current academy conversions and pupil numbers based on May 2021 census, this equates to a de-delegated budget of £200k, which is approximately £5.45 per pupil. This is an increase of 20p per pupil compared to previous financial year at £5.25 per pupil, but lower than 2019/20 rate of £6.14 rate. The increase this financial year is mainly due to the increase of salary costs and the union recharge. These provisional figures will be re-worked once the October 2021 census data is available and reported to Forum in January 2022.
- 2.2. The Union also offers this service on a traded basis to academies, special and nursery schools, at the same rate as maintained schools. Currently fifty-five academies (79%), all sixteen special schools, and both nursery schools purchase this SLA. There has been an increase in the take-up of the traded offer since 2019/20, which has enabled the rate to be maintained below the 2019/20 rate of £6.14 per pupil.
- 2.3. Schools Forum members representing maintained schools are asked to approve the de-delegation of the Trade Union budget 2022/23.

2.4. Education Services General (ESG) Duties for Maintained Schools

- 2.5. It is proposed that £0.5m is held by the LA to cover statutory general duties which were previously covered through general element of education services grant. Table one below provides an outline of the contribution to current general rate ESG funded budgets. Based on current academy conversions and estimated pupil numbers, this equates to a budget of £0.5m, which is approximately £13.56 per pupil, subject to confirmation of the October 2021 census.

Table one: Former Education Services grant duties

General former Education Services Grant Duties	£000	
Human Resources advice to maintained schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff, determination of conditions of service for nonteaching staff, appointment or dismissal of employee function	61	Contribution to cost of Schools Humans Resources Manager post.
Governor Support Advice to maintained schools around appointment of governors	68	Contribution to Governor Support Team (not funded from other sources of education funding)
Quality Assurance To monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate.	321	Contribution to cost of six Senior Quality Assurance posts. Plus supports the moderation of assessments for National Curriculum monitoring.
Asset Management General landlord duties for all maintained schools. General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).	50	Contribution to cost of Asset Management post.
Total	500	

- 2.6. Schools Forum members representing maintained schools are asked to approve the de-delegation of the ESG budget 2022/23.

3. On-line Free School Meal (FSM) Checking Software

- 3.1. At present, 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 sooner.

- 3.2. The contract was extended in 2021/22 for a period of two years and will expire in March 2023, after which schools are expected to make arrangements directly to access an on-line FSM checker. The cost of this license in 2022/23 will be £55.3k, equating to an estimated £1.45 per school aged pupil, which is a 5p increase to the 2021/22 cost of £1.40. These provisional figures will be re-worked once the October 2021 census data is available and will be reported to Forum in January 2022.
- 3.3. Schools Forum members representing maintained schools are asked to approve the de-delegation of the on-line FSM checker software for 2022/23.

4. SCHOOL IMPROVEMENT MONITORING & BROKERING GRANT (SIMBG)

- 4.1. Nationally the government allocate £50m annually to local authorities to provide school improvement for maintained schools. It is allocated based on the number of schools which continue to be maintained by the LA. and covers an academic year.
- 4.2. In the financial year 2021/22 Manchester's SIMBG was £398k based on 109 schools. The DfE has recently launched a consultation which seeks phase out the SIMBG, proposing to cut the grant by 50% in 2022/23 and from April 2023 it will be fully funded via de-delegation. This means that local authorities would look to replace the grant lost by requesting de-delegation from the Dedicated Schools Grant, which reduces funding paid directly to schools. This request would need to be approved by Schools Forum or the Secretary of State. In line with other de-delegation decisions, the Secretary of State would retain the power to approve the de-delegation contrary to the decision of the Schools forum.
- 4.3. The outcome from the DfE consultation on SIMBG is expected December/January, if funding is cut as per the proposal it is likely at this stage the LA will be requesting maintained Schools Forum members to approve de-delegation of funds.

5. CONCLUSIONS AND RECOMMENDATIONS

- 5.1. In accordance with Schools Forum powers, maintained schools' representatives are asked to approve de-delegation for the following:
 - Trade Union Duties: £200k which at current pupil levels equates to £5.45 per school aged pupil (section 2).
 - Education Services Grant General Duties: £500k which at current pupil levels equates to £13.56 per school aged pupil (section 3).

- On-line free school meal (FSM) checking software: £55.3k which at current pupil levels equates to £1.45 per school aged pupil (section 4).

5.2. Maintained schools' representatives are asked to note following:

- Further request for de-delegation 2022/23 may be presented in January 2022 following the outcome of DfE consultation on phasing out the School Improvement Monitoring & Brokering Grant (SIMBG) (section 5).

Manchester City Council

Report for Resolution

Report to: **Schools Forum**

Subject: **Schools Condition Surveys**

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

Summary

The Local Authority (LA) has a duty to consult the Schools Forum on school funding matters. Planned maintenance is a significant issue for schools for the continuing safe and effective operation of school buildings.

The LA is seeking to commission detailed condition surveys, updated floor plans, and refreshed net capacity assessments. The updated suite of information will be used to effectively prioritise capital investment in the school estate on a needs basis to ensure the ongoing suitability and safety of buildings.

The Local Authority is working through financing options for the commission and will present the proposals to Forum at January 2022 Schools Forum.

Recommendations

The LA has a duty to consult the Schools Forum on school funding matters. Planned maintenance is a significant issue for schools for the continuing safe and effective operation of school buildings.

The Local Authority is working through financing options for the condition surveys commission and will present the proposals to Forum at January 2022 Schools Forum.

All School Forum members are asked to note and comment on the report.

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Background documents (available for public inspection):

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

1. INTRODUCTION

- 1.1 Day to day management and responsibility for the safety and use of school buildings and their sites rests with a member of the school's senior leadership team who must hold responsibility for the estate, ensuring it is compliant and suitable. The governing body must provide oversight and hold the school leadership team to account on matters of performance, including that of the estate.
- 1.2 To enable effective estate management, the DfE expect that schools have the three following documents; Estate Vision; Estate Strategy; and an Asset Management Plan. Maintenance of the estate is expected to be formalised in a clear plan which includes a prioritised programme of maintenance works based on current and costed condition data i.e. a full condition survey.
- 1.3 Devolved formula capital (DFC) is direct funding for individual institutions to maintain their buildings and fund small-scale capital projects. It is allocated to maintained nursery, primary and secondary schools, special schools, pupil referral units, academies and free schools, non-maintained special schools and sixth form colleges. Every school gets a fixed lump sum and a variable amount based on pupil numbers
- 1.4 Every institution eligible for an allocation is assigned to a responsible body, which is the body responsible for maintaining the condition of that institution's buildings. They are local authorities, multi-academy trusts, state-funded special schools, and other specialist providers for state-funded pupils. Allocations for voluntary aided (VA) schools are calculated for all VA schools, as a group, in each local authority area. Responsible bodies receive funding for all the institutions for which they are responsible.
- 1.5 School Condition Allocations (SCA) provide funding to those bodies responsible for one or more schools to meet their own local condition priorities across their schools. Allocations are updated annually to reflect new or closing schools and where a school has moved to a new responsible body. The SCA takes into account the information the DfE collected through the Condition Data Collection (CDC) about the condition of schools. Manchester's allocation of SCA in 2021/22 was £3.985m.
- 1.6 The DfE are clear that the CDC is a data collection programme and is not a full condition survey. The CDC cannot, on its own, provide enough information to support a comprehensive condition report for any individual establishment that is suitable for asset management planning.
- 1.7 A report detailing the key findings of the CDC was published by the DfE in May 2021 and identified a total condition need across the school estate of £11.4 billion.

2. SCHOOL CONDITION SURVEYS

2.1 The Council is committed to raising standards of attainment in all schools and believes that the quality of school premises plays a key part in achieving this aim. There is an ongoing commitment to ensure the suitability of local authority maintained schools which requires up to date condition surveys to inform prioritisation of works and capital investment.

2.2 Condition surveys should be undertaken every 5 years and are used to:

- identify what work is needed to maintain the estate
- consider how much works might cost
- prioritise work within available funds
- understand if the nature of the buildings change

This information will inform the planned maintenance programme, which reflects potential future capital investment.

2.3 In February 2021 the DfE announced the first 50 schools which would be rebuilt as part of the School Rebuilding Programme (SRP) with an additional 50 schools announced in July 2021. These schools have been identified using data collected in the CDC programme to target those with highest condition need. Sandilands Primary School is the only setting in Manchester which has been announced to date. The DfE held a consultation in Summer 2021 about possible changes to the approach for identifying schools for future rounds of the SRP which may enable responsible bodies to submit bids.

2.4 To achieve effective investment of both DFC and SCA there is a requirement to commission a new programme of school condition surveys, updated floor plans, and net capacity assessments across all schools for which the Council is responsible - the total cost of this work is £0.7m. The Council is currently working through options to identify how this will be funded. A refreshed suite of school condition surveys may also prove useful in submitting evidence-based bids to rebuild more schools in Manchester in future phases of the SRP.

2.5 The surveys will be undertaken at community, voluntary controlled and foundation schools where the council is the responsible body. They will likely be completed in batches with the first 10 schools visited between January and March 2022. Schools are being prioritised for a visit based on CDC data, age of building and known issues.

2.6 The condition survey will enable the Council to prioritise work which represent a significant investment in the school estate. This investment will deliver improvements in conditions, reduce health and safety risks, and make a substantial contribution towards the Council's energy and carbon reduction targets.

3. CONCLUSIONS AND RECOMMENDATIONS

- 3.1 The LA has a duty to consult the Schools Forum on school funding matters. Planned maintenance is a significant issue for schools for the continuing safe and effective operation of school buildings.
- 3.2 The Local Authority is working through financing options for the condition surveys commission and will present the proposals to Forum at January 2022 Schools Forum.
- 3.3 All School Forum members are asked to note and comment on the report.

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Manchester City Council

Report for Resolution

Report to: Schools Forum

Subject: Schools Consultation Outcome for National Funding Formula Transition

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

Summary

In July 2021, the Department for Education (DfE) launched a consultation which seeks views on government plans to develop a single national funding formula (NFF) system to direct funds to schools. In September 2021, the Local Authority brought to Schools Forum details of this consultation, along with workings demonstrating the anticipated financial impact of the NFF and Manchester’s draft response to the consultation.

Following the report to Schools Forum, a consultation was then launched directly to Manchester schools to understand their views on the proposals, with a response deadline of 5th November, 2021. This report includes responses received by the Council at the time of writing the report, responses that are received after this will be tabled for discussion and information at November’s Forum.

Recommendations

School Forum members are asked to note and comment on:

- School responses to the NFF consultation.

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Background documents (available for public inspection):

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

Supporting Reports:

20 September 2021	National Funding Formula Consultation
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1. INTRODUCTION

- 1.1 In July 2021, the Department for Education launched a consultation which seeks to develop a funding system whereby DfE (Department for Education) directly funds schools. Plans to move local formulae "progressively closer" to a national funding formula (NFF) direct to schools start 2023/24. In September 2021, the Local Authority brought Manchester's draft response, along with workings demonstrating the anticipated impact to Manchester, to Schools Forum.
- 1.2 Following the report to the Schools Forum, a consultation was launched by the Local Authority directed at Manchester maintained and academy schools, requesting their views and comments on two key principles of the consultation. This consultation concludes on 5th November 2021, and this report has collated the responses received by the Council at the time of writing the report. Responses that are received after this will be tabled for discussion and information at the November meeting.

2. CONSULTATION RESPONSES

- 2.1 At time of writing the report, 26 schools formally responded to the consultation. The list below outlines the questions asked during the consultation and the answers provided.

Q1. Do you agree that the Local Authority should begin transitioning from the Local Funding Formula (LFF) to the National Formula Factor (NFF) in 2022/23?

A1. Responses: 26
Yes: 22
No: 1
Not sure: 3

From the schools in favour, there was the view that it was prudent to begin a gradual transition to the NFF to allow monitoring of the real-term impact over a number of years. Another response requested training to support schools in understanding the budgetary impact of the move. Overall, it was positive as it would allow schools a longer adjustment period and would allow more strategic budget planning.

The school who responded in opposition to the transition raised referred to Manchester's current local formula and its acknowledgement of the high levels of deprivation in the city. They raised concerns that a move to the NFF might adversely impact budgets and create instability.

Of the schools who responded as "not sure", one school was in favour of a quicker transition so that schools could benefit from any potential increases to deprivation factor rates sooner rather than later.

A few schools requested data on what their individual school budget shares would look like under the changes. Unfortunately, the Local Authority does not have the level of detail from the DfE to provide these workings.

Q2. Do you agree that Local Authority should introduce the NFF Free School Meals (FSM) factor into the LFF in 2022/23?

A2. Responses: 26
Yes: 22
No: 0
Not sure: 4

Overall, schools were supportive of this proposal, stating that it would help target deprivation in schools.

A couple of responses requested clarity around what this would mean in budgetary terms, and whether this would increase the administrative burden on schools. The Local Authority wants to clarify that this should involve no further work for the school; schools should continue to identify and support FSM eligible pupils as done presently. This proposal, if implemented, will provide additional deprivation funding within your school block funding to facilitate this.

3. CONCLUSIONS AND RECOMMENDATIONS

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

- School responses to the NFF consultation.

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: Scheme for Financing Schools

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

Summary

The Scheme for Financing Schools sets out the financial relationship between the Council and the schools it maintains. Any changes to the Scheme, that are not a direct revision by Department of Education (DfE) need to be agreed by members of the Schools Forum representing maintained schools.

The Scheme sets out the principles underlying the funding of schools, and the basis for the financial relationship between maintained schools in Manchester and the Council. There has been no direct revision by DfE required to Manchester’s Scheme for Financing schools. There has been a minor change in the wording to bring in line with DfE phrasing. The Schools Financial Regulations that underpin the scheme have been updated to strengthening procurement guidance.

Recommendations

Schools Forum (maintained school members only) are asked to note:

- No changes to the Scheme for Financing Schools 2021
- Procurement guidance within Schools Financial Regulations has been updated.

All Schools Forum members are asked to note:

- Council’s Social Value and Ethical procurement policy, incorporating Manchester Living Wage (MLW)

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Background documents (available for public inspection):

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

- Scheme for Financing Schools 2021
- Financial Regulations for Schools 2021

1. INTRODUCTION

- 1.1 The Scheme for Financing Schools sets out the financial relationship between the Local Authority and Manchester's maintained schools, which is binding on both parties. The scheme covers financial management, financial control and associated issues. Any revision to the scheme, that is not a directed revision by DfE, are subject to consultation with all maintained schools, which is then presented to School Forum for their approval.
- 1.2 This report is to confirm that no revision is required to Manchester's Scheme for financing schools.
- 1.3 The Scheme for Financing Schools requires maintained schools to manage and control their finances within the guidance detailed in the Schools Financial Regulations. These regulations underpin the Scheme for Financing Schools by providing the framework for maintained schools to manage their financial affairs. The procurement section within the Schools Financial Regulations has been updated.

2. Schools Financial Regulations - Procurement

- 2.1 Procurement regulations, section 5 of the Schools Financial Regulations regarding the award process and thresholds have been updated in accordance with UK statutory regulations now in operation, which have replaced the European Union Regulations. The procurement process dependant on values remains unchanged but the wording has been made current.
- 2.2 The school's procurement regulations have also been updated with details of the commitment to Manchester Living wage (MLW), in November 2019 the Council became a Real Living Wage Accredited Organisation (RLW). As part of that accreditation the Council is required to provide information relating to its supplier's payment of the Living Wage to their employees. This aligns to supporting the Council in meeting many of its social, economic and environmental objectives, including:
 - Ensuring that wages in the City can sustain families and individuals
 - Attracting and retaining motivated employees, thereby reducing the impact of staff turnover.
 - Helping to underpin a thriving economy.

A link to [Ethical procurement policy - Manchester City Council](#) has been added to the School Financial Regulations (section 5).

- 2.3 The Council has implemented a Social Value Policy, which must be clearly evidenced for any Council specification. This policy is in place to encourage organisations to operate and provide goods and services in such a way that offers maximum social, environmental and economic benefit to Manchester residents and communities. Social value has become even more of a priority in light of the coronavirus pandemic and the economic and social impacts it has had on Manchester.

A link to [Manchester City Council's Social Value Policy](#) has been added to the School Financial Regulations (section 5).

- 2.4 The Council recommends that that any future agreements/contracts being considered by Manchester schools that they look at incorporating the MLW as part of the tender process and consider how the contract will deliver its social value commitments.
- 2.5 The Council's Integrated Commissioning and Procurement team are strengthening procurement advice for schools by drafting a concise guidance for maintained schools, to be released shortly.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 Schools Forum (maintained school members only) are asked to note:
 - No changes to the Scheme for Financing Schools 2021
 - Procurement guidance within Schools Financial Regulations has been updated.
- 3.2 All Schools Forum members are asked to note:
 - Council's Social Value and Ethical procurement policy, incorporating Manchester Living Wage (MLW)