



Schools Forum

Date: Monday, 14 January 2019

Time: 4.00 pm

Venue: Council Ante Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Council Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

Membership of the Schools Forum

Secondary Sector Headteachers (1) Gillian Houghton

Secondary Sector Governors (1) vacancy

Primary Sector Headteachers (4) Patricia Adams, Mike Cooke, Sarah Navin, Saeeda Ishaq

Primary Sector Governors (4) Brendon Jones, Nicola 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, Micheal Carson

Pupil Referral Unit Representative (1) Helen McAndrew

Nursery School Representative (1) Joanne Fenton

Non-School Members (9) Isobel Booter, 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**

To agree as a correct record the minutes of the last meeting.

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4. **Dedicated Schools Grant 2019/20**

The report 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
Level 3, Town Hall Extension,
Albert Square,
Manchester, M60 2LA

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, 4 January 2019** 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 19 November 2018

Present:

Secondary Sector Headteachers: Gillian Houghton

Secondary Sector Governors: - vacancy

Primary Sector Headteachers: Mike Cooke, Patricia Adams, Sarah Navin

Primary Sector Governors: Brendon Jones, Tony Daly, Nicola Davings, Michael Flanagan

Special School Headteachers: Alan Braven

Special School Governor: - Walid Omara

Academy Representatives: Emma Merva, Michael Carson, Ian Fenn, Andy Park, Joshua Rowe

Pupil Referral Unit Representative: Helen McAndrew

Nursery School Representative:

Non-school members: Councillor Stone, Isobel Booler, John Morgan and Cath Baggaley

PVI Sector Representative:

Council Officers: Amanda Corcoran (Director of Education and Skills), Reena Kohli, (Directorate Financial Lead, Children and Families), Anne Summerfield (Principal Finance Officer – Schools)

Apologies: Joanne Fenton and Antonio De Paolo

SF/18/10 Minutes

Decision

To agree the minutes of the meeting held on 24 September 2018 as a correct.

SF/18/11 Excessive Balances Update

The Forum considered a report of the Head of Finance for Adult Services and Children's Services Directorate which provided a detailed analysis of school's excessive balances which had increased by £2.1m since 2016/17. The report stated that the Local Authority needed to establish if excessive balances have been properly assigned. Where resources could not be proven to have been properly assigned clawback of the Funds would be considered.

It was noted that the Schools Forum has the right to clawback excess balances under the scheme of the Finance for Schools if they are not deemed to be properly assigned.

The report concluded that Manchester's increasing level of school balances does not support the City's case for sufficient funding for additional need following the full implementation of the national funding reforms, scheduled 2020/2021 onwards.

The Forum was informed that as previously reported, the Dedicated School Grant (DSG) finished with a deficit in 2017/18 of £769k and is projecting a £2.9m overspend this year and c.£2m pressure in the high needs block next year.

The Chair invited comments from the Forum.

A member asked for an explanation of the process to determine balances held by schools and this was provided by the Directorate Lead officer.

The Chair stated that clawback had been previously agreed by the Schools Forum. The meeting was informed that the Manchester Diocese were no longer funding capital expenditure requests and would refuse schools with a high capital reserve.

The Chair stated that he was aware of two school that had voluntarily returned their available balance, however there were still a large number of excessive balances maintained by other school. Officers were asked what the Local Authority was doing to address this.

It was reported that the clawback process would provide funding to become available in order to help schools. The Local Authority is not satisfied with the with large balance excess and checks will be made with those maintained schools concerned to ensure that balances are to be spent in accordance with the school spending plan. In response to a question on Academy school balances it was reported that funding was made directly from the Education and Skills Funding Agency and an excessive balance would be addressed through the ESFA. Officers would try to share information on the balances held by academies.

Officers were asked how the clawback on school balances would be calculated. It was reported that a level of clawback will be determined for maintained schools and will take into account a high needs block. The allowable balance is 8% of the budget share for primary and special schools and 5% for secondary schools.

The Chair thanked officers for the work done to identify and address the excessive balances and made the point that balances should not be in the same position next year.

Decisions

1. To note the reported process followed to establish if excessive balances have been properly assigned.
2. To note the outcome of the process.
3. To note that there are on-going discussions with three schools where further information is required to determine if excessive funds are properly assigned.

Maintained School Forum members agreed:

4. That clawback is to be applied where it has been established that the resources are not properly assigned.
5. That the clawback is allocated to off-set the 2017/18 Dedicated Schools Grant deficit.

SF/18/12 Consultation outcomes – Transfer of up to 0.5% from Schools Block to High Needs Block for 2019/20

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided an outline of the responses the Local Authority had received from the consultation. The consultation of schools had been launched on 8 October 2018 to seek views on a proposed transfer of up to 0.5% of the schools block into the high needs block. This proposal had been made as part of a number of strategies and options for reducing the high needs expenditure block.

The Forum was informed that of the 63 responses received from those schools contacted, which represented a third of total number of schools, 23 had replied 'yes' to the proposal, 36 had replied 'no' to the proposal and 3 had replied 'not sure'.

The Forum then discussed the proposal and the Char invited comments. Concern was expressed in view of the limited and stretched resources available that was not sufficient to address existing requirements. The suggestion was made that the proposal to use the clawback funds to off-set the 2017/18 Dedicated Schools Grant (DSG) deficit.

Decisions

Schools Forum (school members only)

1. To note the responses detailed within the report submitted.
2. To not agree the Local Authority proposal to transfer up to 0.5% from the schools to high need block next year.
3. To note that by not agreeing to the up to 0.5% proposal, the Local Authority will re-draft the 2019/2020 DSG recovery plan and will consider whether it seeks representation to the Secretary of State to continue with the proposed transfer. This would give the Local Authority the flexibility pending the DSG settlement expected in December 2018, outcome of the balances review and more is understood about the current level of pressures.

SF/18/13 Central School Services Block

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided a line by line breakdown of what is included in the central school services block (CSSB) for 2019/20. The report also sought approval for the amounts on each line.

The Forum noted that the DfE has introduced the central school services block in the Dedicated School Grant (DSG) 2018-19 which is made up of:

- Ongoing responsibilities, funding formula driven (c.£231m nationally distributed 90% via a per pupil rate and 10% deprivation). During the transition to the new National Funding Formula ongoing responsibilities there is

protection with a maximum reduction of -2.5% in 2019-20 and capping of gainers.

- Historic responsibilities are based on the lagged actual cost of the commitment, and will reduce as commitments cease.

In discussing the report reference was made to paragraph 2.7, in particular, the inability of the Local Authority to transfer the PFI budget to the schools block due to the Temple Primary School solicitor. It was reported that there had been a delay due to a challenge made by the school's appointed solicitor.

It was noted that the Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19.

Decisions

1. That the Schools Forum £5k – associated cost of operating the Schools Forum be confirmed.
2. That the unsupported Borrowing against school capital scheme £358k be confirmed.
3. That the Historic PFI Dedicated School Grant commitments for Temple and Wright Robinson be confirmed.
4. That the intention of the Local Authority to retain the following budgets be confirmed:
 - £1.582m – Budget for Admissions Team;
 - All school responsibilities for LA - £1.335m (which provides funding duties that were previously funded by the Education Service Grant. (The duties detailed in left hand column in Appendix 1 of the report submitted).

SF/18/14 Dedicated Schools Grant 2019/20 Update

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided an update on the 2019/20 Dedicated School Grant (DSG) estimate. The report also requested the Forum to make a number of key decisions from maintained school sector representatives.

The report stated that Dedicated School Funding will still be provided in two stages: first the government provides the grant to a local authority, and then the authority distributes the grant to the local educational establishments in 2018/19 and 2020/21. The Forum was informed that Schools Finance Regulations set out that certain amounts can be deducted from maintained school budgets with the approval of sector representatives at Schools Forum.

In introducing the report, the Forum was informed that a DSG settlement figure was

anticipated by the middle of December 2018. The officer also provided an explanation of paragraph 5.1 “Schools Block de-delegation”.

Decisions

1. To note the following:
 - 2019/20 Dedicated School Grant estimate allocation;
 - The increase of 0.5% on the pupil led element of the Schools Block allocation
 - The reduction in the Growth Fund
 - The Local Authority intention to decide if it intends transfer from school to high need block by 19 January 2019. (By the time of the January meeting of the Forum more will be known about the DSG settlement: level of headroom (if any) outcome of school balances review and current DSG grant pressures.

2. That approval be given, that in accordance with the Forum powers, maintained school, primary and secondary school members, on a phased basis to de-delegation for the following:
 - Trade Union Duties (£254k which at current pupil levels equates to £5.84 per school aged pupil (paragraph 5.3 of the report);
 - Education Services Grant General Duties (£500k which at current pupil levels equates to £11.52 per school aged pupil (paragraph 5.5 of the report); and
 - Free School Meal checking software (£38k which at current pupil number equates to £0.88 per school aged pupil (paragraph 5.7 of the report).

[Ian Fenn declared a personal interest as a representative of the Association of School and College Leaders]

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**Manchester City Council
Report for Information**

Report to: Schools Forum – 14 January 2019

Subject: Dedicated Schools Grant 2019/20

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

Summary

The Dedicated Schools Grant (DSG) is a ringfenced grant. The majority of DSG is used to fund individual school budgets in maintained schools, academies and free schools via the schools block. It also funds early years nursery free entitlement places for two, three and four-year-olds, as well as provision for pupils with high needs, including those with special educational needs and disabilities (SEND) and education health and care plans (EHCP) in special schools and specialist provision in and out of area. The central school services block (CSSB) supports the Local Authority (LA) role in education.

This report provides the confirmed DSG grant allocation announced by the Department for Education on the 16th December 2018 and outlines the budget across individual school budgets (ISB) and local authority retained schools budget (RSB).

Last term the Council consulted schools and the Schools Forum on a transfer of funding from the schools block to the high needs block up to 0.5% (£2m) in 2019/20. Schools and the Schools Forum expressed concerns over reducing core funding to schools at a time when schools have seen a real terms reduction in funding.

As a result of the December settlement including an additional £2.4m of high needs block, over 2018/19 and 2019/20 the Local Authority has decided **not to seek a transfer of up to 0.5% in 2019/20 from the high needs to schools block.**

Recommendations

Schools Forum is requested to comment and note:

- The 2019/20 DSG settlement.
- The LA is now not seeking to transfer up to 0.5% from the schools block to the high needs block as a result of DfE’s confirmation of additional high needs block over 2018/19 and 2019/20 totalling £2.4m.
- The LA plans on setting the MFG rate at 0.5% and cap at 0% in order to ensure all Manchester schools see a 0.5% increase in the pupil element of the budget.
- Notification of the adjustment to funding of the two, three and four year old offer will be received in June 2019 and June 2020.

- The formula funding for 1,410 places in line with DfE guidance around new and growing schools. The growth fund held by the LA will fund a further 955 places in-year in schools that are expanding.
 - Plans to create an additional 100 special and 10 resource school places.
-

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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 DSG funding is provided in two stages: first, the government provides the grant to a local authority, and then the LA determines the grant distribution to the local educational establishments. There is a National Funding Formula (NFF) at LA level, stage one was introduced for the funding period 2018/19 for both high needs and mainstream schools.
- 1.2 The Government has previously stated that it intends to implement the NFF 'hard' formula which means that school allocations will be determined by the Department of Education rather than the LA 2020/21 **onwards**.
- 1.3 This report provides:
- Summary of stage one grant allocation - DSG 2018/19 settlement announced on the 16th December 2018;
 - Outline of stage two - distribution of grant across educational establishments and LA retained budgets.
- 1.4 Last term the Council consulted schools and the Schools Forum on a transfer of funding from the schools block to the high needs block up to 0.5% (£2m) in 2019/20. Schools and the Schools Forum expressed concerns over reducing core funding to schools at a time when schools have seen a real terms reduction in funding. As a result of reduction of 2018/19 projected overspend and additional DSG the LA is no longer seeking to transfer up to 0.5% from the schools to high needs block.

2. STAGE ONE - LOCAL AUTHORITY AREA LEVEL DEDICATED SCHOOLS GRANT 2019/20

Manchester's Dedicated Schools Grant (DSG) 2019/20 Settlement

- 2.1 The 2019/20 DSG notification was received on the 16th December 2018 and totals **£530.06m**.

Table one: Dedicated Schools Grant settlement 2019/20 and 2018/19

BLOCK	Schools	Central School Services	High Needs	Early Years	Total
	£m	£m	£m	£m	£m
2019/20	409.07	3.66	76.50	40.83	530.06
2018/19	398.47	3.99	73.38	42.73	518.57
Difference	10.60	-0.33	3.12	-1.90	11.49

Schools Block - £409.07m

- 2.2 For 2019/20, overall funding to a local authority area has been calculated bottom up school by school on the basis as if the NFF had applied. However, local authorities are still able to use a local ('soft') formula to distribute the aggregated total between each school and academy.
- 2.3 Based this new approach the new guaranteed unit of funding is **£4,568.46** per primary pupil and **£6,083.83** per secondary pupil plus £12.68m funding for growth, mobility and premises allocation across 77,364 children aged 5-16 years.

Table two: Schools Block Allocation

Schools Block	
Guaranteed Unit of Funding	
Primary	£4,578.46
Secondary	£6,083.83
Number on roll – 77,364	
Primary	49,334
Secondary	28,030
	£396,403,501
Funding - growth, premises, mobility	£12,670,000
Total	£ 409,073,501

- 2.4 There has been an increase of 1,713 pupils between 2018/19 and 2019/20.

Table three: Schools Block Funding 2014/15 – 2019/20

Schools Block	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Primary number on roll	41,925	43,993	46,643	48,306	49,076	49,334
Secondary number on roll	19,564	19,829	24,195	25,070	26,575	28,030
Alternative Provision on roll	2	-	-	-	-	0
Minus Resource Provision places	113	129	132	133		0
Total	61,378	63,693	70,706	73,243	75,651	77,364
<u>Guaranteed Unit of Funding (£)</u>	5,088	5,081	5,158	5,281	5,320	
Primary					4,561	4,578
Secondary					6,049	6,084
Non recoupment academy 2015/16 & 2016/17 (£m)		26.52	0.50			
Funding through the growth, premises, mobility – from 2018/19 (£m)					13.885	12,670
Block Total (£m)	312.31	350.13	365.19	386.79	398.47	409,073

- 2.5 The £409.73m will be allocated out to schools in individual budget shares or

held for the growth fund. Schools block allocation has increased by £10.6m 2019/20. Manchester has been allocated **£9.99m** for an additional 1,713 pupils in primary and secondary schools between October 2017 and October 2018. The DfE has also allocated Manchester's primary and secondary schools a 0.5% per pupil led increase in school budgets in 2018/19. Forum is asked to note that the additional **£1.8m** in 2019/20 for primary and secondary may not fully fund the real terms pressures faced by schools given the retail price index is 2.2%. The growth fund allocation changed in 2019/20 from a historical allocation to a new formulaic method based on lagged growth data. Manchester will receive a protected level of funding, this is £1.99m lower than the 2018/19 allocation. Site factors have increased by £0.78m following £0.32m PFI funding factor transfer from central school's service block transfer, as agreed in 2018/19 and £0.46m additional funding for school site costs, summarised in table four.

Table four Schools Block Funding change 2018/19 – 2019/20

	£m
Schools Block 2018/19	398.47
Additional Pupils	9.99
0.5% increase in rate	1.82
Reduction in Growth Fund	-1.99
PFI transfer to Schools Block	0.32
School site funding increase	0.46
Schools Block 2019/20	409.07

Central School Services Block £3.657m

- 2.6 The central school services block (CSSB) supports the LA role in education. It comprises two elements.
- 2.7 Ongoing responsibilities - this is funds previously separately specified by DfE and retained centrally (Admissions, Copyright licenses and Servicing Schools Forum); and funds that were previously known as Retained Duties: Education Services Grant (ESG) which, up to 2017/18, local authorities received and held separately for their on-going responsibilities to maintained schools and academies.
- 2.8 Historic commitments, which were previously known as "Combined Services". These are funded at historical spend, are time-limited and expected to reduce over a period of time.
- 2.9 The per pupil amount for on-going commitments has reduced by 2.5%. Forum is asked to note that the impact of the reduction has been off-set by an increase in Manchester's pupil numbers.

Table five: Central Schools Service Block - £3.657m

Central Schools Service Block	2018/19	2019/20
Historic Commitments (£)	680,000	358,000
On-going responsibilities:		
Unit of Funding (£)	43.74	42.65
October census number on roll	75,651	77,364
Total Ongoing (£)	3,308,975	3,299,575
PFI transfer	(322,000)	
Block Total (£)	3,666,975	3,657,575

High Needs Block - £76.498m

- 2.10 The high needs block funding supports provision for children and young people with SEND from their early years to age 25. It enables both local authorities and providers to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision (AP) for pre-16 pupils who cannot receive education in schools.
- 2.11 This block of funding is for those pupils or students who require provision that would not normally be available in mainstream settings within the delegated resources of a mainstream school. It is also for pupils who would require additional targeted resources in order to meet their needs in a mainstream setting or placement in a specialist setting, such as a SEN resource unit or a special school. See appendix four, place and top-up unit value.
- 2.12 The high needs block funding formula takes a number of weighted factors that combine to create the allocation of the high needs block for each local authority. Before then it was based on historical allocations plus small annual amounts of growth.
- 2.13 The high needs block allocation increased by £1.8m in 2014/15, £0.97m in 2015/16 and £1.6m in both 2016/17 and 2017/18 in recognition of 2 to 19 year old population and expected pupil number increases. At the start of 2018/19 Manchester received an additional £2.46m as a result of the change in the way the grant is allocated. In December 2018 the DfE confirmed that local authorities will receive an additional £250m nationally of high need block funding over 2018/19 and 2019/20. For Manchester this equates to £1.28m in 2018/19 and £1.28m in 2019/20. Following this announcement, the local authority is no longer looking to transfer up to 0.5% of the schools block to the high needs block in 2019/20.
- 2.14 In addition to this it was confirmed that the block will increase by a further £1.92m following application of the existing high needs block formula to local authorities. Table six sets out the high needs block grant allocation 2019/20.

Table six: High Needs Block £76.498m

High Needs Block	Based on:		(£m)
Basic entitlement	£4,032.83 basic entitlement rate	1,585 Number of pupils in special schools	6.39
Formulaic elements	Population, FSM, IDACI, Bad Health and Prior Attainment and Hospital Education		69.29
Import/Export Adjustment			-0.46
Additional High Needs Funding	ONS	116,438	1.28
Total			76.50

- 2.15 The import/export adjustment will be based on January 2019 census data. It is vital that schools with pupils who reside outside of the city make sure the top-up flag is selected if top-up funding is received for them. Otherwise the LA will not receive enough grant to cover the costs.

Early Years Block - £40.83m

- 2.16 The 2019 to 2020 Early Years National Funding Formula (EYNFF) rates for all local authorities were published in November 2018 and the 3 and 4 year old rate for Manchester is unchanged from 2018/19. Final allocations will continue to be based on participation at the January census points and will be finalised in July 2019 and July 2020, an outline of the allocation is provided in table seven below.

Table seven: Early Years Block

Early Years Block	
3 and 4 year old - initial 15 hours for 38 weeks	
Guaranteed Unit of Funding (hourly rate)	£4.87
Number on roll	9,493
	£26,352,858
3 and 4 year old for working parents offer 15 hours for 38 weeks	
Guaranteed Unit of Funding (hourly rate)	£4.87
Est. of eligible children	1,639
	£4,549,700
2 Year Old Offer - 15 hrs for 38 weeks aged 2	
Guaranteed Unit of Funding (hourly rate)	£5.30
Number on roll	2,897

	£8,752,441
Early Years Pupil Premium	£692,000
Disability Assess Fund	£133,000
Maintained nursery school supplementary funding	£347,000
Total	£40,828,000

3. SECOND STAGE – GRANT ALLOCATION ACROSS SCHOOLS, PROVIDERS AND CENTRALLY RETAINED

SCHOOLS BLOCK

- 3.1 The schools block funds individual mainstream schools' budgets. Funding is currently based on a local funding formula. This formula applies to all primary and secondary schools and academies. It applies to schools regardless of whether they remain with the local authority or convert to an academy during the year.
- 3.2 When calculating the school funding formula, local authorities are required to comply with strict national guidelines within the current year's Operational Guidance for Pre-16 Schools Funding on GOV.UK from the ESFA.
- 3.3 **0.5% funding increase** - In order to ensure that Manchester schools see the 0.5% pupil led element increase, a 0.5% increase has been applied to the unit values of the parts of the formula that are pupil driven – base entitlement, ever 6 free school meal eligibility, IDACI, prior attainment, and English as an additional language 3, see appendix one, column 2. The lump sum and mobility have not been uplifted by 0.5% as this has not been funded by the DfE. Rates, premises and exceptional costs have been uplifted in line with the allocations from the DfE. Forum is asked to note that the lump sum to Manchester schools has been funded at £45k above the NFF rate.
- 3.4 Individual school budget shares are the higher of the local funding formula or Minimum Funding Guarantee (MFG). The MFG requires a funding top-up to be paid to schools where the local funding formula results in a reduction in per pupil funding in excess of the maximum determined by the DfE. It compares the final budget from one year to the next and adjusts for changes in the number of pupils. The DfE MFG has set a maximum per pupil reduction of 1.5% or per pupil increase of 0.5%. This protection is designed to ensure a degree of funding stability to schools and the Council does not have permission from DfE to increase the level of MFG protection. In order to ensure the MFG protection and formula is affordable, some schools have had their budget gains capped. Capping may only be applied to the extent that it offsets the cost of the MFG and it must be applied on the same basis to all schools. Capping has been applied at 0%, this ensures that all schools in the city will see a 0.5% increase before adjusting for changes in pupil characteristics and pupil numbers.
- 3.5 **Table eight: Individual School Budgets Minimum Funding Guarantee 0.5%**

	Number of Schools		
	Local Formula	Minimum Funding Guarantee	Capped
Primary	4	107	24
Secondary	1	17	11
All-Through	0	1	1
	5	125	36

- 3.6 Growth Fund – The Education Skills Funding Agency (ESFA) has notified the local authority that one secondary (210 places) is to be open in September 2019, funding pro-rated for Academic Year. The LA intends to budget for the free school and 1,200 places in growing schools through the schools funding formula, this is estimated to cost £4.28m of the £7.39m Growth Fund. The balance of the fund £3.11m will be held for implicit growth, in-year growth and will be retained centrally, which is expected to be at least 495 for primary and 460 for secondary.

CENTRAL SCHOOL SERVICES BLOCK

- 3.7 This block provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies. The block is split into funding for historic commitments and funding for local authority school responsibilities, such as Admissions.

HIGH NEEDS BLOCK

- 3.8 The £3.12m increase in the high needs block funding will mostly but not fully meet the demands from additional special school places, increases in number of education, health and care plans and additional duties around 19-25 year olds.
- 3.9 **Special school and Resources Unit expansion £2.18m increase in budget** – The school population in Manchester has been increasing significantly since 2008. This has led to an increased demand for school places across Manchester including places offering specialist provision. Currently, 1.9% of the school population attend specialist provision either within a special school or resource provision within a mainstream setting. There are 100 special school and 10 resource place expansion planned for 2019/20. The expansion mirrors that of mainstream growth and does not increase the proportion of children attending a special or resource school in Manchester, please see appendix two.
- 3.10 The planned additional specialist places across type in the new academic year are £1.3m for new places added during 2018/19 and part year impact of 100 special school places planned to start in September 2019, at cost of £0.89m.
- 3.11 **Education, Health, Care Plans (EHCP) £1.979m increase in budget** - The school population, the October 2018 census showed that schools in the City

have 13,507 SEND pupils. This was made up of 13.7% (10,612 pupils) who have needs met through SEN support and 3.7% school population with EHCP.

Table nine: SEN Support

	2014	2015	2016	2017	2018/19 As at Oct 18
EHCP/Statement	2,123	2,276	2,339	2,556	2,895
SEN Support	13,590	11,387	10,298	11,078	10,612
All SEN	15,713	13,663	12,637	13,634	13,507

- 3.12 Post-16 with High Needs £321k increase** - The funding source for these students remains a combination of DfE, through funded places at post 16 institutions, and the DSG. For funding purposes, a high needs student is defined as a young person aged 16-18 who requires additional support costing over £6,000; and any young person aged 19-25 subject to an EHCP that requires additional support costing over £6,000. Post 16 pressures mainly relate to the growth in learner numbers, see appendix three, additional responsibilities for high needs post 19 year olds that came into force September 2013, and increased complexity of need. In 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 (year to date) Manchester's post 16 learners totalled 308, 325, 361, 309 post 16 high needs (year to date) respectively.
- 3.13 Out of City Placements £361k increase** - Currently there are 90 pre 16 pupils placed in independent specialist provisions. It is anticipated that demand for out of city school placements will increase in line with the increase in the City's school aged population.
- 3.14 Efficiencies High Needs £0.73m reduction**– In September 2018 the Local Authority provided the Forum with a number of high needs block recovery options. The Local Authority has now realised some of the recovery options and can confirm that it has achieved £0.73m of efficiencies through: a review of Commissioned Services, a detailed line by line review of the high needs central services, and review of resource provision.
- 3.15** Based on 2019/20 high needs grant allocation of £76.498m, growth in overall demand as a result of increase in pupil population and current level of high needs block spend it is estimated there is a potential pressure on the DSG high needs block of £1m in 2019/20. In order to manage the pressure the LA is looking to develop further efficiencies in the high needs block and plans to continue with its review of excessive school balances next financial year.

EARLY YEARS BLOCK

- 3.16** Manchester's funding rate per hour for the both the universal and additional hours provision for 3 and 4 year olds and 2 year offer is unchanged, please see appendix five, for early years funding rates.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 DSG arrangements for 2019/20 are the same as the current year with grant continuing to be allocated in four blocks based on national formulae.
- 4.2 Funding in the school's block will be based on a national formula but Local Authorities (LA's) can continue to fund schools on local formula for 2019/20. All Manchester schools should see a 0.5% per pupil increase in their individual school budget shares.
- 4.3 The high needs block has increase by £3.12m in 2019/20, despite this increase there are continuing pressures on the high needs block which estimated to total £1m next year. The Local Authority is seeking further efficiencies and will look to review excessive school balances in 2019/20.
- 4.4 Central Services funding has reduced on a per pupil basis by 2.5% despite there being no reduction in functions LA's are required to provide.
- 4.5 Final Notification of the adjustment to funding of the two, three and four year old offer will be received in June 2019 and June 2020. The early years block grant allocation has reduced this year due to lower than anticipated take up of the additional 15 hours for 3 and 4 year olds.
- 4.6 This report provides a summary of the DSG settlement for 2019/20 and a breakdown of the schools block (5-16 year olds), with overall indicative individual school budgets and overall early years block, high needs block budgets and central school services block.
- 4.7 Table ten sets out the grant breakdown of DSG blocks. The table provides a summary of the split between individual school budgets (ISB) and those budgets retained centrally by the authority (RSB) across each of the blocks in 2018/19 and 2019/20. Forum made a number of decisions on the amount of DSG to be centrally retained by the Council in 2018/19 for specified purposes at the November 2018 meeting.

Table ten – DSG individual school budgets and retained school budgets

	Schools	Central School Services Block	High Needs	Early Years	Total
	£m	£m	£m	£m	£m
Retained School Budgets	6.57	3.99	21.50	1.79	33.85
Individual School Budgets	391.89	0	51.88	40.94	484.71
DSG 2018/19	398.47	3.99	73.38	42.73	518.57
Retained School Budgets	3.86	3.66	22.93	1.85	32.30

Individual School Budgets	405.21	0	53.57	38.98	497.76
DSG 2019/20	409.07	3.66	76.50	40.83	530.07

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

- The 2019/20 DSG settlement.
- The LA is now not seeking to transfer up to 0.5% from the schools to high needs block as a result of DfE's confirmation of additional high needs block over 2018/19 and 2019/20 totalling £2.4m.
- The LA plans on setting the MFG rate at 0.5% and cap at 0% in order to ensure mainstream schools see a 0.5% increase in the pupil element of their budget.
- Notification of the adjustment to funding of the two, three and four year old offer will be received in June 2019 and June 2020.
- The formula funding for 1,410 places in line with Department for Education guidance around Free and growing schools. The growth fund held by the Local Authority will fund a further 955 places in-year in schools that are expanding.
- Plans to create an additional 100 special and 10 resource school places.

Appendix one

Primary

	LA 18/19	NEW 19/20 LFF	NFF	Diff +/- LA 19/20 & NFF
AWPU Primary (including reception uplift)	£3,135.00	£3,151.28	£2,746.99	-404.29
Free Schools Meals (FSM6)	£495.47	£497.95	£540.00	£42.55
Pupils Claiming FSM			£440.00	£440.00
IDACI Band F - Score 0.2 - 0.25	£297.48	£298.97	£200.00	-£98.97
IDACI Band E - Score 0.25 - 0.3	£354.77	£356.54	£240.00	-£116.54
IDACI Band D - Score 0.3 - 0.35	£384.92	£386.84	£360.00	-£26.84
IDACI Band C - Score 0.35 - 0.4	£437.18	£439.37	£390.00	-£49.37
IDACI Band B - Score 0.4 - 0.5	£490.44	£492.89	£420.00	-£72.89
IDACI Band A - Score 0.5 - 1	£572.85	£575.71	£575.00	-£0.71
Pupils with low prior attainment	£1,314.54	660.56	£1,022.00	£361.44
EAL for first 3 years in a school	£381.90	£383.81	£515.00	£131.19
Mobility: Pupils starting school outside normal entry dates (where above 10% of NOR)	£528.63	£528.63	-	-£528.63
Lump Sum	£155,000.00	£155,000.00	£110,000.00	- £45,000.00
Split Sites	£45,000.00	£45,000.00	-	- £45,000.00

Multiplied by Area
Cost Adjustment

Secondary	18/19 LFF	NEW 19/20 LFF	NFF	Diff +/- LA 19/20 & NFF
Key Stage 3	£4,150.65	£4,171.40	£3,862.65	-£308.75
Key Stage 4	£4,768.73	£4,792.57	£4,385.81	-£406.76
Free Schools Meals (FSM6)	£475.37	£477.75	£785.00	£307.25
Pupils Claiming FSM			£440.00	£440.00
IDACI Band F - Score 0.2 - 0.25	£142.71	£143.42	£290.00	£146.58
IDACI Band E - Score 0.25 - 0.3	£200.10	£201.00	£390.00	£189.00
IDACI Band D - Score 0.3 - 0.35	£236.18	£237.36	£515.00	£277.64
IDACI Band C - Score 0.35 - 0.4	£376.88	£378.76	£560.00	£181.24
IDACI Band B - Score 0.4 - 0.5	£441.20	£443.41	£600.00	£156.59
IDACI Band A - Score 0.5 - 1	£501.50	£504.01	£810.00	£305.99
Pupils with low prior attainment	£2,815.01	£2,829.09	£1,550.00	-£1,279.09
EAL for first 3 years in a school	£2,074.32	£2,084.69	£1,385.00	-£699.69
Mobility: Pupils starting school outside normal entry dates (where above 10% of NOR)	£1,507.50	£1,507.50	-	-£1,507.50
Lump Sum	£155,000.00	£155,000.00	£110,000.00	-£45,000.00

Multiplied by Area
Cost Adjustment

Area cost adjustment - Adjustment to the funding allocation if the school is in an area of higher labour market costs	1.0054	Proportion of year the school is open (financial year or academic year)
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Appendix two Places - Special School Places

	Institution Category	Total Pre-16 Places	Total 16-18 Places	Total 19+ Post School Places	Full Year Expansions	Sept 19 Agreed Expansions	Total High Needs Places
SPECIAL SCHOOLS							
Ashgate	Maintained Special	117	-	-	11	-	117
Bridgelea	PRU	74	-	-	-	-	74
Camberwell Park	Maintained Special	143	-	-	12	-	143
Grange	Maintained Special	156	15	-	-	-	171
Lancasterian School	Maintained Special	122	-	-	14	-	122
Manchester Hospital Schools	Maintained Special	60	10	-	-	-	70
Manchester KS3 & 4 PRU	PRU	448	-	-	-	-	448
Meade Hill	Maintained Special	45	-	-	-	-	45
Melland High	Academy – Special	117	47	-	6	-	164
North Ridge High	Maintained Special	120	44	-	11	-	164
Piper Hill High	Academy – Special	142	33	-	16	-	175
Pioneer House	Academy – Special	75	-	-	22	-	75
Rodney House	Maintained Special School	62	-	-	-	-	62
Southern Cross	Maintained Special	53	-	-	-	-	53
Castlefield Campus	Maintained Special	123	-	-	17	-	123
The Birches	Maintained Special	153	-	-	9	-	153
Anticipated Additional Increases		100				100	100
TOTAL SPECIAL SCHOOLS		2,110	149	-	119	100	2,259

Appendix two Places - Resource Units in Mainstream Schools

	Institution Category	Total Pre-16 Places	Total 16-18 Places	Total 19+ Post School Places	Sept 19 Agreed Expansions
Alma Park	Maintained	10	-	-	10
Barlow Hall Primary	Academy	7	-	-	7
Abraham Moss	Maintained	12	-	-	12
Bowker Vale Primary	Maintained	7	-	-	7
Broad Oak Primary	Maintained	7	-	-	7
Manchester Academy	Academy	12	-	-	12
Newall Green High School	Academy	12	-	-	12
Pike Fold Primary School	Maintained	7	-	-	7
Plymouth Grove Primary	Maintained	-	-	-	-
Rack House Primary School	Maintained	7	-	-	7
St James' CofE Primary School Gorton	Academy	7	-	-	7
St Peter's RC High	Maintained	12	-	-	12
St Willibrord's RC Primary	Maintained	7	-	-	7
Webster Primary School	Academy	8	-	-	8
William Hulme Grammar	Academy	12	-	-	12
Ashbury Meadow Primary		8	-	-	8
TOTAL RESOURCE UNITS IN MAINSTREAM SCHOOLS		135	-	-	135

Appendix three - Post-16 Providers

	Institution Category	Total Pre-16 Places	Total 16-18 Places	Total 19+ Post School Places	Sept 19 Agreed Expansions
Loreto College	Further Education Provider	-	40	20	60
The Manchester College	Further Education Provider	-	113	53	166
Xaverian College	Further Education Provider	-	13	-	13
Manchester Adult Education Services	Further Education Provider	-	-	40	40
TOTAL POST-16 PROVIDERS		-	166	113	279

Appendix four – Place and Top up Values

Category	Need	Details	Average value £
Elements 1 and 2 place funding	Pre and post 16	Funding for all LA commissioned places	10,000
Element 3 top up funding	SEMH	Social, emotional and mental health needs	10,068
	ASD	Autism spectrum disorders	7,718
	MLD	Moderate learning difficulties	1,130
	PD	Physical disabilities	8,062
	PMLD	Profound and multiple learning disabilities	8,776
	SLCN	Speech, language and communication needs	4,827
	SLD	Severe learning difficulties	7,598

Appendix five – Early Years Rates**Early Years Block**

2 Year olds

Current Formula	Applies to	2019/20 (hourly rate) £
Base Rate	All providers	5.19

3 and 4 Year olds

Current Formula	Applies to	2019/20 (hourly rate) £
Base Rate	All providers	4.36
Deprivation supplement*	All	0.00 - 0.45

* Average Deprivation supplement of £0.27p per hour, no change from 2018/19

Deprivation Supplement	
Post code of Child	Hourly Rate (£)
Top 6% most deprived	0.45
7% - 15% most deprived	0.31
16% - 30% most deprived	0.21
31% - 50% most deprived	0.11
51% and above	0

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