



Schools Forum

Date: Monday, 20 June 2022

Time: 4.00 pm

Venue: To be held virtually over Zoom

Everyone is welcome to attend this committee meeting. Members of the Forum will be provided with a virtual invite to this meeting. For more information, please contact the Committee Officer overleaf.

Membership of the Schools Forum

Secondary Sector Headteachers (1) Gillian Houghton,

Primary Sector Headteachers (4) Mike Cooke, Hatim Kapacee, Saeeda Ishaq, Gavin Shortall

Primary Sector Governors (4) Tony Daly, Philip Geldard, Lolita Hall, vacancy

Special School Headteachers (1) Alan Braven

Special School Governor (1) Walid Omara

Academy Representative (7) Joseph Brownridge, Helen Child, Andy Park, Emma Merva, Joshua Rowe, Michael Carson, Edward Vitalis

Pupil Referral Unit Representative (1) Andrew Burton

Nursery School Representative (1) Joanne Fenton

Non-School Members (6) Councillor Reid, Cath Baggaley, John Morgan, Jenny Smillie, Jimmy Buckley, 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 - 10
To approve as a correct record the minutes of the meeting held on 21 March 2022.
- 4. School Improvement Monitoring and Brokering Grant (SIMBG)** 11 - 14
The report of the Directorate Finance Lead – Schools and Education is enclosed.
- 5. Dedicated Schools Grant (DSG) and School Balances 2021/22 - Outturn** 15 - 24
The report of the Directorate Finance Lead – Children’s and Schools is enclosed.
- 6. Education White paper and SEND Review Green paper** 25 - 34
The report of the Directorate Finance Lead – Schools and Education is enclosed.
- 7. Outcome of the National Funding Formula Consultation** 35 - 38
The report of the Directorate Finance Lead – Schools and Education is enclosed.

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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Further Information

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

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This agenda was issued on **Friday, 10 June 2022** 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 21 March 2022

Present: Alan Braven, Andy Park, Helen Child, Hatim Kapacee, Joseph Brownridge, Michael Carson Tony Daly, Gavin Shortall, Mike Cooke, Andrew Burton, Jimmy Buckley, John Morgan, Councillor Reid, Cath Baggaley, Antonio De Paolo, Edward Vitalis, Lolita Hall, Phillip Geldard and Lee Ormsby

Also present: Councillor Bridges (Portfolio holder), Amanda Corcoran

Apologies: Gillian Houghton

SF/22/04 Election of Chair and Vice Chair

The Forum received nominations to appoint Andy Park as Chair of the Forum, and for Mike Cooke to be appointed as Vice Chair for the remainder of the academic year. Both nominations were seconded. No other nominations were received. The Forum voted by acclamation and unanimously voted to appoint both nominees.

Decision

To appoint Andy Park as Chair of the Forum, and Mike Cooke as Vice Chair for the remainder of the academic year.

SF22/05 Minutes

The minutes of the meeting held on 17 January 2022 were submitted for consideration as a correct record.

Antonio De Paolo and Lolita Hall asked that their presence at the last meeting be recorded.

On reviewing those minutes, the Directorate Finance Lead - Children and Schools advised the Forum that the Authority had receive information from the DfE which indicated that the School Improvement Monitoring Grant would reduce by 50% next year. A report on this would therefore be submitted to a future meeting of the Forum.

Decision

To agree the minutes of the meeting held on 17 January 2022 as a correct record, subject to the amendments above.

SF/22/06 Supplementary Grant – High Needs 2022/23

The Forum considered a report of the Directorate Finance Lead – Children and Schools which provided information on the High Needs Supplementary Grant 2022/23 as announced by the Government following the Autumn 2021 Spending Review. Additional funds had been allocated in respect of the additional costs associated with the Health and Social Care Levy as well as other cost increases that

Local Authorities and schools will face during 2022/23. Manchester had been allocated £18m from the Government's £1.6bn supplementary grant funding. This was in addition to the city's Dedicated School Grant settlement for 2022/23. The supplementary funding comprised of £14m for mainstream schools, Early Years and Post-16 provision, with a further £4m allocated to the High Needs block, special schools and alternative provisions. The DfE had published an indicative allocations calculator for mainstream schools. Early Years and post-16 elements of the Grant would be allocated on a simple per-pupil basis. However, no funding methodology for the distribution of the additional £4m high needs funding for special schools and alternative provisions had been put forward by the DfE other than an expectation that where Authorities agree to allocate additional supplementary funding to special schools it will form part of the element three top-up funding. It had also been acknowledged that colleges and other providers offering extra hours of study to students with High Needs may require additional funding to support those students and established guidance indicated that element three top up funding should follow the pupil in real time. The report also discussed the proposal to increase the special school element three top-up value for 2022/23 by a further 3%, funded by the Supplementary Grant in line with benchmarking exercises. This was in addition to the recent inflationary uplift on the top-up element as previously reported to the Forum (January 2022). The impact of those increases were illustrated in the report. The report went on to discuss the recent increases to High Needs block funding which were anticipated to shift the current deficit into a more sustainable position at a national level. In the context of future increases over the next two years, as forecasted by DfE, and the need for the Council to ensure future financial sustainability, a further review of the additional 3% increase was proposed in respect of the final 2023/24 settlement to address financial impacts within the High Needs block outside of special schools that will need to be met to avoid a detrimental impact on the HNB recovery.

The Forum was invited to comment on the allocation methodology of the grant and the proposal to review the 3% supplementary increase for special schools for the 2023/24 in terms of future financial sustainability.

There was a discussion about sustainability of block. The Forum welcomed the methodology and the supplementary increase noting that this was likely to be a one-off increase to the special school element three top-up value. The Forum also noted that the remainder of the grant would be used to address the Local Authority's High Needs deficit, in recognition that demands on the block continued to increase across the city. The Forum also noted that some Authorities had chosen not to increase the special school element three top-up values and instead use the funds to address ongoing deficits in their High Needs blocks.

Decision

To note the report.

SF/22/07 Free School Meals – Transitional Protection

The Forum considered a report of the Directorate Finance Lead – Children Services and Education which discussed the potential future impact of the cessation of the

government's transitional protection of Free School Meals (FSM) eligibility, expected to be March 2023. According to October 2021 school census data, 39.7% of Manchester pupils were eligible for Free School Meals. This was compared against the national average of 20.8%. The process of capture of FSM eligibility had changed in the city (in 2018) to help minimise under reporting of need and to maximise funding in the city. This had been achieved through the use of an on-line eligibility checker which was accessed at individual school level. As a result, eligibility in the city had risen steadily and had continued to rise, however with the removal of protection there was a significant risk that schools would notice a reduction in the number of pupils who are eligible in future years.

The Government had introduced FSM transitional protection arrangements to ensure that families were not disadvantaged during the rollout of Universal Credit and that protection remained in place irrespective of any change in circumstances until the full rollout of Universal Credit. Once the rollout of Universal Credit was complete, no child would lose their entitlement and would continue to be transitionally protected until the end of their current phase of education. Transitional protection applied to all children whether eligible through legacy benefits or Universal Credit status.

The direct implication of the cessation of protection was that as pupils move to a different school phase, there would likely be a steady decline in FSM pupils as well as associated funding directly linked to those pupils, such as Pupil Premium, and the allocation for 'Deprivation' as measured by FSM eligibility within the Funding Formula. Since Primary school pupils in Reception, Year 1 and 2 all qualify for FSM under the Universal infant free school meals (UIFSM), the importance of identifying pupils who are eligible for FSM in those year groups before the cessation was stressed, to ensure protection until they leave Year 6. High schools may start to see a drop in the number of FSM pupils in Year 7, from September 2023, however any high school pupils already identified as eligible would remain so until the end of their phase.

In light of the historic understatement of need in the city which had been addressed by the use of the online FSM checker, the Forum discussed whether any additional support at Local Authority level could help schools to identify eligible pupils in Key Stage 1. The Directorate Finance Lead - Children and Schools emphasised that activity at individual school level was the simplest means of identification, however the issue would be discussed in a series of briefings to raise awareness about the impact of the cessation across Manchester. There was then a discussion about whether eligibility could be identified during admissions for a school place. The Director of Education spoke about the challenge and complexities of the Integrated School Admissions process but agreed to explore what options could be achieved.

Decision

To note the report.

SF/22/08 Oral Update Local Authority Gas and Electricity Contracts

The Forum was provided with an oral update on the impact of increases to the Local Authority's gas and electricity contracts. The Group Manager Energy (Procurement

& Integrated Commissioning) reported that most but not all schools and academies in the city were using the Local Authority energy supply framework for gas and electricity need. Renewal dates for energy supplies would vary for those organisations who sought supply from elsewhere, however the basic principles to be outlined would be applicable to all. As had been well publicised, energy prices were set to significantly increase. The Local Authority's electricity contract had been replaced last year on an October to September contract whereas the gas contract was aligned with the standard financial year. The renewal of the electricity contract had involved an unprecedented price increase of 87% average. As the gas contract was due for imminent renewal, it would then be subject to prevailing market forces and was likely to involve a six-fold increase. In addition, the Authority's current gas supplier was Gazprom with links to the Russian parent company. Therefore on the advice of the Secretary of State, the Council would be seeking an alternative supplier at the end of the contract. He however gave assurance that during the contract with Gazprom, very little to no supply of energy came directly from Russia supplies. Options had been thoroughly explored and as a result the Authority would be moving to Corona Energy (an earlier supplier prior to Gazprom), the nature of which would be a 24 month flexible contract in light of the significant level of uncertainty around pricing.

The Head of Corporate Procurement added that in the current extremely hostile market, the Authority's chosen supplier was best viewed as a 'least worst' option. He also referred to ongoing dialogue at Local Government Association, DfE and Cabinet Office level about gas markets pressures, given that price-capping was only in place for domestic contracts. He urged schools to be extremely cautious where pricing information was concerned as recent information had come to light about unscrupulous energy brokers seeking to exploit concerns over market forces by providing false pricing information to their own advantage. Schools were therefore invited to approach the Local Authority for advice and guidance where those concerns were at play.

There was a discussion about actions to mitigate the impact, the Forum noted that currently there was no planned large-scale intervention at this stage although the Government had indicated that it would keep the issue under review. The Directorate Finance Lead - Children and Schools added that the Supplementary Grant discussed under an earlier agenda item had been provided to include support schools with rising energy costs although it was extremely unlikely to accommodate the full cost of those increases, therefore a prudent approach was required in terms of budgeting. She added that schools and academies were now able to apply for Salix loans for energy efficiency schemes and that further information on this would be circulated to schools.

A member commented that given the impact of the increase in National Insurance contributions, the Supplementary Grant was extremely unlikely to provide adequate support to schools in their management of rising energy costs. The Director of Education added the impact of rising costs would also impact on the cost of third party supply services to schools. She indicated that the wide ranging impact of those price increases on schools should form the basis of representations to the DfE by the Local Authority and at individual school level.

The Directorate Finance Lead - Children and Schools advised that the Forum would be kept informed on the issue.

Decision

To note the update.

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**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: School Improvement Monitoring and Brokering Grant (SIMBG)

Report of: Directorate Finance Lead – Schools and Education

Summary

In November 2021 Education and Skills Funding Agency (ESFA) launched a consultation on the how local authorities school improvement functions are funded. ESFA, in January 2022 published the outcome of the consultation: Reforming how local authorities' school improvement functions are funded, which confirmed the School Improvement Monitoring and Brokering grant (SIMBG) will reduce by 50% from financial year 2022/23 and by removed entirely from 2023/24. Schools and Early Years Finance Regulations 2022 has been updated to allow local authorities to deduct funding from maintained school budget shares with the approval of their Schools Forum maintained school representatives. As reported to School Forum January 2022, the Council do not seek further de-delegation 2022/23 following reduction of the SIMBG 2022/23.

Recommendations

Schools Forum Members are asked to note:

- The outcome of the ESFA consultation: Reforming how local authorities' school improvement functions are funded and the impact on the School Improvement Monitoring and Brokering grant (SIMBG)
- Options for the delivery models for school improvement services 2023/24 are to be evaluated and presented later this year.

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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:

| | |
|------------------|---|
| 15 November 2021 | Schools Forum – Agenda Item 4 De-delegation 2022/23 |
| 17 January 2022 | Schools Forum – Agenda Item 4 De-delegation 2022/23 - Final |

1. Introduction

- 1.1 Nationally the government allocates c.£50m SIMBG 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 Local Authorities (LA). ESFA consultation November 2021 sought views on a proposal to remove the LA level School SIMBG and instead to allow local authorities, with the approval of their maintained schools representatives to replace the funding for this function by deducting funding from maintained schools' budget shares so that LAs are not negatively impacted by the change.
- 1.2 Manchester submitted a response to the consultation highlighting that the funding underpins Quality Assurance protocol and processes; this has been a key driver in improving schools' performance which is reflected in improved Ofsted judgements as well as providing the Council with an overview of schools' strengths and challenges which has informed Council priorities. The outcome of this consultation was published on 11 January 2022, confirmed that the SIMBG would reduce by 50% in financial year 2022/23 and be removed entirely from 2023/24.
- 1.3 Schools Forum November 2021 were made aware of consultation and the potential request to de-delegate this function in 2022/23. The Council confirmed to School Forum January 2022, that they did not seek additional de-delegation 2022/23 for school improvement services

2. School Improvement Services

- 2.1 The SIMBG alongside Council budget, allows the Education to monitor performance of Manchester schools, identify common priorities and challenges across schools, broker school improvement provision, and intervene as appropriate. It is currently used to provide interventions for schools causing concern including leadership support when required; it is also currently used to support thematic interventions such as reading, phonics, maths and to commission Quality Assurance visits which is a universal offer available to all schools in the city. This has been highly effective in ensuring that the Council has a good overview of schools in the City and can support proportionately and appropriately when required. The approach in Manchester and the knowledge about our schools is regularly recognised by Ofsted when they inspect schools.
- 2.2 The Council's Senior School Quality Assistance Officers (SSQA) posts are funded jointly from Council budget and element within the Education Services General (ESG) Duties de-delegation from maintained schools as approved by School Forum. The SIMBG supports the Council to commission a number of Quality Assurance Professionals (QAP), many of whom are current or previous Ofsted inspectors, who are available to visit every Manchester school at least once a year, to provide an external view of current school performance and priorities. This information provides the Council with assurance about the schools in Manchester, identifies where there may be schools at risk of being inadequate or where there are specific concerns about performance. These visits also enable the Council to identify thematic priorities across the school system. Maintained schools with identified risks or with an

inadequate or requires improvement judgement are offered more visits from a Quality Assurance officer.

3. School Improvement Services and funding 2022/23 onwards

- 3.1 The SIMBG for the financial year 2021/22 was £398k, compared with the estimated 2022/23 estimate of £174k. Table one below shows the SIMBG from financial year 2020/21 to 2023/24. Due COVID and school closures which impacted on delivering school improvement services 2020/21, the unspent SIMBG funding was carried forward to 2021/22. This has facilitated the Council to carry forward £316k from 2021/22 into 2022/23. This has assisted with the funding needed for 2022/23 in continuing to provide school improvement services and clarifies that the request for de-delegation for 2022/23 was not needed.

Table One: SIMBG 2020/21 to 2023/24

| Manchester's SIMBG <u>£'000</u> | | | |
|--|----------------|-------------------------------|----------------|
| 2020/21 | 2021/22 | *2022/23 estimated | 2022/24 |
| £432 | £398 | £174 | £0 |

- 3.2 For 2023/24 onwards the Council will need to evaluate and consult on various options for service delivery models and funding for school improvement services normally supported by SIMBG. The change in how this service is to be funded may impact on the level of school quality assurance provided across the city from 2023/24. A report on the funding and proposed options for 2023/24 will be reported to School Forum later this year, prior to 2023/24 de-delegation report.

4. Recommendations

Schools Forum Members are asked to note:

- The outcome of the ESFA consultation: Reforming how local authorities' school improvement functions are funded and the impact on the School Improvement Monitoring and Brokering grant (SIMBG)
- Options for the delivery models for school improvement services 2023/24 are to be evaluated and presented later this year.

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Dedicated Schools Grant (DSG) and School Balances 2021/22 –
Outturn Report

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

Summary

The provisional outturn for Manchester maintained schools is an overall surplus of **£19.50m**, which is a decrease of **£1.11m** (of which c.£400k relates to two schools that have since academised) in the total Schools Balances (Revenue & Capital) held compared to 2020/21. The final position on the centrally retained element of the Dedicated Schools Grant (DSG) was a **£2.70m overspend**.

This report summarises the:

- Outturn position on school balances as at 31 March 2022
- Final outturn position on the centrally retained DSG.

Recommendations

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

- Maintained school balances, £19.50m as at 2021/22
 - The cumulative centrally retained DSG deficit balance £2.70m carried forward into 2022/23
 - Local Authority revisiting DSG recovery plan, to be reported to School Forum at a later date.
-

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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:

| | |
|-------------------------------|---------------------------------|
| 18 th January 2021 | Dedicated Schools Grant 2021/22 |
|-------------------------------|---------------------------------|

1. Introduction

1.1 The purpose of this report is to state and explain the provisional position of the Dedicated Schools Grant (DSG) for 2021/22 in respect of schools and the Council. The final position will be confirmed once the Council's audited accounts have been completed. The 2021/22 DSG allocation after recoupment for academies and high needs was **£328.13m**, of which **£307.91m** (94%) was delegated to schools, **£18.72m** (6%) was retained centrally by the Council and **£1.50m** earmarked towards DSG recovery.

2. Provisional Outturn Position for Schools

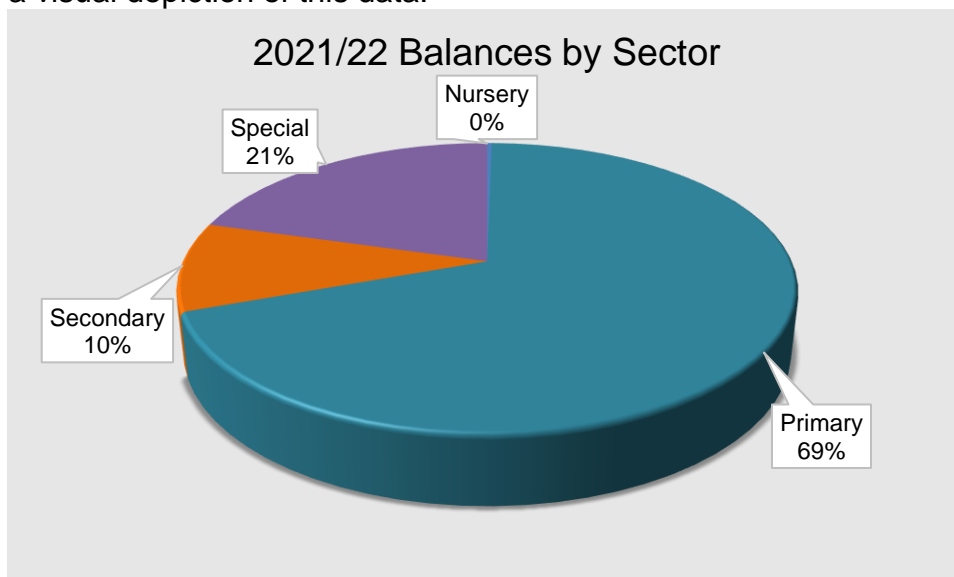
- 2.1 The provisional outturn position for maintained schools is an overall surplus of **£19.50m**. This is a decrease of **£1.11m** in the total balances held compared to 2020/21 (of which c.£400k relates to two schools that have since academised), where nursery and primary balances have dropped by 37.8% and 16.5% respectively compared to 2020/21 balances. Conversely, secondary, and special school balances have increased since 2020/21 by 18.5% and 44.3%. There has been one primary school, Mount Carmel Primary and one secondary school, St Matthews which converted to academy status in 2021/22, reducing primary and secondary school balances by £97k and £301k respectively.
- 2.2 Table one below displays total schools' balances by sector. The primary sector balances have decreased by £2.69m, whilst there has been an increase in special school's balances of £1.24m and secondary school balances of £304k since the previous financial year. The increase for special schools is accounted for by seven out of the twelve special schools, of which two out of the seven special schools seen increases of over £0.5m since 2020/21. All the five secondary school balance's increased since last financial year.
- 2.3 Tables two and three below, provide a breakdown of maintained schools' total balances (as shown in table one), by surplus and deficit balances respectively. There has been no change in the actual number of primary, secondary, or special schools in surplus and deficit, after taking account of the two academisations. There has been an improvement in the nursery sector, with one school recording a surplus balance in 2021/22, compared with both nursery schools recording deficits in the previous year 2020/21.
- 2.4 Schools' deficit balances have increased by £294k since last financial year, as shown in table three, due to movement within the primary sector. Appendix one provides individual school revenue and capital balances (excludes capital balances for voluntary aided schools).

Table one: Total Balances for Maintained Schools

| Sector | 2021/22 | | 2020/21 | | Variance | |
|-----------|---------|--------|---------|--------|----------|---------|
| | No. | £000's | No. | £000's | No. | £000's |
| Nursery | 2 | (57) | 2 | (92) | 0 | 35 |
| Primary | 91 | 13,575 | 92 | 16,265 | (1) | (2,690) |
| Secondary | 5 | 1,950 | 6 | 1,646 | (1) | 304 |

| | | | | | | |
|--------------|------------|---------------|------------|---------------|------------|----------------|
| Special | 12 | 4,036 | 12 | 2,797 | 0 | 1,239 |
| Total | 110 | 19,504 | 112 | 20,616 | (2) | (1,112) |

- 2.5 Of the total balances held by schools in 2021/22, 69% of the balances are held across the 91 primary schools, 21% held by 12 special schools, and 10% by 5 secondary schools. (Nursery balances are a net deficit of £57k.) The pie chart below shows a visual depiction of this data.



- 2.6 This means that **on average** (not actual):
- primary school balance is £149k surplus
 - secondary school balance is £390k surplus
 - special school balance is £336k surplus

Table two: Surplus Balances for Maintained Schools

| Sector | 2021/22 | | 2020/21 | | Variance | |
|--------------|------------|---------------|------------|---------------|------------|--------------|
| | No. | £000's | No. | £000's | No. | £000's |
| Nursery | 1 | 22 | 0 | 0 | 1 | 22 |
| Primary | 89 | 14,199 | 90 | 16,582 | (1) | (2,383) |
| Secondary | 5 | 1,950 | 6 | 1,646 | (1) | 304 |
| Special | 12 | 4,036 | 12 | 2,797 | 0 | 1,239 |
| Total | 107 | 20,206 | 108 | 21,025 | (1) | (819) |

Table three: Deficit Balances for Maintained Schools

| Sector | 2021/22 | | 2020/21 | | Variance | |
|--------------|----------|--------------|----------|--------------|------------|--------------|
| | No. | £000's | No. | £000's | No. | £000's |
| Nursery | 1 | (79) | 2 | (93) | (1) | 14 |
| Primary | 2 | (624) | 2 | (316) | 0 | (308) |
| Secondary | 0 | 0 | 0 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3 | (703) | 4 | (409) | (1) | (294) |

- 2.7 Out of the 107 schools with surplus balances there are five primary schools and one nursery school that have balances below £50k, and there are five schools with

balances in excess of £430k. Table four below outlines the five schools with the highest surplus balances 2021/22: 1 primary school, 1 secondary school, and 3 special schools.

- 2.8 The annual analysis of reserves review will be completed for each maintained school that has an excessive revenue balance, identifying the planned use of the excessive reserves. Schools' balances are deemed excessive if the surplus is higher than the allowable balance, whereby the allowable balance is deemed to be 8% of the budget share for nursery, primary and special schools, and 5% of the budget share for secondary schools. This will be reported to School Forum July 2022.

Table four: Surplus balances above £430k

| Sector | 2021/22 Balance £000's |
|-----------|------------------------------|
| Secondary | 653 |
| Special | 596 |
| Special | 543 |
| Primary | 468 |
| Special | 436 |

- 2.9 Table five outlines the range of 2021/22 school balances reported across each sector. The secondary and special school sectors notably have significantly higher balances when compared to nursery and primary sectors.

Table five: Range of school balances 2021/22

| Sector | 2021/22 | |
|-----------|---------|--------|
| | £000's | £000's |
| | From | To |
| Nursery | (79) | 22 |
| Primary | (468) | 468 |
| Secondary | 201 | 653 |
| Special | 100 | 596 |

- 2.10 Whilst Appendix one provides 2021/22 individual school revenue and capital balances for Manchester maintained schools, balances for academy schools for the academic year ending in August 2021, as well as useful benchmarking data, can be found published at the links below:

- [Report / summary position covering 2020/21 academic year](#) (Sept 20 – Aug 21), includes the full school re-opening in September 2020, partial school closures from January to March 2021, before full re-opening after that point.
- [Benchmarking data for LA maintained schools and academies.](#)

3. 2021/22 Dedicated School Grant (DSG) Position (deficit)

- 3.1 The 2021/22 in-year outturn position for the overall retained schools DSG budget is an **overspend of £0.75m**, taking the cumulative DSG position to an overspend of **£2.70m**. The Council's expenditure on schools is funded primarily by grant monies provided by the DfE in the DSG. An element of DSG is recouped by the DfE to fund academy schools in Manchester. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget as defined in the Schools Finance (England) Regulations 2020. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual school's budget, which is divided into a budget share for each maintained school.
- 3.2 High needs block 2021/22 overspend of £3.14m, along with a £21k overspend on the central services block, have been offset by underspends in the schools block and early years block of £13k and £0.90m respectively. This net overspend of £2.25m across the four DSG blocks has been offset by the budget set aside for high needs block recovery £1.5m, giving an in-year DSG deficit of £0.75m.

Table six: 2021/22 Summary of DSG Position

| Dedicated School Grant (DSG) 2021/22 | |
|--|--|
| | Over/(under) spend to budget £000's |
| Early Years Block | (897) |
| Schools Block | (13) |
| High Needs Block | 3,138 |
| Central Block | 21 |
| Net overspend | 2,249 |
| Budget set aside for recovery | (1,500) |
| In-year deficit | 749 |
| Deficit b/fwd from 2020/21 (less school clawback) | 1,954 |
| Cumulative deficit | 2,703 |

- 3.3 Early years block funding is based on estimated pupil numbers and an adjustment to funding is made by the DfE in July to reflect any increases/decreases between January censuses (i.e., January 2021 and January 2022). This funding methodology changed temporarily in 2021/22 due to the pandemic impacts on attendance and school census. The final 2021/22 early years block adjustment will be based on termly censuses, i.e., May 2021, October 2021, and January 2022. The LA has included approximated accruals for the expected adjustments to the allocation based on the January 2022 census data.
- 3.4 DSG carry forward from 2020/21 totalled £2.26m deficit. This position was reduced by £304k, the clawback of school's excess balances held for five years. Due to the increased growth within the high needs block, the DSG position in 2021/22 was an in-year deficit of £0.75m as shown in Table six above, which increased the cumulative DSG deficit to £2.70m to carry forward into 2022/23.

4. Dedicated School Grant (DSG) Recovery

4.1 The 2021/22 plan was to reduce the DSG deficit of £2.26m, as reported 2020/21, but due to significant growth in the high needs area, the deficit has increased to £2.70m. This structural deficit within the HNB, has been caused primarily due to exponential growth within the Education, Health, & Care Plans (EHCP) and Post-16. This pressure which has been recognised on a national level, and forms part of the governments SEND review, includes looking at how to better equip mainstream settings to identify and support children and young people's needs, instead of being met by EHCPs or specialist provision. The council is working on a detailed DSG management plan and strategies to aid with HNB recovery and will bring these to Schools Forum at a future date.

5. Recommendations

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

- Maintained school balances, £19.50m as at 2021/22
- The cumulative centrally retained DSG deficit balance £2.70m carried forward into 2022/23
- Local Authority revisiting DSG recovery plan, to be reported to School Forum at a later date

Appendix One: Individual School's Revenue & Capital Balances as at 31st March 2022

| DfE No | Type | Name of School | Schools Balance as at 31 March 2022 | | |
|----------------|------------|----------------------|-------------------------------------|-----------------|-------------------|
| | | | REVENUE | CAPITAL | TOTAL |
| | | | £ | £ | £ |
| Nursery | | | | | |
| 1008 | CY | Collyhurst Nursery | -79,600 | 820 | -78,780 |
| 1007 | CY | Martenscroft Nursery | 20,694 | 857 | 21,551 |
| 2 | | Nursery Total | -58,906.16 | 1,677.41 | -57,228.75 |
| Primary | | | | | |
| 2001 | CY | Abbott | 45,282 | 11,533 | 56,814 |
| 2048 | CY | Acacias | 118,871 | 0 | 118,871 |
| 3301 | VA | All Saints (NH) | 127,779 | 0 | 127,779 |
| 2321 | CY | All Saints (Gorton) | 111,309 | 0 | 111,309 |
| 2006 | CY | Alma Park | 271,244 | 0 | 271,244 |
| 3043 | VC | Armitage | 228,743 | 0 | 228,743 |
| 2010 | CY | Ashbury Meadow | 389,501 | 9,055 | 398,556 |
| 2326 | Foundation | Baguley Hall | 381,312 | 13,600 | 394,912 |
| 2341 | Foundation | Benchill | 414,489 | 0 | 414,489 |
| 2328 | CY | Birchfields | 214,008 | 1,205 | 215,213 |
| 2039 | CY | Bowker Vale | 79,797 | 0 | 79,797 |
| 2298 | CY | Broad Oak | -467,731 | 0 | -467,731 |
| 2340 | CY | Button Lane | 224,517 | 12,250 | 236,767 |
| 2057 | CY | Cavendish | 247,445 | 0 | 247,445 |
| 2058 | CY | Chapel Street | 466,778 | 840 | 467,618 |
| 2060 | CY | Charlestown | 141,179 | 9,161 | 150,340 |
| 2288 | VC | Cheetwood | 44,436 | 0 | 44,436 |

| DfE No | Type | Name of School | Schools Balance as at 31 March 2022 | | |
|-------------|-----------|--------------------------|-------------------------------------|----------|-----------------|
| | | | REVENUE | CAPITAL | TOTAL |
| | | | £ | £ | £ |
| 3003 | VC | Chorlton | 87,597 | 0 | 87,597 |
| 3402 | VA | Christ the King | 117,409 | 0 | 117,409 |
| 2068 | CY | Claremont | 294,783 | 19,976 | 314,759 |
| 3490 | VA | CofE of The Resurrection | 85,129 | 0 | 85,129 |
| 2296 | CY | Crab Lane | 261,639 | 5,548 | 267,187 |
| 2075 | CY | Crosslee | 144,690 | 20,421 | 165,111 |
| 2076 | CY | Crowcroft Park | 100,718 | 0 | 100,718 |
| 2327 | CY | Crumpsall Lane | 190,467 | 1,279 | 191,746 |
| 2129 | CY | Heald Place | 369,693 | 0 | 369,693 |
| 2303 | CY | Higher Openshaw | 133,359 | 0 | 133,359 |
| 3408 | VA | Holy Name | 101,126 | 0 | 101,126 |
| 3005 | VC | Holy Trinity | 172,839 | 0 | 172,839 |
| 2249 | CY | Irk Valley | 97,138 | 57 | 97,195 |
| 2142 | CY | Lily Lane | 137,761 | 0 | 137,761 |
| 2305 | CY | Manley Park | 259,858 | 23,037 | 282,895 |
| 2161 | CY | Mauldeth Road | 300,118 | 11,413 | 311,531 |
| 2324 | CY | Medlock | 341,294 | 0 | 341,294 |
| 2164 | CY | Moston Fields | -156,138 | 0 | -156,138 |
| 2165 | CY | Moston Lane | 177,527 | 186 | 177,713 |
| 2184 | CY | New Moston | 148,852 | 1,093 | 149,945 |
| 2186 | CY | Northenden | 75,532 | 16,084 | 91,615 |
| 2330 | CY | Oswald Road | 192,294 | 10,117 | 202,411 |
| 3475 | VA | Our Lady's | 147,732 | 0 | 147,732 |
| 3506 | CY | Park View | 102,784 | 1,066 | 103,850 |
| 2300 | CY | Peel Hall | 93,806 | 8,420 | 102,226 |
| 2302 | CY | Pike Fold | 205,340 | 9,159 | 214,500 |
| 2216 | CY | Plymouth Grove | 59 | 18,271 | 18,330 |
| 2232 | CY | Rack House | 128,754 | 8,818 | 137,573 |
| 2234 | CY | Ravensbury | 275,041 | 18,141 | 293,182 |
| 2008 | CY | Ringway | 178,949 | 679 | 179,628 |
| 3464 | VA | Sacred Heart (Baguley) | 103,030 | 0 | 103,030 |
| 3505 | VA | Sacred Heart (Gorton) | 143,530 | 0 | 143,530 |
| 2301 | CY | Sandilands | 137,061 | 18,663 | 155,724 |
| 3491 | VA | Saviour | 80,990 | 0 | 80,990 |
| 3041 | VC | St Agnes | 96,501 | 2,785 | 99,286 |
| 3415 | VA | St Aidan's Catholic | 64,845 | 0 | 64,845 |
| 3418 | VA | St Ambrose | 83,997 | 0 | 83,997 |
| 3310 | VA | St Andrew's | 114,464 | 0 | 114,464 |
| 3504 | VA | St Anne's (Ancoats) | 34,864 | 0 | 34,864 |
| 3422 | VA | St Anne's (Crumpsall) | 164,862 | 0 | 164,862 |
| 3011 | VC | St Augustine's | 230,410 | -62,568 | 167,842 |
| 3473 | VA | St Bernard's | 281,532 | 0 | 281,532 |
| 3429 | VA | St Brigid's | 93,509 | 1,800 | 95,309 |
| 3432 | VA | St Catherine's | 233,621 | 0 | 233,621 |
| 3015 | VC | St Chrysostom's | 68,627 | 4,594 | 73,221 |

| DfE No | Type | Name of School | Schools Balance as at 31 March 2022 | | |
|------------------|------|-------------------------|-------------------------------------|----------------|-------------------|
| | | | REVENUE | CAPITAL | TOTAL |
| | | | £ | £ | £ |
| 3501 | VA | St Clare's | 190,872 | 0 | 190,872 |
| 3042 | VC | St Clement's | 112,461 | 8,315 | 120,776 |
| 3500 | VA | St Cuthbert's | 256,348 | 0 | 256,348 |
| 3439 | VA | St Dunstan's | 66,940 | 0 | 66,940 |
| 3440 | VA | St Edmund's | 88,016 | 0 | 88,016 |
| 3445 | VA | St Francis | 112,415 | 0 | 112,415 |
| 3316 | VA | St James' (Rusholme) | 73,697 | 0 | 73,697 |
| 3446 | VA | St John Bosco | 65,611 | 0 | 65,611 |
| 3045 | VC | St John's (Longsight) | 144,101 | 9,288 | 153,388 |
| 3489 | VA | St John's (Chorlton) | 198,998 | 0 | 198,998 |
| 3494 | VA | St Joseph's | 114,384 | 0 | 114,384 |
| 5200 | VA | St Kentigern's | 176,481 | 5,274 | 181,755 |
| 3044 | VC | St Luke's | 125,624 | 17,948 | 143,573 |
| 3452 | VA | St Malachy's | 149,410 | 0 | 149,410 |
| 3455 | VA | St Margaret Mary's | 115,587 | 0 | 115,587 |
| 3022 | VC | St Margaret's | 195,113 | 642 | 195,754 |
| 3028 | VC | St Mary's (Moss Side) | 181,873 | 0 | 181,873 |
| 3484 | VA | St Mary's (Moston) | 56,041 | 0 | 56,041 |
| 3457 | VA | St Mary's (Levenshulme) | 143,011 | 6,289 | 149,300 |
| 3460 | VA | St Patrick's | 74,359 | 0 | 74,359 |
| 3039 | VC | St Paul's Primary | 141,919 | 18,551 | 160,470 |
| 3465 | VA | St Peter's Catholic | 93,066 | 0 | 93,066 |
| 3325 | VA | St Philip's | 110,941 | 0 | 110,941 |
| 3482 | VA | St Richard's | 62,324 | 6,825 | 69,149 |
| 3034 | VC | St Wilfrid's (NH) | 63,697 | 6,576 | 70,273 |
| 3469 | VA | St Wilfrid's (Hulme) | 87,066 | 0 | 87,066 |
| 3472 | VA | St Willibrord's | 106,134 | 0 | 106,134 |
| 3507 | VA | The Divine Mercy | 28,565 | 23,154 | 51,719 |
| 2278 | CY | Varna Street | 201,064 | 2,445 | 203,509 |
| 91 | | Total | 13,273,068 | 301,991 | 13,575,059 |
| <u>Secondary</u> | | | | | |
| 4271 | CY | Abraham Moss High | 385,925 | 44,176 | 430,101 |
| 4753 | VA | Loreto High | 201,478 | 0 | 201,478 |
| 4761 | VA | Our Lady's High | 292,723 | 0 | 292,723 |
| 4770 | VA | St Peter's High | 259,953 | 112,581 | 372,534 |
| 4768 | VA | The Barlow High | 624,338 | 29,066 | 653,404 |
| 5 | | Secondary Total | 1,764,417 | 185,823 | 1,950,240 |
| <u>Special</u> | | | | | |
| 7749 | CY | Ashgate | 213,814 | 8,743 | 222,558 |
| 7023 | CY | Camberwell Park | 139,987 | 27,891 | 167,878 |
| 7029 | CY | Lancastrian | 394,101 | 0 | 394,101 |
| 7007 | CY | Manchester Hospital | 411,623 | 24,515 | 436,138 |
| 7042 | CY | Meade Hill | 98,083 | 1,561 | 99,644 |
| 7061 | CY | North Ridge High | 232,955 | 7,140 | 240,096 |
| 7047 | CY | Rodney House | 348,047 | 1,189 | 349,236 |

| DfE No | Type | Name of School | Schools Balance as at 31 March 2022 | | |
|------------|------|-------------------------|-------------------------------------|----------------|-------------------|
| | | | REVENUE | CAPITAL | TOTAL |
| | | | £ | £ | £ |
| 7056 | CY | Southern Cross | 583,921 | 11,658 | 595,579 |
| 7041 | CY | The Birches | 181,403 | 8,224 | 189,626 |
| 7959 | CY | Castlefield Campus | 371,012 | 281 | 371,293 |
| 1102 | CY | Bridglea PRU | 426,210 | 818 | 427,028 |
| 1105 | CY | Secondary PRU | 538,720 | 3,881 | 542,601 |
| 12 | | Special Total | 3,939,877 | 95,901 | 4,035,777 |
| | | | | | |
| 110 | | Total All School | 18,918,455 | 585,392 | 19,503,847 |

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Education White Paper & SEND Review Green Paper

Report of: Directorate Finance Lead – Schools and Education

Summary

On the 29 March 2022 the Department for Education (DfE) announced and published the education whitepaper, Opportunity for All: strong schools with great teachers for your child, and the green paper, SEND Review: right support, right place, right time. The white paper vision is that by 2030:

- 90% of children leaving primary school will achieve the expected standard in reading, writing and maths.
- Secondary pupils to increase the national GCSE average grade in both English language and in Maths to level 5.

The consultation on the green paper is seeking views about the changes to make to the special educational needs and disabilities (SEND) and alternative provision (AP) system, to improve the outcomes for these children and young people. There are strong links across the white paper and the green paper. This report will focus on the headlines on the finance and funding implications and analysis in those papers.

Recommendations

Schools Forum Members are asked to comment and note on:

- Key headlines on the Education white paper, Opportunity for all: strong schools with great teachers
- Key financial issues on the SEND review green paper: right support, right place, right time
- School Forum submitting a separate response to SEND Review green paper

For Reference:

Green Papers: are consultation documents produced by the Government. The aim of this document is to allow people both inside and outside Parliament to give the department feedback on its proposals.

White Papers: are issued by the Government as statements of policy, and often set out proposals for legislative changes, which may be debated before a Bill is introduced. Some may invite comments.

Alternative Provision (AP): When a child or young person is unable to access mainstream school for reasons including school exclusion, behavioural issues, or illness, education outside of school will be arranged. This education is called alternative provision, can be part time or full time.

Educational, Health and Care Plan (EHCP): is a document where the education, healthcare and social needs of a child/young person who needs additional support in school. EHC plans are for those children (0-16) or young people (16-19) or adults (19-25) with special educational needs who require support beyond that which a mainstream educational setting can provide.

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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 The white paper published 29 March 2022 is the first education white paper since 2016, it expresses the ambition for a school's system that helps every child to fulfil their potential, by receiving the right support, in the right place at the right time. The foundation of excellent education is world-class literacy and numeracy, the aim is by 2030 that:
- 90% key stage 2 pupils meet the expected standard in maths and reading
 - National GCSE average grade increases to level 5 for Maths and English language.

The white paper has strong links SEND green paper and levelling up paper in achieving a school system that helps every child to fulfil their potential.

It is understood that there are no new funding announcements within the whitepaper itself, but that this brings together the various spending review announcements. This report highlights the potential financial implications for schools and local authorities following the release of the white paper.

- 1.2 The government's SEND green paper consultation, also published 29th March 2022 sets out the proposed reforms to the SEND and alternative provision (AP) system in England, that seeks to address three key challenges:
- 1) Outcomes for children and young people with SEND or in AP on average are poor.
 - 2) Navigating the SEND system and AP is not a positive experience for children, young people and their families
 - 3) The system is not financially sustainable, despite unprecedented investment the system is not delivering value for money for children, young people and families

The SEND consultation on the green paper is currently live, the closing date has been extended to 22nd July 2022 and covers a wide range of areas (22 questions), not just financial issues.

2. Education White Paper - Opportunity for All: strong schools with great teachers for your child

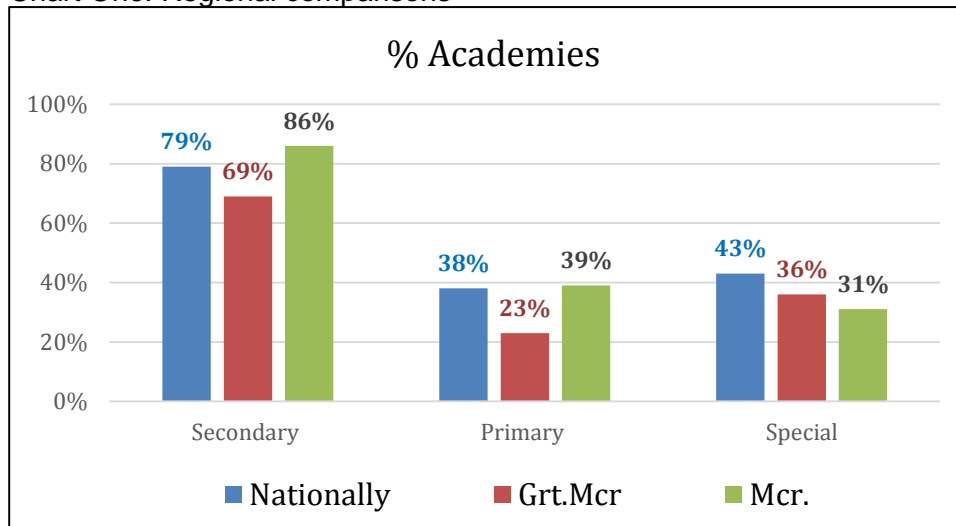
- 2.1 The white paper vision where by 2030, 90% of children leaving primary school will achieve the expected standard in reading, writing and Maths, along with national GCSE average grade in both English language and in Maths to 5. To achieve this the paper documents the case for a fully trust-led system, economic benefits of meeting the whitepaper's ambitions, and a methodology for obtaining English language and Maths GCSEs. Appendix one illustrates an overview of the vision and strategy. The government's strategy covers four areas:
- 1) Excellent Teachers
 - 2) Delivering High Standards
 - 3) Targeted Support for those who needs it (strong links to the green paper)
 - 4) Stronger & fairer system

The key headlines from the government's white paper strategy:

- **An intention for all schools to be in or planning to form or join a multi-academy trust by 2030.** Partly, this is intended to simplify the existing complex system, which the whitepaper describes as “messy and often confusing”, highlighting “unclear and often overlapping roles and responsibilities”. The government intend to ensure clarity can be provided, and the whitepaper states that authorities will receive legal powers to match their responsibilities.

Chart one below compares regional variation of percentage of academies to Manchester. This illustrates that although a high percentage of Manchester secondary schools are academies there is a large proportion of primary and special that are maintained. Overall, 59% of Manchester schools are local authority maintained schools.

Chart One: Regional comparisons



- The government are aiming for **trusts to serve 7,500+ pupils or run at least 10 schools.** There will be no maximum size of trust, but there will be a limit to the proportion of schools in an area which can be run by a single trust, promoting choice for parents.

In Manchester there are seventy-five different academy trust supporting good parental choice across the city. However, 17 of these currently have only 1 school which would make them not viable going forward.

- Government have identified **55 Education Investment Areas (EIA)**, of which Manchester is one, where increased funding is to be used to support the areas in most need. Plus extra funding for 24 Priority EIA, with the most entrenched underperformance. Across the EIA there will be:
 - £40 million of additional funding is to be provided for bespoke interventions to address local needs.
 - Additional support for digital connectivity through and priority access to other DfE programmes.
 - Levelling Up premium, worth up to £3,000 tax-free for eligible maths,

physics, chemistry, and computing teachers in year 1-5 of their career, working in disadvantaged schools.

- A **consultation** will follow, **where schools which have received two consecutive below 'Good' Ofsted judgements to move into academy trusts**. Manchester has two maintained schools that have a successive judgement of requires improvement (RI) currently and two schools currently in MATS who meet this criteria. Initially, the government will focus on 55 Education Investment Areas (EIA) identified, including Manchester.
- Where too few strong multi academy trusts exist, **local authorities will be able to set up academy trusts** to add expertise and capacity to the future trust system. Though there will be limits on the local authority's involvement in the trust board, designed to manage conflicts of interest which could arise. Currently more details on how this will work is needed, it is expected that local authorities' members can be on the trust board, but the level of involvement is unclear.

2.2 Key financial proposals within the whitepaper which have a potential financial implication for schools and local authorities are:

- **£30k starting salaries for teachers**. The government pledged to raise starting salaries to £30k in 2019, this was pushed back due to the pay freeze for most public sector workers in 2021. The Department for Education (DfE) has proposed raising teachers' minimum pay in most of England by more than 16 per cent over the next two years to reach the £30k starting salary by 2023. This would mean starting salaries would increase from c.£26 to £28k in 2022-23 and to £30k 2023-24, a total rise of 16.7 per cent over the two years.
- **Longer school week by September 2023**, with an expected **minimum of 32.5 hours**, the current average minimum. The expectation of the minimum 32.5 hours is to include the time in each day from the official start of the school day (i.e. morning registration) to the official end to the compulsory school day (i.e. official home time). It is expected this will not include, early years, 16-19 and specialist settings. This data will be collected on spring 2023 census and no further funding is expected.
- Further **targeted support through the national tutoring programme**. The government intends to continue to financially incentivise schools to provide tutoring.
- £55m investment in **Accelerator Fund** for the development and 'scaling up' of literacy and numeracy interventions, to support the ambitious literacy and numeracy objectives in the white paper. The Accelerator Fund will develop and scale-up the best-evidenced literacy and numeracy interventions, spreading effective programmes nationally.
- £100m endowment for the **Education Endowment Foundation (EEF)**, this a charity which works on improving teaching and learning with a view to breaking the link between family income and educational achievement. The white paper confirmed the EEF will be re-endowed to put it on a long-term footing and continue its work beyond 2026. The new endowment will be an award of at least £100m that means the EEF

will exist for at least another decade

- £86m to invest in **Trust Capacity funding**. The Trust Capacity Fund (TCaF) is a competitive grant fund available to help trusts develop their capacity to grow. It has a particular focus on supporting strong trusts, and strong schools forming trusts, to take on underperforming schools in Education Investment Areas (EIA) and other places of higher need. To achieve the vision set out in the White paper, for all schools to be part of strong trusts by 2030, the DfE is committing up to £86m in trust capacity funding over the next 3 years, focused particularly on EIA, and within these the 24 Priority EIA.

3. SEND Green Paper – Right Support, Right Place, Right Time

3.1 The SEND review is part of the government's 'Levelling up Agenda' and outlines their ambition for children and young people with SEND. It acknowledges that despite reforms in 2014 and a hardworking and dedicated workforce, the experience of children and young people and their families can be poor due to:

- Increasingly complex and confrontational system.
- Delays in accessing support.
- Increasing financial challenges for local authorities.
- Use of alternative provision (AP) to supplement the SEND system.

3.2 The review covers a wide range of areas to try and address the three challenges identified, listed below. The review recognised significant inconsistency in how needs are met, and decisions are often made based on where a child or young person lives or is educated, rather than on their needs.

- 1) Outcomes for children and young people with SEND or in alternative provision on average are poor.
- 2) Navigating the SEND system and alternative provision is not a positive experience for children, young people, and their families
- 3) The system is not financially sustainable, despite unprecedented investment the system is not delivering value for money for children, young people and families

The cycle starts in early years and mainstream schools, where despite best efforts settings are often unable to identify and support children and young people's needs. For families it is not clear what support they should reasonably expect from their local mainstream settings in meeting their child's needs. Hence, EHCPs and, in some cases, specialist provision, are seen as the only routes for guaranteeing the right and appropriate support.

This is resulting in increasing numbers of requests for EHCPs, and specialist provision, which impacts on significant delays for children and young people in accessing support and creates a system that is not financially sustainable.

3.3 The Council will be responding to the government's consultation, addressing the proposals to deliver greater national consistency in SEND support that should be made available, how it should be accessed and funded.

Summarised below are the proposals and consultation questions which touch on the financial issues:

- 3.4 Q. What factors would enable local authorities to successfully commission provision for low-incidence high-cost need, and further education, across local authority boundaries? (Consultation question 3)

Commissioning provision for low-incidence high-cost need varies significantly between local authorities, most in the North West will have some level of specialist services and provision to meet low incidence needs, in terms of education support teams, SEN Units / Resource provision or special school provision. However, this does not always cover the full range and complexity of individual pupil needs and therefore most will make use of out of borough provision either in state-funded schools or through the independent and non-maintained market.

The biggest barrier to this is the variation in health contributions to low incident, high needs placements across different local areas. In Manchester, there is a significant contribution from Health and most placements are jointly funded but this is not the case in neighbouring authorities where it is variable. This variation results in different approaches to commissioning of placements.

Introduction of Specialist Commissioners. Cross border commissioning arrangements such as region-wide partnerships or county-wide partnerships as required, there are currently good examples of this where local arrangements facilitate this such as the Greater Manchester Partnership.

A multi-authority / agency role across several areas and specialisms. This may take the form of a specialist SEND commissioner role with a focus on evaluating needs and demand with a view to mobilising joint service delivery for children with low incidence high-cost needs.

Capital investment and recurrent placement funding in local area High Needs Block so that local areas can work together to build capacity in specialist provisions as demand currently outstrips supply in the North West.

- 3.5 Q. What needs to be in place in order to distribute existing funding more effectively to alternative provision (AP) schools, to ensure they have the financial stability required to deliver our vision for more early intervention and re-integration? (Consultation question 14)

We welcome the government's proposal to establish a clear tiered package of support for mainstream schools which focuses on early intervention and time limited places which support the reintegration of the pupil back into their mainstream school.

To ensure that this process is effective the government has proposed that local partnerships will agree a budget, ideally for a minimum of three years to be spent on targeted mainstream support places, time-limited placements, and transitional

placements as set out in their local inclusion plans. However, learning from previous arrangements with AP in Manchester is that in order to achieve financial stability for AP, there needs to be place funding provided upfront regardless of whether places are used. This meant that many AP were over funded and over staffed for a significant part of the year until all places were full – this model also provides an incentive for schools to take up places as they are prepaid for. This model also created a pressure on high needs funding. Manchester is currently developing a new AP strategy where a framework is being proposed which focuses on early part-time intervention to support with pupils remaining with their mainstream school with a smaller proportion of upfront funding available to secure provision.

However, to ensure that this proposal is effective there needs:

- A clear definition of AP provided by DfE
- Undertake a financial impact assessment to quantify the level of investment required to move to this model of working.
- Indicate a realistic and sustainable placement cost for time limited and transition placements. This will ensure consistency across local areas and prevent future increases in the High Needs Block. The government should also consider whether different funding models should be used for occupied and un-occupied placements.

- 3.6 Q. How can we best develop a national framework for funding bands and tariffs to achieve our objectives and mitigate unintended consequences and risks?
(Consultation question18)

In Manchester we have worked in partnership with our special schools to develop a model of funding based on pupil needs and not definitions of needs. It also includes different levels of moderation to ensure there is not inflation of needs to secure additional funding. We would welcome the opportunity to share this model with the DFE.

In principle a national framework for funding bands and tariffs will establish a more consistent basis for the funding of provision based on need. However, there will be winners and losers both across local authorities and provider groups and may result in high costs in the High Needs Block and less income for some settings/schools. DFE will need to be clear how this will be managed.

To ensure that this works, the national standards must:

- Ensure clear thresholds that are explicit in describing the level of provision for each band / tariff, which will support decision making panels to allocate resources.
- Be coproduced to ensure trust in the system and reduce future opportunities for challenge, this work should be completed with representatives from local authorities, parents and carers forums and settings/schools/colleges.

4. **Recommendations**

Schools Forum Members are asked to comment and note:

- Key headlines on the Education white paper, Opportunity for all: strong schools with

great teachers

- Key financial issues on the SEND review green paper: right support, right place, right time
- School Forum submitting a separate response to SEND Review green paper

Appendix One: White paper Overview

Our Schools white paper vision, ambitions, and strategy to deliver



Vision

A school system that helps every child to fulfil their potential by ensuring that they receive the right support, in the right place at the right time - founded on world-class literacy and numeracy as the cornerstone of an excellent education. Delivering on the government's priorities of building back better after the pandemic and levelling up across the country.



Ambitions by 2030

- Key Stage 2: 90% of pupils meeting the expected standard in maths and reading at Key Stage 2
- Key Stage 4: National GCSE average grade in both English language and in maths increased from 4.5 in 2019 to 5

Our strategy



1. Teachers

Ensure we have excellent teachers in all areas of the country, trained in the very best literacy & numeracy approaches



2. Standards

Support our teachers to deliver high standards for all pupils, with a relentless focus on behaviour & attendance, and access to the best-evidenced resources



3. Targeted support

Deploy targeted support for those who need it most, especially the most vulnerable and disadvantaged children



4. System

Underpinning this, ensure that there is a stronger school system, including fair and adequate core funding and every school belonging to a strong trust with strong leadership and governance

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Outcome of the National Funding Formula Consultation

Report of: Directorate Finance Lead – Schools and Education

Summary

Department for Education (DfE) in July 2021 launched a consultation “Fair school funding for all: completing our reforms to the National Funding Formula.” This sought views on the development of a single national funding formula (NFF) system to direct funds to schools, rather than allowing local authorities the flexibility to use their local funding formula (LFF). Key elements of this consultation were reported to School Forum September 2021. This report provides an update, as published end of March 2022, on the National Funding Formula (NFF) consultation response

Recommendations

School Forum members are asked to note and comment on the DfE response (March 2022) on the NFF consultation “Fair school funding for all: completing our reforms to the National Funding Formula”

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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 Schools Forum - National Funding Formula (NFF) Consultation

15 November 2021 Schools Forum - Schools Consultation Outcome for NFF Transition

17 January 2022 Schools Forum - Dedicated Schools Grant 2022/23

1 Introduction

- 1.1 At the end of March 2022, the Department for Education (DfE) published National Funding Formula (NFF) consultation response to the “Fair school funding for all: completing our reforms to the National Funding Formula” The response confirms the Government’s long-standing ambition that all mainstream schools funding would be allocated based on a single NFF, replacing the current system where local authorities can allocate funding by their local funding formula (LFF).
- 1.2 Currently there is no fixed target date by which the direct NFF will be fully in place, instead there will be a transition moving local authorities LFF progressively closer towards the NFF. The DfE has made it clear that it does not plan to set a "fixed target date by which the direct NFF will be fully in place, this will provide the DfE an opportunity to consider the impact of each step before making the next move.
- 1.3 The consultation, launched in July 2021, sought views on the proposed plans to develop a funding system whereby DfE directly funds schools, proposing plans to move LFF progressively closer to a NFF starting 2023/24. The consultation outlined a plan that would require local authorities to bring each of its LFF factors at least 10% closer to the NFF factor values, 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 aim to move at least 15% to the NFF in 2024/25 and at least 20% in 2025/26. Schools will continue to be protected from cash-term losses in their per-pupil funding by the Minimum Funding Guarantees (MFGs) within local formulae.
- 1.4 Manchester started the transition of the 10% movement toward the NFF factors 2022/23, as reported to School Forum January 2022. This was following discussion with School Forum September 2021 and also a consultation with Manchester schools seeking their views on the proposal to start the transition from the LFF to the NFF in 2022/23

2. Outcome of National Funding Formula (NFF) Consultation

- 2.1 The DfE published the response to the consultation “Fair school funding for all: completing our reforms to the National Funding Formula” which confirms that the DfE will: -
- 2.2 Implement a gradual transition to the direct NFF and require local authorities who do not mirror the NFF, to use all and only the NFF factors. Moving their factor values at least 10% closer to the NFF in 2023/24. Full details and requirements for local authorities will be provided in July 2022 NFF announcement in the schools funding operational guide.

The government will bring forward the relevant legislation to move forward this change. The approach to the transition in subsequent years will depend on the impact in the first year.

- 2.3 Allow the local Minimum Funding Guarantee (MFG) protections to remain in place for 2023/24, which in 2022/23 was required to be between +0.5% and +2.0% per pupil compared to per pupil funding in 2020/21. This will limit the impact of funding changes in the options modelled. Manchester's MFG 2022/23 was set at +2.0%.
- 2.4 Require local authorities to adopt the NFF methodology of English as Additional Language (EAL), EAL3 meaning that all pupils with EAL that have entered the school system during the last 3 years will attract this funding. Removing flexibility for the EAL factor will increase funding towards pupils with EAL and will support the move towards the fully implemented direct NFF. Manchester already use EAL3 indicator in the LFF, along with most other local authorities (2021-22: 146 of 150 local authorities use EAL3)
- 2.5 Continue the separate funding cycles for maintained schools and academies. The consultation considered academic vs financial year, currently maintained schools are funded on a financial year basis and academies on an academic year basis. The DfE questioned as to whether maintained schools funding should be aligned to academies funding cycle.
- 2.6 Review Central school services block (CSSB) funding, local authorities receive this funding for responsibilities for both academies and maintained schools. The CSSB review will consider the ongoing responsibilities element of the CSSB, while continuing with a legacy grant for unavoidable historic committed costs. The DfE are considering whether the ongoing responsibilities element of the CSSB should become part of Local Government Finance Settlement (LGFS)
- 2.7 The second stage of the consultation Implementing the direct NFF, has recently opened, the submission deadline is 9 September 2022. The second part focusses on some more technical aspects of how the direct NFF could be implemented, including:
- Interaction between the direct NFF and funding for high needs (transfers of funding to high needs block and indicative SEN budgets for schools)
 - Funding for schools experiencing significant growth in pupil numbers or falling rolls.
 - How "school-led" elements of the NFF that rely on historic local authority spending decisions will operate under this direct NFF
 - How the minimum funding guarantee (MFG), which protects schools against excessive year-on-year changes in their per-pupil funding, will continue to operate.

3. Conclusion and Recommendations

- 3.1 School Forum members are asked to note and comment on:
- The DfE response (March 2022) on the NFF consultation "Fair school funding for all: completing our reforms to the National Funding Formula"