

Schools Forum

Minutes of the meeting held on Monday, 16 January 2023

Present: Andy Park, Anne Summerfield, Katherine Grayson, Mike Cooke, Edward Vitalis, Cathryn Baggaley, Alan Braven, Joseph Brownridge, Amy Davenport, Amanda Corcoran, Saeeda Ishaq, Tony Daly, Paul Greenwood, Hatim Kapacee, Vandhna Kohli, Cllr Reid.

New Members: Lee Ormsby and Isabelle Qamar

Also Present: Ruby Qaimkhani (MMU observer)

Apologies: Helen Child, John Morgan, Gavin Shortall, Andrew Burton and Antonio de Paola

SF/23/1. Minutes

The minutes of the meeting held on 14 November 2022 were submitted for consideration as a correct record. It was noted that the new potential school milk provider was not a non-profit organisation, as previously thought. This information was circulated to the Forum by the Directorate Finance Lead – Education and Schools following the meeting held on 14 November 2022.

Decision

To agree the minutes of the meeting held on 14 November 2022 as a correct record, subject to the above amendment.

SF/23/2. Consultation outcome - Updates to Scheme for Financing Schools (Excessive balance mechanism)

The Forum considered a report of the Directorate Finance Lead – Education and Schools which sought comment and approval of Maintained School Forum members for the revision of the Scheme for Financing 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.

The proposed two revisions are local changes to ensure the Scheme for Financing Schools reflects current practices and ways of working. The changes include an update to the excessive balance control mechanism (following the review reported to School Forum on 14 November 2022) and the provision of quarterly financial information. A Schools' consultation opened on 5 December 2022, with the deadline for responses 16 December 2022. In total, 21 schools responded which was a response rate of around 19%.

The first question of the consultation looked at Schools quarterly budget monitoring reports to include the updated three-year budget forecast with underlying assumptions on which financial plans are based (Scheme reference: 2.1.1). In total, 20 schools were in favour, with one opposed. Those in favour noted the pertinence in

the current climate to ensure that assumptions are updated, reflected on budgets and reported on. One response requested that the budget assumption form was made more user friendly, something the Council are currently reviewing. The school opposed to this had concerns over the time taken with no real tangible outcome. They felt that nothing is gained from making assumptions for three years in the future as they had been struggling to make assumptions three months into the future.

The second part of the consultations related to allowing the Council to clawback balances above the allowable threshold that had been held for more than 2 years, subject to the appeals process (Scheme reference: 4.2). It was proposed that the change will apply to balances as of 31 March 2024, with the clawback percentage rate remaining at that agreed by Schools Forum. From the 21 responses, 15 were in favour and 6 were opposed. Comments from those in favour and opposed were provided to Schools Forum. Of those opposed, 5 were concerned about how this would affect capital projects. Those schools were provided with information detailing the Council's process on holding maintained school funds in a ring-fenced reserve for capital projects and this information was to be shared via a school circular.

Maintained School Forum members were asked to comment and decide if they approve the revisions to the scheme:

Q1. School's quarterly budget monitoring reports to include the updated three-year budget forecast with underlying assumptions on which financial plans are based on (**Scheme Ref: 2.1.1**).

Q2. The Council to clawback balances above the allowable threshold that have been held for more than 2 years. Subject to appeals process. (**Scheme Ref: 4.2**). Proposed that this change applies to balances as of the 31 March 2024.

There was no forthcoming comments and the Chair proceeded to the vote of maintained school representatives on the proposals. 6 representatives were present and all 6 agreed to the proposals.

Decision

To approve the following:

- School's quarterly budget monitoring reports to include the updated three-year budget forecast with underlying assumptions on which financial plans are based on (**Scheme Ref: 2.1.1**).
- The Council to clawback balances above the allowable threshold that have been held for more than 2 years, subject to the appeals process. (**Scheme Ref: 4.2**). This change applies to balances as of the 31 March 2024.

SF/23/3. Dedicated Schools Grant 2023/24

The Forum considered a report of the Head of Finance – Children's and Schools which covered the dedicated school grant 2023/24 settlement, outlining the allocation across individual school budgets and the Council's retained schools' budget.

Key points to note were as follows:

- DSG had increased by £38m
- Additional schools funding of £22m: Mainstream Schools receive £17m and the High Needs Block £5m.

All School Forum members were asked to provide a view and comment on:

- All Manchester primary and secondary schools should receive a per pupil increase between 0.5% minimum and up to 3.2% on pupil-led funding.
- Manchester did not intend to propose a 0.5% transfer from the school block to the high needs block in 2023/24.
- Special schools banded funding to increase by 6.5%, to incorporate Teacher's Pay Grant and Teachers' Pension Employer Contribution Grant.
- Early year two-year-old base rate increase by 6p, with an increase of 22p for three and four-year olds. This would be passed onto providers by increasing the base rate by 5p per hour and adding a new quality supplement of 17p per hour to reflect the rolling in TPG and TPEGC into the funding formula.
- Central services school block funding has reduced on per pupil basis by 2.5% despite there being an additional burden due to the new admission code, with no reduction in other functions councils are required to provide.
- Additional Schools Funding 2023/24 will be allocated as a separate grant for mainstream schools. Special schools will receive a 3.4% funding increase on top of the average place and top-up rates, following DfE formula.

The Chair invited questions. A member raised a point of accuracy from the report that The Barlow RC High School was not an Academy.

A member questioned if the £8m increase in the High Needs Block was what was expected and what impact that had on the High Needs Recovery Plan. The amount received was slightly higher than was anticipated. In relation to the High Needs Recovery Plan, the total additional funding was £13m for the high needs block. A report was brought to School's Forum in September on the High Needs Recovery Plan. It was noted that the risk was if the gap does not reduce, there could be a significant deficit, up to £33m by 2024/25 without a strategy. The Recovery Plan aimed to drive through changes and reduce that deficit. Due to the extra money received and anticipated outcomes of strategies on the Recovery Plan, there was no proposal for the 0.5% transfer from the school block to the high needs block in 2023/24. The reason for that was that there were a number of strategies to reduce the sharp increase in the number of EHCP's in the City. With having slightly more money than anticipated, it was affordable to allow time for strategies to start to reduce the gap and produce a balanced budget. The 0.5% transfer remains in the recovery plan to be reviewed ready for 2024/25 if strategies do not work as intended.

A Local Ward Councillor queried the reason for pushing back the 0.5% transfer for a year. It was noted that this did not necessarily mean the transfer would happen in the next year. The idea remained on the Recovery Plan to be kept under review. It was not needed for 2023/24 and it was hoped that the strategies in place would begin to have an impact in the time allowed. To not complete the 0.5% transfer leaves more money in schools to assist with the implemented strategies.

On Early Years funding, it was questioned if the 17p included all Early Years Teachers. It was stated that this would include any teacher who was part of Teachers

Pension Scheme, and the consultation would go to all settings who employed staff under the teacher's pay and conditions.

A member sought clarity on what to anticipate in terms of pay increases for teachers and support staff for budget assumptions in the next academic year. It was noted that for support staff the advice was to look at building in around a 4% increase but that this was only a prediction.

Another member sought clarity on when it was expected that schools receive their final statements for 2023/24. It was stated that the final statements should be out before February half-term.

It was requested that a report was provided to Special Schools to explain the funding changes, and this was agreed to.

The Chair thanked Officers for the level of detail contained within the report.

Decision

To note the report.