



## Schools Forum

Date: Monday, 13 May 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 Ante Chamber**

Public access to the Council Ante Chamber 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

**Primary Sector Headteachers (4)** Patricia Adams, Mike Cooke, Hatim Kapacee, Saeeda Ishaq

**Primary Sector Governors (4)** Nichola Davidge, Tony Daly, Michael Flanagan

**Special School Headteachers (1)** Alan Braven

**Special School Governor (1)** Walid Omara

**Academy Representative (6)** Elizabeth Fritchley, Andy Park, Emma Merva, Ian Fenn, Joshua Rowe, Michael Carson, Edward Vitalis

**Pupil Referral Unit Representative (1)** Helen McAndrew

**Nursery School Representative (1)** Joanne Fenton

**Non-School Members (9)** Isobel Booter, Councillor Stone, Cath Baggaley, John Morgan, Elizabeth Cummings, Antonio de Paola

## Agenda

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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 - 12  
To note as a correct record the minutes of the last meeting
4. **Dedicated Schools Grant and School Balances 2018/19 - Outturn** 13 - 26
5. **Consultation Outcome for the Changes to the Scheme for Financing Schools** 27 - 36
6. **Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review** 37 - 52
7. **Schools Forum Constitution 2019** 53 - 64
8. **Dates of Next Meetings**  
17 June 2019  
15 July 2019

## Information about the Forum

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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

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

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This agenda was issued on **Thursday, 2 May 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA



## Manchester Schools Forum

### Minutes of the meeting held on 18 March 2019

#### Present:

**Secondary Sector Headteachers:** - Gillian Houghton

**Secondary Sector Governors:** - vacancy

**Primary Sector Headteachers:** Mike Cooke, Patricia Adams

**Primary Sector Governors:** Nichola Davidge, Tony Daly

**Special School Headteachers:** Alan Braven

**Special School Governor:** - Walid Omara,

**Academy Representatives:** Elizabeth Fritchley, Emma Merva, Ian Fenn, Andy Park

**Pupil Referral Unit Representative:** - Helen McAndrew,

**Nursery School Representative:** - Joanne Fenton

**Non-school members:** Councillor Stone, Isobel Booler, Cath Baggaley

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

**Apologies:** Saeeda Ishaq Sarah Navin, Michael Flanagan, John Morgan, Hatin Kapacee, Joshua Rowe, Michael Carson

#### **SF/19/03 Election of the Chair and Vice Chair**

The Forum received nominations to appoint Ian Fenn to Chair the Forum for the next twelve months, and for Andy Park to be appointed as Vice Chair for the same period. Both nominations were seconded and the Forum voted by acclamation. The Forum unanimously voted to appoint both nominees.

#### **Decision**

To appoint Ian Fenn as Chair of the Forum for twelve months and to appoint Andy Park as Vice Chair for the same period.

#### **Minutes**

Antonio De Paolo highlighted that he had been incorrectly recorded as absent at the last meeting.

#### **Decision**

To agree the minutes of the meeting held on 14 January 2019 as a correct subject to the amendment above.

#### **SF/19/04 Exclusions- Individual School budget exclusions**

The Forum considered a report of the Directorate Finance Lead – Children and Schools which discussed the intention to change the way the budget allocation for a

school (be that maintained, Academy or Free School) that has permanently excluded a pupil is redetermined in accordance with the Schools Finance (England) Regulations 2018 ('The Regulations'). The proposal to change the mechanism would bring the Authority in line with Department for Education's (DfE) operational guidance, a copy of which was appended to the report.

The changes centred on an intention that, from 2019/20, the calculation for re-determining the excluding school's budget allocation for that particular pupil will be based on the funding that a pupil of the same age and personal circumstances would have received through the Council's Local Funding Formula and Pupil Premium for the applicable financial year. The calculation for re-determining the budget allocation would be based on the individual school's per pupil unit value as opposed to the basic entitlement and the number of weeks left in the financial year. The report also stated that the Regulations clearly stipulated that these arrangements were applicable to Academies and it was asserted that the basis on which the Education Skills and Funding Agency (ESFA) funds an individual Academy would not be taken into account when determining exclusion charges. It went on to say that if an Academy did not restore funding through the exclusion charge, all Dedicated Schools Grant funding to support the education of the excluded pupil in the following financial year would be lost.

The Forum was asked to note that the changes would lead to increased exclusion charges of an average of £4,110 for primary sector pupils and £5736 for secondary sector pupils. The amount that the pupil would have attracted as a result of Pupil Premium would also be deducted, if indicated. Charges would be calculated on a pro rata basis from the point in the academic year that they were permanently excluded.

There was a discussion about the exclusion of pupils from out of area schools and the extent to which other school's followed the same guidance. The Directorate Finance Lead - Children and Schools confirmed that currently deductions were calculated on the basic amount per pupil but, in future, greater clarity would be sought around pupil characteristics. She also said that a benchmarking exercise had revealed that the majority of other North West Education Authorities were deducting more than the basic amount per pupil although it was as yet unclear whether this applied to Manchester pupils who had been given an Out of Area placements.

There was also a discussion around deductions for pupils that had been excluded from an Academy and whether appropriate levels of funding were successfully being deducted. The Directorate Finance Lead - Children and Schools said that, for some earlier established Academies, funding withdrawals pertaining to exclusions sat outside of their funding agreements with the ESFA. However, changes were subsequently made to those funding agreements to enable deductions to be facilitated. She also said that she understood that most, if not all, of Manchester's academies particularly those in the secondary sector were paying their exclusion charges.

The Forum held mixed views on the new methodology, some members felt it felt unfair to deduct funding irrespective of whether the pupil had not been included in the school's census figures, although it was subsequently acknowledged that whilst it was a now a higher average figure in principle it remained broadly in line with existing

practices. A member highlighted that the cost to school that had permanently excluded a pupil was high since it was also subject to an additional one-off charge ('the exclusion levy') by the PRU. This meant that the financial penalty of an exclusion was far greater than the amount of funding that had been allocated for the pupil. However, other members gave their support for the revised practice, acknowledging that the Authority was simply aligning itself with DfE guidance.

Discussions then moved to what happens to the funding once it had been withdrawn. The Directorate Finance Lead - Children and Schools explained that, in Manchester where a child is permanently excluded, they are almost without exception moved to either a primary or secondary Pupil Referral Unit. (PRU). The deduction is then allocated to the HNB where the majority of the allocated fund is then directed to the PRU to support funding for the needs of that child. However, where a pupil is excluded and moves on to another Academy or maintained school, the Regulations stipulate that the money must follow the child. She added that, where a pupil is excluded from a special school and the child moves to another special school, no charge is made. She explained that this was due to funding adjustments being made on a termly basis with regard to pupil numbers in that particular sector, meaning that the process that is in place for special schools sat outside of the arrangements under discussion today.

The Chair then spoke about the prevalence of home education being used as an alternative to permanent exclusion, which he asserted frequently left parents poorly placed to undertake such a significant responsibility for anything more than a short term measure and ultimately leaving the child to seek a new school place. This, he said, placed the responsibility to permanently exclude with another school, as well as placing the associated financial penalty on another school and left some pupils unaccounted for in the education system.

## Decisions

1. To note the intention to reduce an excluding school's budget share by the amount of funding that that is attributable to a pupil with a similar characteristic to the excluded pupil.
2. To also note that schools will be notified of this planned change and will be asked for comments that will be reported to a future meeting of the Schools Forum.

## **SF/19/05 Excessive School Balances Mechanism**

The Forum considered a report of the Directorate Finance Lead - Children's and Schools which set out a proposal to review the existing mechanism to recoup surplus and uncommitted / un-earmarked school balances (with surplus defined as a balance of greater than 8% of the budget share for nursery, primary and special schools, and 5% of the budget share for secondary schools). The decision to review the mechanism had been taken following a reported comparative increase in surplus balances across Manchester's maintained schools of £2.1M over the period 2016/17 and 2017/18. It was highlighted that amongst the schools with the highest level of balances, fourteen were in an excessive balance position for a period of more than

two years and one Manchester school was reportedly in the top ten highest balances for primary schools nationally. A further seven Manchester Primary schools were in the highest (revenue) balances in the North West. It was asserted that Manchester's increasing level of school balances did not support the city's case for sufficient funding for additional need, following the full implementation of National Funding Formula reforms that are scheduled for 2020/21.

The report stated that Manchester's maintained schools projected an overall revenue surplus balance of £16.97m and capital balance of £0.9m at quarter three. It was also reported that many schools predicted a deficit or low balance by year three of the multi-year budgeting requirements. The current offer that is available to maintained schools in terms of support concerning financial issues was described as:

- A 'support and challenge' mechanism
- Regular briefings/updates at head teachers, school business managers & governors conferences.
- Detailed budget guidance documentation going out to schools with their indicative budgets, to support with budget planning.
- Where a school is causing significant concern the Council would arrange for an experienced business manager to help support and resolve issues.
- The provision of a 'Welcome Pack' for Headteachers which includes a schedule of financial tasks of which the Head teacher needs to have oversight.
- There is continuous communication with finance, quality assurance and audit, although formal Assurance meetings
- Continuous improvement of the good working relationship with schools and their budget officers.

In essence the proposed new process for recouping uncommitted excess balances was described as set out below:

"The proposed change to the mechanism is for the Council to clawback of balances above the allowable threshold that have been held for more than 2 years. It is proposed that the change apply to balances as of the 31 March 2019 and is phased 50% for 2018/19 excessive surplus balances (to be reviewed in 2019/20) and 100% for 2019/20 excessive surplus balances (to be reviewed in 2020/21)."

The Forum had been invited to comment on the proposed new mechanism for excessive surplus balance control and provide its views on the proposed consultation across Manchester maintained schools.

The Forum discussed the proposed new mechanism. A member of the Forum commented that there may be an increased likelihood that local authority maintained schools would seek to transfer to academy status to avoid having their excess balances recouped. The Directorate Finance Lead – Children and Schools indicated that there had been a suggestion that a similar mechanism to recoup excess balances existed within the ESFA's powers, although this was not clear. It was also suggested that there was now a requirement that schools seeking to transfer must do so on a multi-academy basis which may complicate the decision to take such action for the sole purpose of avoiding the clawback.



The Forum touched again upon the retention of excess balances weakening the argument about appropriate levels of funding for Manchester's schools to deliver high quality education and extra-curricular activity in view of the continued reduction in school funding over the last nine years. The Executive Member for Schools, Culture and Leisure stressed the importance that all schools, irrespective of their status, should spend the money that given by Government on delivering highest quality education and provision for the city's school population.

The Chair then spoke about the importance of schools having ongoing dialogue with the Local Authority and the significance of the 'support and challenge' offer, where financial management and robust guidance on appropriate sources of funding may be explored. In particular, where a school may, for example, have been inappropriately advised that their funding body would no longer consider capital expenditure requests and instead have been guided to seek revenue funding for that work.

There was acknowledgement amongst the Forum that, mindful of significant concerns about the implementation of the NFF, schools had been exercising caution and had quite naturally, sought to mitigate the impact of those reforms. However, it was also recognised that the retention of larger and more long term surpluses did not support Manchester's case for sufficient funding for additional need. There was therefore broad support for the proposed new clawback methodology and the Forum agreed that the matter should go out for consultation to Manchester's maintained schools, the findings of which would be reported back in due course.

### **Decision**

To note that Local Authority maintained schools will be consulted on the proposed clawback mechanism and that those findings will be reported back to the Forum for consideration.

### **SF/19/06     Scheme for Financing Schools**

The Forum considered a report of the Directorate Finance Lead – Children and Schools that discussed changes to the legal agreement that is the Scheme for Financing Schools for Local Authority maintained schools. The purpose of the Scheme is to set out the financial relationship between a school and the Local Authority and the proposed changes largely related to budget submission requirements for maintained schools alongside some other smaller refreshes (such as job titles, updated website links). However, there were also some directed revisions from the DfE to bring it in line with current guidance, Maintained School Forum members only were asked to endorse the proposed changes.

Subject to the Forum's consent, the proposed changes would go out to consultation across maintained schools with the results reported back to a future meeting of the Forum with a view to endorsement or otherwise of the changes. The changes were outlined as

- changing the requirement for schools to submit a budget with underlying

assumptions by the 30th June and a financial forecast for the following two years.

- making a number of changes to remove obsolete text, align the Scheme with the Department for Education (DfE) outline Scheme and update roles and references to legislation or regulations.
- loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.
- cash advances and not loans will instead be used as a means of ensuring a school has sufficient funds where it has arisen because a school's recurrent costs exceed current income.

The changes were set out in full in an appendix to the report.

A member expressed concern about rationale behind the request for payments for school budget share payments being moved to twelve equal instalments at the start of the month. This, she felt, could lead to financial difficulties for schools who are already managing significantly stretched budgets. The Directorate Finance Lead - Children and Schools said that the Authority needed to manage its own finances and align the way schools are funded with the way the DSG is passed to the Authority. She also confirmed that a number of schools had requested that particular change.

It was emphasised that the consultation findings would be reported back to the Forum in due course.

### **Decision**

1. To agree the proposed changes to the Scheme for Financing Schools and note that it would come into effect immediately.
2. To note that a consultation on changes to the Scheme for Financing Schools (which would also include the excessive school balances mechanism) would be launched shortly and targeted at Headteachers in maintained Manchester schools

### **SF/19/07 Dedicated Schools Grant Budget Monitoring**

The Forum considered a report of the Directorate Finance Lead – Children and Schools that discussed the monitoring position for the centrally held Dedicated Schools Grant (DSG). The forecast year-end position on the centrally retained DSG was reported as a net overspend of £1.3m which would be carried forward to 2019/20 and set against the grant.

It was explained that the current projected overspend related to overspends in the High Needs Block and an Early Years Block income shortfall, though there had been a small underspend in the Schools Block. The main headlines for each of the blocks were described as follows:

- **Early Years block: £2.4m overspend.** This included projections concerning clawbacks for the Two, Three and Four year old offer, the Three and Four year olds entitlement and the Working Parents additional 15 hours adjustment. It was emphasised that exact amounts were not yet confirmed as information on take-up was yet to be finalised.
- **Schools block: £3.0m underspend.** There had been a £2.5m underspend in this budget due to reduced expenditure in the Growth Fund largely attributable to pupil growth now being instead funded through the individual school budgets. There had been a reduced spend on mobile classrooms and in-year expansions were lower than previously anticipated. Additionally, academy recoupment adjustments from the ESFA were also lower than anticipated.
- **High Needs block: £2m overspend.** It had been recognised that there was a need to grow high needs placements both in mainstream and special schools. There had been a growth in the number of pupils with high needs in mainstream schools and additional special school places which as a result of operating at capacity had led to a pressures in 'out of area' placements, Education Health and Care Plans (EHCPs) and post 16 budgets.
- **Central Services block: £100k underspend.** The 2018/19 budget in this area was underspent by £100k in Admissions.

The Forum was invited to comment on the projected overspend.

There was a discussion about the need for additional special needs places. The Directorate Finance Lead – Children and Schools said that proposals were being explored through the use of capital funding and how those funds may be invested to ease future pressures and bring about less reliance on expensive out of area placements. The Head of Inclusion added that options to develop a post-19 offer were under consideration which would also alleviate pressures on the HNB.

A member of the Forum said that it was important to recognise that the DFE had responded in part to the Authority's representations about the need for additional funding in the city, although it was clear that the additional resources that had been allocated were not sufficient to match the need within the city. In response, the Directorate Finance Lead – Children and Schools said that it had been indicated that the HNB will be prioritised in the next Comprehensive Spending Review but how that would manifest remained to be seen.

There was discussion about the growth in the population of high needs pupils in Manchester which was at a rate that is higher than other cohorts in the city – some members were keen to explore the underlying reasons for this. The Head of Inclusion said that there had been a piece of worked commissioned by health partners as part of a strategic review which had concluded that this was due to population growth.

The Forum was asked to note that a report that specifically focussed on high needs block pressures would be submitted to a future meeting of the Forum.

## **Decisions**

1. To note overall the current projection for the DSG retained budget is a forecast overspend of £1.3m. The balance is to be carried forward to 2019/20 and will be set against the grant
2. To note that a report which specifically focusses on pressures within the High Needs block will be submitted to a future meeting of the Forum

### **SF/19/08 Schools Forums Constitution 2019**

The Forum considered a report of the Directorate Finance Lead – Children’s and Schools which presented the Constitution and Procedural Rules of the Forum following a proposal to adjust the membership by removing a secondary school governor representative and replacing that place with an additional academy representative. It was explained that this would better reflect the proportion of children who are educated in maintained schools and academies across the city.

The Forum was invited to comment upon and agree the proposed changes.

A member commented that the figures for the proportionality membership was not accurately reflected in the report. The Chair suggested that the report be resubmitted to a future meeting of the Forum for further consideration. The Forum agreed to this.

## **Decision**

To agree to that the report be resubmitted to the next meeting of the Forum

**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Dedicated Schools Grant and School Balances 2018/19 – Outturn Report

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

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### Summary

The provisional outturn for schools is an overall revenue surplus of **£26.24m**, which is a decrease of **(£1.40m)** in the total Schools Balances (Revenue & Capital) held compared to 2017/18. The final position on the centrally retained element of the Dedicated Schools Grant (DSG) was an overspend of **(£1.71m)**.

This report summarises the:

- Outturn position on school balances as at 31 March 2019
- Final outturn position on the DSG including the centrally retained DSG.

### Recommendations

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

- Maintained school balances as at 2018/19
- The DSG deficit balance carried forward into 2019/20
- Impact from proposed changes to the Excessive Surplus Balance Mechanism in the Scheme for Financing School
- Proposal to use any excessive surplus balance clawback to reduce overspend on the high needs block.

Schools Forum members to approve DSG deficit balance on central expenditure carried forward to 2019/20 of (£1.71m) to be recovered through proposals set out in the following reports to this meeting:

- Agenda item 6: High needs block recovery plan including proposal to begin consultation on transfer of 0.5% from schools block to high needs block.
  - Agenda item 5: Consultation on changes to Local Management of the Scheme for Financing Schools - proposed change to excess surplus balance mechanism to claw back 50% of all excessive surplus balances held for two years or longer.
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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 purpose of this report is to state and explain the provisional position of the Dedicated Schools Grant (DSG) for 2018/19 in respect of schools and the Council. The final position will be confirmed once the audited accounts completed for 31st May 2019. The 2018/19 DSG allocation after academy and high needs recoupment, was **£317.46m**, of which **£298.78m** was delegated to schools and **£18.68m** was retained centrally by the Council.

## 2. PROVISIONAL OUTTURN POSITION FOR SCHOOLS

- 2.1 The provisional outturn position for maintained schools is an overall surplus of **£26.24m**. This is a decrease of **(£1.40m)** in the total balances held compared to 2017/18. The reduced balances includes the in-year clawback of £0.78m from the primary sector. Table one below shows total schools balances by sector. Tables two and three show surplus and deficit balances respectively. Appendix 1 provides individual school revenue and capital balances (excludes capital balances for voluntary aided schools)

Table one: Maintained School Balances by Sector 2018/19:

Sector	2018/19		2017/18		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	216	2	253	0	(37)
Primary	93	20,518	96	22,430	(3)	(1,912)
Secondary	7	2,742	7	2,023	0	719
Special	13	2,762	14	2,937	(1)	(175)
<b>Total</b>	<b>115</b>	<b>26,238</b>	<b>119</b>	<b>27,643</b>	<b>(4)</b>	<b>(1,404)</b>

Table two: Surplus Balances

Sector	2018/19		2017/18		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	216	2	253	0	(37)
Primary	91	20,589	96	22,521	(5)	(1,932)
Secondary	7	2,742	7	2,023	0	719
Special	10	3,333	12	2,974	(2)	359
<b>Total</b>	<b>110</b>	<b>26,880</b>	<b>117</b>	<b>27,771</b>	<b>(7)</b>	<b>(891)</b>

Table three: Deficit Balances

Sector	2018/19		2017/18		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	0	0	0	0	0	0
Primary	2	(71)	1	(91)	1	20
Secondary	0	0	0	0	0	0
Special	3	(571)	1	(38)	2	(534)
<b>Total</b>	<b>5</b>	<b>(642)</b>	<b>2</b>	<b>(129)</b>	<b>3</b>	<b>(514)</b>

- 2.2 Annually, an analysis of reserves review is completed for each school with an

excess surplus balance. This is classified to be a surplus balance above 8% of the budget share for nursery, primary and special schools, and above 5% of the budget share for secondary schools. The following tables provide details of the excess surplus balances for 2018/19 on all schools above the 5% and 8 % threshold. This shows that overall excess surplus balances have reduced by (£1.2m) during 2018/19 to £11.7m at March 2019. This reduction reflects the clawback in 2018/19 of £0.78m from the primary sector. Table five shows the value of the minimum and maximum excess surplus balance for each sector.

Table four: Excess Balances

Sector	2018/19		2017/18		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	88	2	164	0	(76)
Primary	63	9,081	60	10,842	3	(1,761)
Secondary	4	964	3	471	1	493
Special	9	1,573	7	1,438	2	135
<b>Total</b>	<b>78</b>	<b>11,706</b>	<b>72</b>	<b>12,915</b>	<b>6</b>	<b>(1,209)</b>

Table five: Range of individual excess surplus balance 2018/19

Sector	2018/19	
	£000's	£000's
	From	To
Nursery	0	72
Primary	1	1,260
Secondary	88	523
Special	17	623

- 2.7 Under the existing balance control mechanism in the scheme of delegation, maintained schools would be required to analyse the commitments against its excess surplus balances and return this to the Local Authority in early June. However, the mechanism may change for this year based on the outcome of the scheme for financing schools consultation. This proposes a change to the scheme to implement a mechanism to clawback the excess surplus balance above the 5% / 8% threshold that has been held for longer than two years, 50% in 2019/20 and the remainder in 2020/21.
- 2.8 Individual school's excessive balances have been analysed under this proposal to determine the impact of the proposed change if implemented. Table six below shows the number of schools by sector and the potential clawback of 50% as proposed in the consultation. Appendix two provides school level detail for the 48 schools.



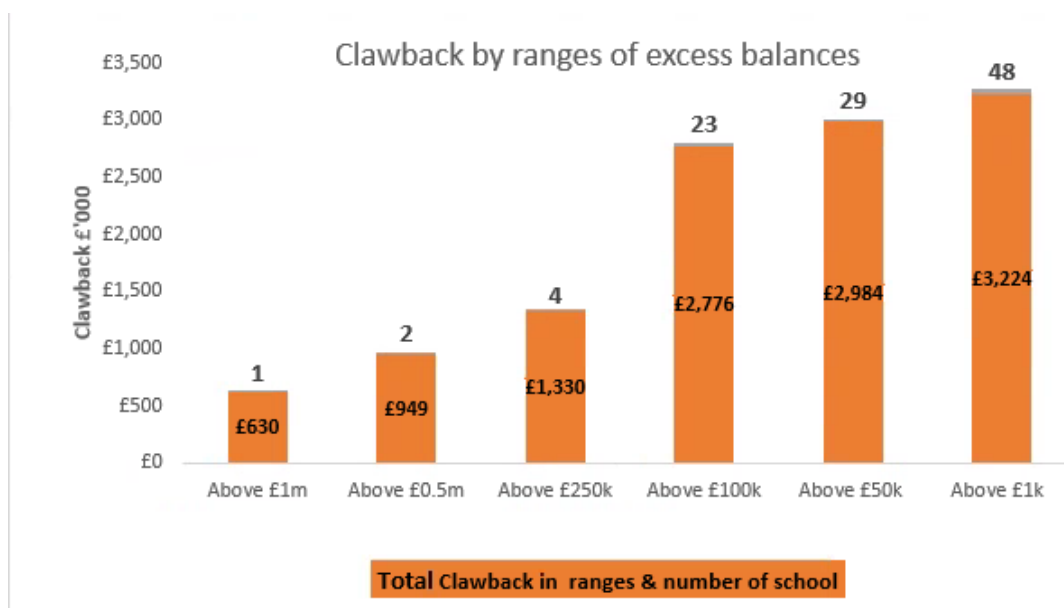
Table six: Clawback of Excess Balances held for more than 2 years

Clawback			Range of clawback	
Sector	No.	£000's	£000's	£000's
Nursery	2	44	7	36
Primary	39	2,658	1	630
Secondary	2	168	84	84
Special	5	354	9	184
<b>Total</b>	<b>48</b>	<b>3,224</b>		

- 2.9 Excess surplus balances maintained for more than two years is expansive, ranging from less than £1k to £1.26m. Table seven and the bar chart below show the potential clawback for 2018/19 at different levels. The top two schools which have held an excess balance above £0.5m for more than two years, attended a 'support and challenge' meeting regarding their high balances last year. For one of the two schools a notice of concern was issued and there was a clawback of £0.5m as agreed with Schools Forum. The other school with an excess balance over £0.5m at 31st March 2018 did not agree to return any funds through claw back in 2018/19 and during the year the surplus balance has increased by £46k.

Table seven: Clawback by ranges of excess balances

Excess surplus balance held more than 2 yrs.	No. schools	Total Clawback 2018/19 (at 50%) £'000's
Above £1m	1	£630
Above £0.5m	2	£949
Above £250k	4	£1,330
Above £100k	23	£2,776
Above £50k	29	£2,984
Above £1k	48	£3,224



### 3. RETAINED SCHOOL BUDGET 2018/19

3.1 The overall retained schools budget DSG position 2018/19 is an overspend of **(£1.71m)**. Table eight below sets out the note to the Council's provisional Annual Accounts in respect of the DSG, which will be reported to the Department for Education (DfE). 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 2018. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Table eight: 2018/19 DSG deployment

Central Expenditure	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2018/19 before academy recoupment			518,055
Academy figure recouped for 2018/19			200,591
Total DSG after academy recoupment for 2018/19			317,464
Plus brought forward from 2017/18			-769 Deficit
Less carry forward to 2019/20 agreed in advance			0
Agreed initial budgeted distribution in 2018/19	18,681	298,783	317,464
In year adjustments	0	-	0
Final budgeted distribution for 2018/19	18,681	298,783	317,464
Less actual central expenditure	20,392		
Less actual ISB deployed to schools		298,783	
Plus local authority contribution for 2018/19	-	-	0
<b>Carry forward to 2019/20</b>	<b>- 1,711</b>	<b>0</b>	<b>- 1,711 Deficit</b>

### 4. RETAINED DSG DEFICIT

- 4.1 High needs block 2018/19 overspend of (£2.72m) and early years block overspend of (£2.19m) has been offset from an underspend in the schools block of £3.15m. Resulting in a DSG overspend (£1.71m) at the end of 2018/19. The growth fund in the schools block in 2019/20 has reduced by £1.90m compared to 2018/19. Therefore it is unlikely that there will be an underspend to offset any overspends in 2019/20. It is proposed that if there is a clawback from schools excessive balances, the initial claim will go towards offsetting the DSG deficit brought forward from 2018/19.
- 4.2 The high needs block report (agenda item 6) includes details of the impact of the continued growth in the population on the high needs block. Key pressures are in Education, Health and Care plan for pupils in mainstream schools and 'out of city' placements.
- 4.3 Early years block funding is based on estimated pupil numbers and an adjustment to funding is made by the DfE to reflect any increases/decreases between January censuses (i.e. January 2018 and January 2019). The early years block budget pressure is due to lower level of take up for the free entitlement to early years places compared to funded levels.

## 5. RECOMMENDATIONS

- 5.1 All Schools Forum members are asked to note and comment on:
- Maintained school balances as at 2018/19
  - The DSG deficit balance carried forward into 2019/20
  - Impact from proposed changes to the Excessive Surplus Balance Mechanism in the Scheme for Financing School
  - Proposal to use any excessive surplus balance clawback to reduce overspend on the high needs block.
- 5.2 Schools Forum members to approve DSG deficit balance on central expenditure carried forward to 2019/20 of (£1.71m) to be recovered through proposals set out in the following reports to this meeting:
- Agenda item 6: High needs block recovery plan including proposal to begin consultation on transfer of 0.5% from schools block to high needs block.
  - Agenda item 5: Consultation on changes to Local Management of the Scheme for Financing Schools - proposed change to excess surplus balance mechanism to claw back 50% of all excessive surplus balances held for two years or longer.

### Appendix 1: Individual School Revenue & Capital Balances March 2019

	Schools Balance as at 31 March 2019			
Name of School	REVENUE Surplus / (Deficit)	CAPITAL Surplus / (Deficit)	TOTAL Surplus / (Deficit)	Excess Balances Yes (Y) or No (N)
	£	£	£	
<b><u>Nursery</u></b>				
Collyhurst Nursery	106,908	26,013	132,921	Y
Martenscroft Nursery	68,785	14,391	83,176	Y
<b>Nursery Total</b>	<b>175,692</b>	<b>40,404</b>	<b>216,096</b>	<b>2</b>
<b><u>Primary</u></b>				
Abbott	95,551	23,276	118,827	Y
Acacias	268,747	(695)	268,052	Y
All Saints (Newton Heath)	48,682		48,682	N
All Saints (Gorton)	101,108	16,927	118,035	Y
Alma Park	338,398	27,253	365,651	Y
Armitage	326,841	20,447	347,288	Y
Ashbury Meadow	477,644	263,831	741,475	Y
Baguley Hall	161,409	32,973	194,382	N
Benchill	241,337	25,235	266,572	Y
Birchfields	601,520	54,916	656,437	Y
Bowker Vale	128,601	17,188	145,789	N
Broad Oak	(53,911)	19,544	(34,366)	<b>Deficit</b>
Button Lane	168,383	25,112	193,495	Y
Cavendish	175,555		175,555	N
Chapel Street	221,055	34,118	255,173	Y
Charlestown	219,084	30,564	249,649	Y
Cheetwood	30,290	3,046	33,336	N
Chorlton	165,874	16,780	182,654	Y
Christ the King	129,280		129,280	N
Claremont	389,010	35,004	424,014	Y
School of The Resurrection	126,976	27,533	154,509	Y
Crab Lane	199,559	27,809	227,368	Y
Crosslee	130,135	18,813	148,948	N
Crowcroft Park	274,576	23,623	298,198	Y
Crumpsall Lane	73,911	17,116	91,027	N
Heald Place	1,216,296	301,182	1,517,478	Y
Higher Openshaw	110,800	13,066	123,865	N
Holy Name	65,529		65,529	N
Holy Trinity	110,635	13,163	123,798	N
Irk Valley	421,714	31,499	453,212	Y
Lily Lane	86,874	2,556	89,431	N

	Schools Balance as at 31 March 2019			
Name of School	REVENUE Surplus / (Deficit)	CAPITAL Surplus / (Deficit)	TOTAL Surplus / (Deficit)	Excess Balances Yes (Y) or No (N)
	£	£	£	
Manley Park	175,302	28,833	204,135	Y
Mauldeth Road	312,151	57,865	370,015	Y
Medlock	427,196	16,318	443,514	Y
Moston Fields	(55,266)	18,551	(36,715)	Deficit
Moston Lane	318,408	15,973	334,381	Y
Mount Carmel	54,913		54,913	N
New Moston	245,782	20,636	266,418	Y
Northenden	100,715	27,102	127,816	Y
Oswald Road	304,272	35,395	339,667	Y
Our Lady's	165,044		165,044	Y
Park View	315,150	27,838	342,987	Y
Peel Hall	170,305	19,170	189,475	Y
Pike Fold	808,615	83,726	892,341	Y
Plymouth Grove	187,184	6,190	193,375	Y
Rack House	156,067	15,179	171,245	Y
Ravensbury	257,386	61,519	318,904	Y
Ringway	11,669	23,378	35,046	N
Sacred Heart (Baguley)	170,262		170,262	Y
Sacred Heart (Gorton)	71,417		71,417	N
Sandilands	189,879	17,455	207,334	Y
Saviour	264,939		264,939	Y
St Agnes	240,202	39,418	279,620	Y
St Aidan's Catholic	185,120		185,120	Y
St Ambrose	253,171		253,171	Y
St Andrew's	38,828		38,828	N
St Anne's (Ancoats)	108,671		108,671	Y
St Anne's (Crumpsall)	213,802		213,802	Y
St Augustine's	206,932	31,184	238,116	Y
St Bernard's	92,697		92,697	N
St Brigid's	86,361		86,361	N
St Catherine's	98,041		98,041	N
St Chad's	150,456		150,456	Y
St Chrysostom's	316,132	26,279	342,411	Y
St Clare's	254,578		254,578	Y
St Clement's	181,593	25,304	206,897	Y
St Cuthbert's	249,281		249,281	Y
St Dunstan's	189,691		189,691	Y
St Edmund's	312,603		312,603	Y
St Francis	83,473		83,473	N
St James (Rusholme)	66,562		66,562	N

	Schools Balance as at 31 March 2019			
Name of School	REVENUE Surplus / (Deficit)	CAPITAL Surplus / (Deficit)	TOTAL Surplus / (Deficit)	Excess Balances Yes (Y) or No (N)
	£	£	£	
St John Bosco	148,139	19,586	167,724	Y
St John's (Longsight)	278,873	18,764	297,637	Y
St John's (Chorlton)	223,931		223,931	Y
St Joseph's	89,338	3,045	92,384	Y
St Kentigern's	69,927	17,752	87,679	N
St Luke's	117,168	16,909	134,077	N
St Malachy's	109,096		109,096	Y
St Margaret Mary's	329,055		329,055	Y
St Margaret's	70,037	36,627	106,665	N
St Mary's (Moss Side)	327,374	13,595	340,969	Y
St Mary's (Moston)	23,199		23,199	N
St Mary's (Levenshulme)	121,819	6,289	128,109	N
St Patrick's	202,276		202,276	Y
St Paul's	120,313	34,929	155,242	Y
St Peter's Catholic	84,203		84,203	N
St Philip's	86,978		86,978	Y
St Richard's	216,607	7,795	224,402	Y
St Wilfrid's (Newton Heath)	76,072	30,512	106,584	Y
St Wilfrid's (Hulme)	130,077		130,077	Y
St Willibrord's	126,614		126,614	Y
The Divine Mercy	94,970	14,011	108,981	N
Varna Street	483,690	18,560	502,250	Y
<b>Total</b>	<b>18,560,802</b>	<b>1,957,564</b>	<b>20,518,366</b>	<b>63</b>
<b>Secondary</b>				N
Abraham Moss High	186,333	74,596	260,929	N
Loreto High	417,587		417,587	Y
Our Lady's High	359,449		359,449	Y
St Matthew's High	(44,036)	102,681	58,645	N
St Peter's High	137,700		137,700	N
The Barlow High	384,709	44,720	429,429	Y
Wright Robinson	962,621	115,421	1,078,043	Y
<b>Secondary Total</b>	<b>2,404,364</b>	<b>337,418</b>	<b>2,741,782</b>	<b>4</b>

	Schools Balance as at 31 March 2019			
Name of School	REVENUE Surplus / (Deficit)	CAPITAL Surplus / (Deficit)	TOTAL Surplus / (Deficit)	Excess Balances Yes (Y) or No (N)
	£	£	£	
<b>Special</b>				
Ashgate	252,609	31,127	283,736	Y
Camberwell Park	244,294	77,879	322,173	Y
Grange	669,989	14,736	684,724	Y
Lancastrian	(54,321)	25,409	(28,912)	Deficit
Manchester Hospital	820,588	11,597	832,185	Y
Meade Hill	88,072	5,762	93,834	Y
North Ridge High	394,892	43,118	438,010	Y
Rodney House	150,312	5,740	156,052	Y
Southern Cross	91,588	11,831	103,418	Y
The Birches	253,049	32,558	285,607	Y
The Federation	122,163	11,523	133,685	N
PRU KS1 & 2	(18,794)	5,760	(13,034)	Deficit
PRU KS3 & 4	(624,936)	95,468	(529,468)	Deficit
<b>Special Total</b>	<b>2,389,505</b>	<b>372,507</b>	<b>2,762,012</b>	<b>9</b>
<b>Total All Schools</b>	<b>23,530,363</b>	<b>2,707,893</b>	<b>26,238,256</b>	<b>78</b>

## Appendix 2: EXCESS BALANCES HELD FOR MORE THAN 2 YEARS

Name of School	Excess Balance held for more than 2 years	50% Clawback under proposed Mechanism
	£	£
<b><u>Nursery</u></b>		
Collyhurst Nursery	72,544	36,272
Martenscroft Nursery	15,046	7,523
	<b>87,590</b>	<b>43,795</b>
<b><u>Primary</u></b>		
Heald Place	1,260,319	630,160
Pike Fold	637,671	318,836
Ashbury Meadow	394,785	197,393
St Edmund's	220,752	110,376
St Margaret Mary's	209,877	104,939
Mauldeth Road	209,120	104,560
Varna Street	208,649	104,324
Birchfields	189,403	94,702
Park View	180,194	90,097
Claremont	164,978	82,489
Crowcroft Park	154,975	77,488
Irk Valley	138,296	69,148
St Augustine's	127,434	63,717
St Agnes	112,470	56,235
Saviour	108,183	54,092
Armitage	105,020	52,510
Acacias	103,105	51,553
St Aidan's Catholic	93,074	46,537
Sacred Heart (Baguley)	82,676	41,338
Crab Lane	61,795	30,897
St Anne's (Crumpsall)	55,034	27,517
St Clement's	51,529	25,765
St Chrysostom's	48,947	24,474
Ravensbury	48,807	24,403
St Wilfrid's (Hulme)	47,207	23,603
Northenden	40,213	20,106
St Paul's	35,356	17,678
Chorlton	35,290	17,645
St Ambrose	35,035	17,518
St John Bosco	30,660	15,330
New Moston	30,059	15,030
School of The Resurrection	24,961	12,481
St Willibrord's	23,187	11,594



Name of School	Excess Balance held for more than 2 years	50% Clawback under proposed Mechanism
	£	£
St Anne's (Ancoats)	20,260	10,130
St Dunstan's	11,310	5,655
St Clare's	10,188	5,094
St Patrick's	3,985	1,993
St Joseph's	1,286	643
All Saints (Gorton)	205	103
	<b>5,316,297</b>	<b>2,658,149</b>
<b><u>Secondary</u></b>		
The Barlow RC High	168,847	84,424
Loreto High	167,618	83,809
	<b>336,466</b>	<b>168,233</b>
<b><u>Special</u></b>		
Manchester Hospital	367,421	183,711
North Ridge High	117,923	58,962
Ashgate Primary	101,755	50,877
Southern Cross	17,546	8,773
Camberwell Park	103,620	51,810
	<b>708,265</b>	<b>354,133</b>
<b>TOTAL</b>	<b>6,448,618</b>	<b>3,224,309</b>

<b><u>Academies -Conversion May 2019</u></b>		
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<b>Note: proposed changes in Scheme for Financing Schools not approved prior to conversion</b>		
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Grange	404,494	N/A
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**Manchester City Council  
Report for Resolution**

**Report to:** **Schools Forum**

**Subject:** **Consultation outcome for the changes to the Scheme for Financing Schools**

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

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**Summary**

The Scheme for Financing Schools sets out the financial relationship between the Council and the schools it maintains. Any changes to the Scheme need to be agreed by members of the Schools Forum representing maintained schools.

The Scheme sets out the principles underlying the funding of schools, and the basis for the financial relationship between maintained schools in Manchester and the Council. The proposed revisions reflect statutory changes and changes to the Department for Education (DfE) guidance on schemes for financing schools effective from April 2019. The revisions also include changes to ensure the Scheme reflects current practices and desired ways of working.

On the 18<sup>th</sup> March 2019, a report was provided to the Schools Forum which detailed both directed and proposed changes to the Scheme for Financing Schools following an officer’s review of the current Scheme compared to the model Scheme provided by the DfE.

A consultation was launched following the report to the Schools Forum, the deadline for responses was the 9<sup>th</sup> May 2019. This report is an update on the Item Number 5 report previously sent out, and now includes all 73 responses received by the Council by close of the deadline.

Schools Forum (maintained school members only) have the power to approve the changes to the Scheme for Financing Schools, directed revisions by the DfE have to be adopted by Council and schools.

**Recommendations**

Schools Forum (maintained school members only) have the power to approve the changes to the Scheme for Financing Schools, directed revisions by the DfE have to be adopted by Council and schools.

Q1. Require schools to submit multi-year budget plans and underlying assumptions on which financial plans were based.

**Scheme Ref: 2.3**

Q2. Further detail and clarification required in schools’ register of business interests.

**Scheme Ref: 2.9**

- Q3. Application of contracts to schools outlining that governing bodies are empowered to enter into contracts, but in most cases do so on behalf of the Local Authority.

**Scheme Ref: 2.10.1**

- Q4. Budget share payments should be made in 12 equal instalments throughout the year.

**Scheme Ref: 3.2**

- Q5. Update to clarify Salix Loans are now permissible.

**Scheme Ref: 3.6**

- Q6. The Council to clawback balances above the allowable threshold that have been held for more than 2 years.

**Scheme Ref: 4.2**

- Q7. Cash advances and not loans will be used as a means of ensuring a school has sufficient funds. Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

**Scheme Ref: 4.9 – this is a DfE directed revision.**

- Q8. Schools will have a month to consider the terms of Service Level Agreements (SLAs). SLAs starting on or after the inception of the scheme will be reviewed at least every three years.

**Scheme Ref: 8.3**

- Q9. The costs of individual school staff attending child protection case conferences and other related activity will be met from the school's individual budget.

**Scheme Ref: 11.10**

- Q10. Responsibility of repairs and maintenance lies with schools via use of delegated budget shares. Capital expenditure is to be retained by authorities.

**Scheme Ref: 13.1**

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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 Following the report to the Schools Forum on 19<sup>th</sup> March 2019 detailing both directed and proposed changes to the Scheme for Financing Schools, a consultation was launched. This concluded on 9<sup>th</sup> May 2019, and the results of the consultation have been collated in this report for consideration by the Schools Forum.
- 1.2 This report is an update to the Item Number 5 report sent out ahead of the Schools Forum, and now includes all 73 responses received by the Council by close of the deadline.

## 2. CONSULTATION RESPONSES

- 2.1 73 schools formally responded to the consultation by 9<sup>th</sup> May. The list below outlines the questions asked during the consultation and the answers provided.

### **Q1. Require schools to submit multi-year budget plans and underlying assumptions on which financial plans were based.** **Scheme Ref: 2.3**

A1. Responses: 57  
In favour: 43  
Opposed: 8  
Query: 6

From the schools in favour, there were requests for flexible submission dates, and a request for the Council to assist schools with their submissions by providing a set of consistent assumptions on funding formula and grants estimates, as well as inflation factors, for multi-year periods.

It was mentioned that while this proposal would be a useful tool for forward planning in budget preparations, the submitted forecasts – especially where there are deficits – should be taken into account when calculating clawbacks on excessive balances, as per proposal 4.2.

Of the schools in opposition, a few expressed concerns that it would be difficult to submit multi-year budget plans as “schools cannot necessarily make assumptions about several years”, often due to unknown external factors, while others stated multi-year plans could only be submitted for on-going costs such as staffing. Increased strain on school time and resources was also cited as a reason for disagreement.

Clarification was requested on what “multi-year” means (2, 3, or 5 years); when the budget plan submissions would be required and what they should include; and how these submissions would benefit schools.

**Q2. Further detail and clarification required in schools' register of business interests. Scheme Ref: 2.9**

A2. Responses: 51  
 In favour: 51  
 Opposed: 0  
 Query: 0

Unanimous agreement that this would provide better transparency and demonstrate good practice.

**Q3. Application of contracts to schools outlining that governing bodies are empowered to enter into contracts, but in most cases do so on behalf of the Council. Scheme Ref: 2.10.1**

A3. Responses: 49  
 In favour: 42  
 Opposed: 1  
 Query: 6

Clarification was requested on the Local Authority's powers as counter-signatory, whether this includes decision-making powers, and at which point of the process the Local Authority would need to be consulted. The impact on specifically VA and VC schools was also queried.

It was requested that the monetary 'value' of a contract warranting consultation be stipulated.

**Q4. Budget share payments should be made in 12 equal instalments throughout the year. Scheme Ref: 3.2**

A4. Responses: 51  
 In favour: 27  
 Opposed: 19  
 Query: 5

Schools in favour find this will make monitoring cash flows easier. Schools in opposition are mainly concerned about the sustainability of financing SLAs beginning at the start of the financial year without the April uplift.

One school opposing the proposal recommended the uplift be expanded to include May.

**Q5. Update to clarify Salix Loans are now permissible. Scheme Ref: 3.6**

A5. Responses: 51  
 In favour: 46  
 Opposed: 1  
 Query: 4

Schools requested guidance on Salix loans; what they are and what they can be used for.

**Q6. The Council to clawback balances above the allowable threshold that have been held for more than 2 years. Scheme Ref: 4.2**

A6. Responses: 66  
 In favour: 10  
 Opposed: 50  
 Query: 6

Schools in favour stated two years was a sufficient time for schools to commit balances where required. One of the schools voted in favour of the new mechanism **provided** schools are allowed to build reserves for more than 2 years if planning a large project.

Schools in opposition of the excessive balances clawback cited the following reasons:

- Places ongoing projects spanning multiple financial periods at risk of being unable to meet financial commitments to suppliers.
- Clawback should only be administered if excess balances cannot be explained or accounted for.
- Concerns that VA schools should not be penalised for holding independent capital balances by basing the allowable threshold calculation on revenue AND capital balances.
- Schools would be forced to “make cuts”, especially where surplus balances are being used to employ additional staff or to fund “ghost pupils”. A contrary opinion was that schools would become less prudent in spending decisions, if at risk of clawbacks.
- Schools would lose contingency balances and/or be unable to fund essential capital / maintenance works, especially those that have been committed, but remain in-progress.
- Schools should have the right to spend surplus balances to fund increasing revenue costs.
- The clawback mechanism does not take into account grants such as Pupil Premium and the PE & Sports grant, which are spent over the academic year. It was proposed such grants be excluded from the calculation.
- Income generated by the school itself should be excluded from the calculation.
- Funding received near the end of the previous financial year (e.g. DFC) should be excluded from the clawback calculation.
- Contradicts the proposal to submit multi-year budgets.

Feedback from responding schools included:

- A de-minimis threshold to be applied to the clawback. This would avoid penalising small schools with minor surplus balances.



- The clawback mechanism to come into place in 2019/20, as applying it to 2018/19 balances would mean “backdating” the change, and would cause strain on pre-set 2019/20 budgets.
- Instead of clawing back, “encourage schools to spend” the money.
- Review of the allowable thresholds levels (currently 5% and 8%).
- The Scheme should outline explicit details of the clawback criteria, including what balances are used for the calculation, and how and when the clawback will be administered.
- Clarification on how the clawed-back balances would be utilised by the Local Authority, and if these would be redistributed to schools.
- The clawback should be considered on a case-by-case basis.
- It was suggested that Federation schools be viewed as one organisation.
- It was suggested that Maintained Nursery Schools be exempt from a clawback in 2018/19 in light of uncertain early years block funding in future years.

**Q7. Cash advances and not loans will be used as a means of ensuring a school has sufficient funds. Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.**

**Scheme Ref: 4.9**

A7. Responses: 50  
In favour: 38  
Opposed: 6  
Query: 6

One school expressed concerns that if proposals 3.2 and 4.2 were to be implemented, more schools would require loans. Another school cited this should be considered on a case-by-case basis.

Further clarification was sought on the repayment terms and accounting treatment of cash advances.

**Q8. Schools will have a month to consider the terms of Service Level Agreements (SLAs). SLAs starting on or after the inception of the scheme will be reviewed at least every three years.**

**Scheme Ref: 8.3**

A8. Responses: 52  
In favour: 37  
Opposed: 6  
Query: 9

It was suggested that the Council distribute a list of approved service providers

to assist schools in completing “best value” exercises.

Clarification was sought as to whether this proposal would apply to Council purchases e.g. risk insurance and school meals.

One school requested consideration of SLA costs being split evenly across the year to assist cash flows. It was also requested that costing details be shared with schools in advance of budget meetings with governors.

**Q9. The costs of individual school staff attending child protection case conferences and other related activity will be met from the school’s individual budget. Scheme Ref: 11.10**

Schools Forum is asked to note a correction: this proposal refers to 11.10 of the scheme, not 11.1.

A9. Responses: 52  
In favour: 30  
Opposed: 11  
Query: 11

Several schools in favour stated this was already the assigned protocol at their school.

One of the schools in opposition stated this funding should be met from the child’s Council as otherwise schools with several vulnerable pupils could be at risk. Concerns were also expressed that this will burden schools in challenging areas where child protection conferences are attended more frequently.

Clarification was sought on the definition of “other related activity”.

**Q10. Responsibility of repairs and maintenance lies with schools via use of delegated budget shares. Capital expenditure is to be retained by Councils. Scheme Ref: 13.1**

Schools Forum is asked to note this has not changed from the previous Scheme. This part of the scheme clarifies the current position in line with DfE guidance. Devolved Formula Capital remains under individual schools’ control.

A10. Responses: 49  
In favour: 25  
Opposed: 9  
Query: 15

Schools stated that repairs and maintenance monies for historic buildings and/or emergency works can often not be met from the budget share, and schools should be able to seek additional funding for such works.

Clarification was sought regarding what “capital” entails.

### 3. CONCLUSION AND RECOMMENDATIONS

3.1 Schools Forum (maintained school members only) have the power to approve the changes to the Scheme for Financing Schools, directed revisions by the DfE have to be adopted by Council and schools.

3.2 Maintained Schools Forum members are asked to comment and decide if they approve the revisions to the scheme, namely:

Q1. Require schools to submit multi-year budget plans and underlying assumptions on which financial plans were based.

**Scheme Ref: 2.3**

Q2. Further detail and clarification required in schools' register of business interests.

**Scheme Ref: 2.9**

Q3. Application of contracts to schools outlining that governing bodies are empowered to enter into contracts, but in most cases do so on behalf of the Local Authority.

**Scheme Ref: 2.10.1**

Q4. Budget share payments should be made in 12 equal instalments throughout the year.

**Scheme Ref: 3.2**

Q5. Update to clarify Salix Loans are now permissible.

**Scheme Ref: 3.6**

Q6. The Council to clawback balances above the allowable threshold that have been held for more than 2 years.

**Scheme Ref: 4.2**

Q7. Cash advances and not loans will be used as a means of ensuring a school has sufficient funds. Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

**Scheme Ref: 4.9 – this is a DfE directed revision.**

Q8. Schools will have a month to consider the terms of Service Level Agreements (SLAs). SLAs starting on or after the inception of the scheme will be reviewed at least every three years.

**Scheme Ref: 8.3**

Q9. The costs of individual school staff attending child protection case conferences and other related activity will be met from the school's individual budget.

**Scheme Ref: 11.10**

Q10. Responsibility of repairs and maintenance lies with schools via use of delegated budget shares. Capital expenditure is to be retained by authorities.

**Scheme Ref: 13.1**

**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review

**Report of:** Amanda Corcoran – Director of Education  
Reena Vandhna Kohli – Directorate Finance Lead Children Services

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**Summary**

This report provides Forum with financial implications of current and future pressures within the high needs block. Information on the numbers of children in the city with Special Educational Needs and Disabilities (SEND) compared to national data, spend on SEND provision and outlines the specialist school increases made and planned.

**Recommendations**

Due to ongoing pressures in the high needs block there is a need to review some of the specialist services and provision to meet need whilst achieving maximum value for money from the high needs block. This is to continue to improve outcomes for children and young people with SEND and ensure there are sufficient specialist places and provision in the City

All Forum members are asked to note and comment on:

- Pressures on the high needs block in the current financial year and 2019/20 onwards.
- High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

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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 Specialist education provision for children and young people up to 25 years old with Special Education Needs and Disabilities (SEND) is met through the high needs block budget of the Dedicated Schools Grant (DSG), which is £76.50m in 2019/20. This includes the additional non-recurrent funding announced by Education Skills Funding Agency (ESFA) in December 2018 of £1.28m for 2019/20, with similar amount provided for 2018/19. The high needs block includes the funding for special school places and independent specialist placements, special services such as the Sensory Service, resourced provision in mainstream schools and top up funding for mainstream schools and colleges linked to statements/Education, Health and Care Plans (EHCPs).
- 1.2 This report will provide an update on the numbers of pupils with SEND, how this compares with national data and the impact on the high needs block which is used to fund provision for pupils with SEND. The paper will also outline increases to the number of specialist places across the city from the new academic year in response to the continued growth of the school population.
- 1.3 All Forum members are asked to note and comment on:
- Pressures on the high needs block in current financial year and 2019/20 onwards.
  - High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

## 2. OVERALL SEND POPULATION

- 2.1 Within the school population, the October 2018 census showed that 15.6% of Manchester's school population have SEND (13,507 pupils). This was made up of 12.2% (10,612 pupils) who have needs met through SEND support and 3.4% school EHCP (2,895 pupils), please see table one below.

Table one: Number of pupils with SEND in Manchester schools (Oct 2018 census)

	2015	2016	2017	2018
EHCP/Statement	2,276	2,339	2,556	2,895
SEND Support	11,387	10,298	11,078	10,612
<b>All SEND</b>	<b>13,663</b>	<b>12,637</b>	<b>13,634</b>	<b>13,507</b>

- 2.2 **SEND Support** is the category schools and other settings use to identify and meet the needs of children with **SEND**. Schools and settings are required to meet the needs of this cohort by providing a 'graduated response' using their own resources. The reduction at SEND support level from 2015 to 2016 is in line with national trends following the Children and Families Act 2014. From

2017 to 2018 the census showed that the number of pupils who have their needs met through SEND support decreased whilst nationally it increased. However, with the percentage of pupils at SEND support level in Manchester still higher than the national (11.7%).

- 2.3 The numbers of pupils in Manchester schools with high levels of need which require an EHCP have increased to 3.4%. Nationally, the actual numbers of pupils with an EHCP have increased to give an overall percentage of 2.9% of the whole school population.

### **3. EDUCATION, HEALTH AND CARE PLANS (EHCPs)**

- 3.1 EHCPs for children and young people aged up to 25 were introduced on 1 September 2014 as part of the Special Educational Needs and Disability provisions in the Children and Families Act 2014. From 1 September 2014, any children or young people who were newly referred to a local authority for assessment were considered under the new EHCP assessment process.

- 3.2 Transferring children and young people with statements and young people receiving support as a result of a Learning Difficulty Assessments (LDAs) to EHCPs has been phased. Transfers from LDAs for post 16 students to EHCPs were completed by December 2016 and the process of transferring statements to EHCPs was completed by April 2018.

- 3.3 The total number of EHCPs for 0 to 25 years maintained by Manchester in 2018 was 4,099 which is a 61% increase since the end of 2015. In Manchester schools, there are a total of 2,895 EHCPs which is a 23% increase over three years. The Council is receiving more requests for EHCPs for young people aged 20 to 25

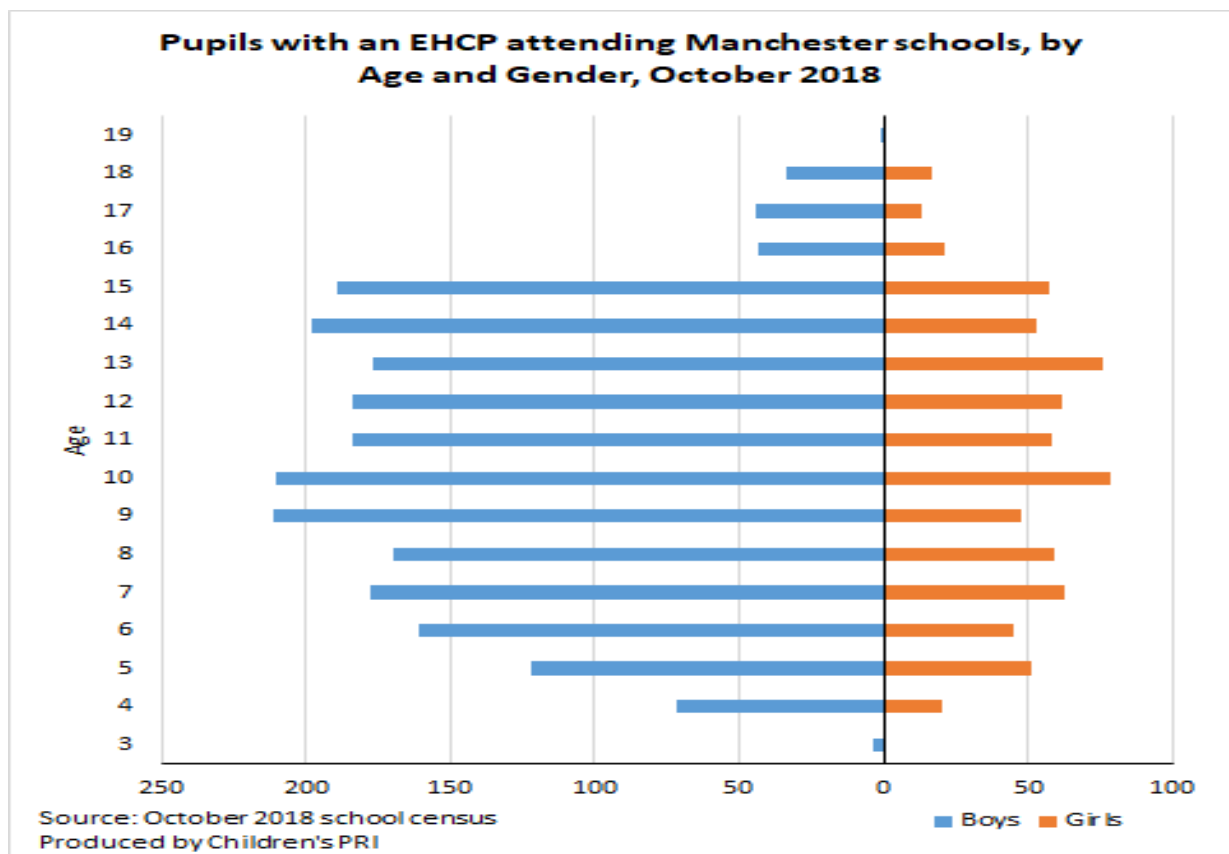
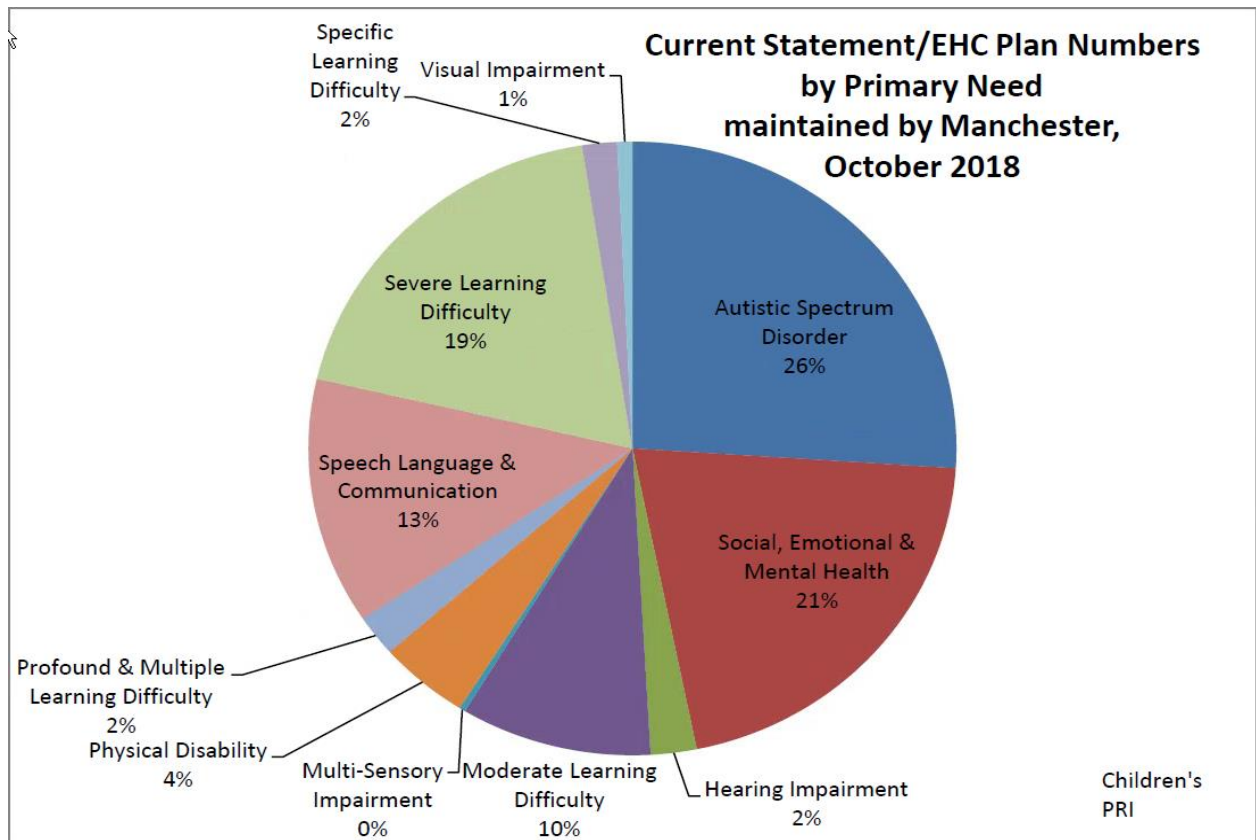
- 3.4 The most common types of primary need for pupils in Manchester with an ECHP are:

- Autism is 26% of the cohort. This reflects the national picture where autism is the most common primary need for children in the cohort with 28.2%. Manchester's proportion has remained unchanged since 2015 but nationally there has been a gradual increase.
- Social, emotional and mental health (SEMH) needs is 21% of the cohort whereas nationally, 12.8% of the cohort have SEMH.
- Severe learning difficulties (SLD) is 19% of the cohort whereas nationally, 12.5% have SLD.

- 3.5 The graphs below provide a more detailed breakdown.



Graph one: Current Statement/ EHCP Numbers by Primary Need October 2018



Graph two: EHCPs in Manchester by Age and Gender, In October 2018

- 3.6 The number of requests for statutory assessment are increasing significantly as shown in the table below. There are currently 309 children on the early years pathway and a significant number of these will require additional support in their settings. It is likely many of these children may need statutory assessment which could lead to further increases in EHCPs.

Table two: Requests for statutory assessments over the last 4 years.

	Jan to Dec 2015	Jan to Dec 2016	Jan to Dec 2017		Jan to Oct 2018
New requests	671	581	797		741
Declined requests	129	132	101		116
New EHCPs	222	318	565		536

- 3.7 The tables below show the average cost linked to pupils with a statement/EHCP by type of need and the change in cost over the last four years. In mainstream schools the way that pupils with statements/EHCPs are funded changed in April 2013 when schools were required to provide the first £6k towards the cost of a pupil's additional support. The tables below show that overall spend is increasing in mainstream primary schools and secondary schools which would be expected due to continual growth in EHCPs. The area of highest spend in mainstream primary is autism, followed by speech, language and communication needs. In secondary schools there is significantly more spend linked to social, emotional and mental health needs than other types of need. Appendix 1 has been provided for the list of acronyms for primary need of pupils.

Table three: Primary Mainstream Schools – average annual individual cost per Statement/EHCPs

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
ASD	7,849	7,479	7,014	6,676
SEMH	6,900	6,602	6,578	6,486
HI*	6,770	5,935	5,009	4,610
MLD	6,005	5,624	4,990	5,355
MSI	9,534	7,855	7,855	7,855
PD	7,264	7,680	6,898	6,826
PMLD	8,990	9,578	8,714	8,714
SLCN	6,830	6,934	6,651	6,136
SLD	8,778	9,184	9,158	8,074
SpLD	4,638	7,940	7,916	6,980
VI*	5,742	7,562	5,616	6,369

\*Note: This funding is provided directly to the schools for HI and VI in addition to support provided through the Manchester Sensory Support Service

Table four: Primary Mainstream Schools – annual cost of Statements/EHCPs

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£000's	£000's	£000's	£000's
ASD	1,083	1,353	1,478	1,593
SEMH	591	516	500	636
HI	58	78	55	70
MLD	348	369	402	517
MSI	39	32	31	31
PD	238	71	292	316
PMLD	22	13	9	4
SLCN	731	754	962	1,217
SLD	504	741	891	965
SpLD	20	67	72	94
VI	30	24	30	44
<b>Total</b>	<b>3,664</b>	<b>4,018</b>	<b>4,722</b>	<b>5,487</b>

Table five: Secondary Mainstream Schools annual cost Statements/EHCPs

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£	£	£	£
ASD	5,946	6,149	6,234	6,176
SEMH	7,034	7,128	7,088	6,696
HI	4,298	4,591	5,512	5,052
MLD	5,373	5,390	5,623	5,245
MSI	7,814	13,814	2,289	2,289
PD	6,689	6,990	7,051	6,770
PMLD	6,433	6,893	7,814	8,144
SLCN	5,491	5,640	5,779	5,627
SLD	6,880	6,953	7,218	7,726
SpLD	4,131	4,707	4,131	5,480
VI	6,130	5,029	6,467	6,613

Table six: Secondary Mainstream Schools – annual cost Statements/EHCPs

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£000's	£000's	£000's	£000's
ASD	305	405	425	539
SEMH	502	558	617	694
HI	46	48	56	47
MLD	280	313	301	367
MSI	8	6	1	1
PD	151	171	187	184
PMLD	13	14	16	21
SLCN	381	397	377	389
SLD	231	222	234	257
SpLD	20	28	30	57
VI	11	21	36	55
<b>Total</b>	<b>1,948</b>	<b>2,183</b>	<b>2,280</b>	<b>2,611</b>

#### 4. SPECIALIST PROVISION

- 4.1 Special school places are increasing year on year in Manchester in line with the demographic changes in the city, as demonstrated in table seven below, showing figures from the October school census for each year.

Table seven: Special schools places as a proportion of the overall school population.

	2015	2016	2017	2018
All Places	1,261	1,308	1,471	1,658
% of overall school population	1.6%	1.7%	1.8%	1.9%

\*Note: these figures do not include places at Manchester's PRU schools (refer to section 6) or resourced provision (refer to section 4.3).

- 4.2 The tables below show the total cost of special school places for 2018/19 compared to 2016/17 and 2017/18 as well as the average costs for a special school place for the last three academic years. This shows that, consistently in all three years the highest area of spend across this sector was SEMH, Autism and SLD.

Table eight: Total spent by category of need

Category of need	2016/17 £000's	2017/18 £000's	2018/19 £000's
ASD	7,412	7,410	8,933
SEMH	4,712	5,611	5,640
MLD	22	11	67
PD	870	774	632
PMLD	2,574	3,218	3,079
SLCN	75	90	74
SLD	8,425	9,633	9,686
<b>TOTAL</b>	<b>24,090</b>	<b>26,747</b>	<b>28,111</b>

Table nine: Average annual cost per place by category of need

Category of need	Cost per place 2016/17 £	Cost per place 2017/18 £	Cost per place 2018/19 £
ASD	17,643	17,643	17,724
SEMH	20,337	20,330	20,072
MLD	11,006	11,006	11,130
PD	17,581	17,585	18,052
PMLD	18,707	18,707	18,775
SLCN	15,043	15,043	14,827
SLD	17,643	17,643	18,105

### Resourced provision in mainstream schools

- 4.3 As well as the increasing pressures on special school places over the recent years, there is also a need for additional resourced provision in mainstream schools in Manchester. A number of places have been created in resource provisions in mainstream schools for pupils with statements/EHCPs, table ten below demonstrates the change over the years. In 2018/19 there was a reduction in primary resource provision for pupils with Autism/SLCN due to the closure of Plymouth Grove resource provision.

Table ten: Designated Resourced Provision for children with Autism, SEMH and Hearing Impairment.

Financial Year	Primary School			Secondary School
	Places for Autism/SLCN	Places for Hearing Impairment	Places for SEMH	Places for Autism/SLCN
2015/16	49	10	10	40
2016/17	49	10	10	44
2017/18	49	12	14	48
2018/19	43	14	15	57
2019/20 (budget)	43	14	15	60

### Placement in independent schools

- 4.4 There is a year on year trend of increasing number of placements in independent special schools for children who are pre 16, especially in day placements. There are currently 106 pre 16 pupils placed in independent specialist provisions.

Table eleven: Pre 16 Independent school placement

Type of provision	2016/17	2017/18	2018/19	2018/19 Total Cost £000's
Day	67	77	94	2,952
Residential	9	13	12	651

- 4.5 The main primary needs for children in day placements is Autism and SEMH where commissioning of independent placements has been used to meet increased demand for special schools when local provision is at full capacity. The primary needs for children in residential placements are Autism and SEMH. Decisions on these placements are made through a multi-agency resource panel and these are usually jointly funded by Education, social care and health.
- 4.6 The statutory duty to provide education for young people with EHCPs when

appropriate up to the age of 25 was introduced in 2014. This has put pressure on specialist placements and for some types of category of need such as Autism it has meant that there has been an increase in spend on day placements for post 16 pupils in the specialist independent sector, as shown in table twelve below. There are currently 98 young people aged 16-24 in independent specialist colleges/schools.

Table twelve: Post 16 Independent school/college placement

Type of provision	2016/17	2017/18	2018/19	2018/19 Total Cost £000's
Day	87	85	97	3,410
Residential	4	5	1	34

- 4.7 The number of day placements has increased in 2018/19 for both pre 16 and post 16 due to ongoing demographic growth. This will potentially put an additional pressure on the high needs block and may tie up funding which has been used in previous years to create additional and new specialist places within the City.
- 4.8 The average cost of an independent day school placement is £35k and the highest cost is £125k. The highest cost placements are for young people with Autism and SEMH. The total cost for independent placements in 2018/19 is £6.3m.

## 5. SPECIAL SCHOOL PARTNERSHIP

- 5.1 Manchester Special School Partnership is a formal partnership of all special schools who have agreed to work as part of a solution focused, collaborative partnership to enable the pupils with the most complex and exceptional needs to access learning within a Manchester specialist setting. The Local Authority has devolved £0.700m of high needs funding to the partnership which can be allocated to support individual pupils.
- 5.2 This partnership has enabled special schools to work collaboratively to meet the needs of pupils with complex and exceptional needs. In 2018/19 58 young people have accessed funding through this partnership – the average costs is £7.9k and the highest cost has been £19.7k.

## 6. Pupil Referral Unit (PRU)

- 6.1 The budgets of both the primary and secondary PRUs have increased year on year over the last 3 years. Due to many special schools in Manchester now being at full capacity, both provisions also now offer a number of specialist places for pupils with statements/EHCPs.

Table thirteen: PRU places

PRU	2016/17		2017/18		2018/19	
	Places	Budget £000's	Places	Budget £000's	Places	Budget £000's
Primary	70	1,894	70	2,059	74	2,172
Secondary	400	5,535	400	5,602	418	6,642

## 7. SENSORY SERVICE

- 7.1 Manchester Sensory Support Service support all children and young people who have a sensory impairment such that additional support and/or advice are required, at home (early years only), in nursery settings and primary, secondary and special schools. The service also provide staff for 2 primary resource bases (only one is formally designated) and one non-designated secondary resource base. The age group supported by the service ranges from birth to leaving school provision i.e. 16 or 19 depending on the provision.

## 8. HIGH NEEDS BLOCK PRESSURES

- 8.1 The increases in high needs funding does not fully meet the demands from additional special school places, increases in number of EHCPs and additional duties around 19-25 year olds. There was a £2.72m overspend in the high needs block in 2018/19, this was after the additional £1.278m high needs block was accounted for. Key pressures are out of city placements, post-16 special education needs, special school places and EHCPs budgets.
- 8.2 Table fourteen below shows that in cash terms the high needs block unit of funding has reduced to £657 in 2019/20 and in real terms there has been a 5.6% or £33 reduction on a per pupil basis since 2015/16.

Table fourteen: High Needs Block Funding 2015/16 - 2019/20

High Needs Block	2015/16	2016/17	2017/18	2018/19	2019/20
DSG Allocation (£m)	64.07	64.98	70.93	74.76	76.50
ONS Pupil Numbers (2-18 year olds)	105,697	108,342	110,841	112,520	116,428
Unit of Funding (Cash Terms) - £	606	600	640	664	657
Unit of Funding (Real Terms) - £	585	568	582	580	552

- 8.3 The DfE has launched a call for evidence on funding arrangements for pupils with SEND that will run until the end of July 2019. The DfE accept that the overall high needs block funding available is the most pressing concern, their call for evidence is intended to help understand how the current available funding is distributed, and what improvements to the financial arrangements could be made in future to get the best value from any funding that is made available, the call for evidence can be accessed from the link below:

<https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/>

- 8.4 Going forward the most significant risk to managing the high needs budget is the level of additional demand related to pupil growth which is continuing to increase year on year due to net migration into Manchester. This is highlighted by the yearly annual growth of 410 in 2019/20 and estimated annual growth of 465 in 2020/21 for SEND. The financial consequences of this growth contributes to a potential funding gap of £2.71m in 2019/20, £2.90m in 2020/21 and £2.88m in 2021/22. A programme of special school expansions has now been developed following approval by Executive to spend £20m of basic need capital on increasing special school places in the City. In addition to this, the DfE allocated £4.9m to Manchester to increase provision for children with SEND. Once these schemes have been delivered, this increase in special school places should reduce spend on out of city placements. The cost of these additional places on future High Needs block allocations is shown in the table below.

Table fifteen: Medium Term Growth and Budget Pressures

	Growth			Av. Per Pupil Rate £k	Budget Growth £000's		
	2019/20	2020/21	2021/22		2019/20	2020/21	2021/22
EHCP	243	304	339	6	1,458	1,824	2,034
Special School*	101	83	61	20	2,020	1,660	1,220
Post 16 Places	66	78	91	16	1,056	1,248	1,456
<b>Total Budget Growth</b>	<b>410</b>	<b>465</b>	<b>483</b>		<b>4,534</b>	<b>4,732</b>	<b>4,710</b>
<b>Additional Funding Budget Gap</b>					(1,829)	(1,829)	(1,829)
					<b>2,705</b>	<b>2,903</b>	<b>2,881</b>

\* Note: The special school places show current agreed expansions over the next couple of years. This explains the slight decrease from 2019/20 to 2021/22 which will change moving forward. The analysis above assumes the £1.28m additional high needs block funding continues and funding from the DfE will increase as a result of additional pupils, in line with the DfE high needs block funding formula methodology.

## 9. UPDATE ON HIGH NEEDS RECOVERY PLAN

- 9.1 During the autumn 2018 the Council consulted schools and the Schools Forum on a transfer of funding from the schools block to the high needs block of up to 0.5% per pupil (£2m) in 2019/20. This was to address the pressure in the High Needs budget largely resulting from an increase in the number of children and young people with EHCPs.



9.2 As a result of additional DSG for high needs of £2.56m (£1.28m for 2018/19 and 2019/20) announced by the DfE in December 2018, the Council decided not to make the transfer for 2019/20. However, as this report has highlighted, there are continuing pressures on the high needs block and the additional funding for 2018/19 and 2019/20 is non-recurrent and further funding for 2020/21 has not been indicated. In order to mitigate the pressure in the high needs block the Council will continue to identify further savings options during 2019/20, in particular seeking spending reductions in the following areas:

- **‘Out of city’ independent residential placements** - Reducing spend on independent special school placements, through a planned joint social care, health and education review panel. The anticipated high needs block funding gaps could be exacerbated by ‘out of city’ placements due to the increase in population demand being in excess of possible special school places available.
- **Commissioned services** - There are a number of commissioned services with special schools which will be reviewed.
- **Central high needs block line by line review** - The local authority will undertake a detailed line by line review of the high needs central services to identify potential savings and efficiencies. At this stage it is not anticipated that a saving will be achieved from this part of the review.
- **Post 16 Provision** – MCC are discussing with Post 16 providers on how they can focus their programmes on enabling their students to access their communities and be as independent as possible and gain experience of the world of work. This will help students achieve the outcomes in their EHCPs and move onto successful and sustainable adult lives. This includes helping more students with SEND access paid employment the council is working with providers to create more supported internships which are highly successful in moving young people into work over time, this should achieve savings.

9.2 It is not expected that the reviews will fully close the £2.7m - £2.9m set out in Table fifteen. Until such time that further funding from Government has been confirmed for 2020/21, the proposal to transfer 0.5% of the schools block to the high needs block in 2020/21 will be recommended. As with last year this will again will be subject to the agreement of the Schools Forum and consultation with schools over the coming months.

## 10. CONCLUSIONS AND RECOMMENDATIONS

10.1 The ongoing pressures in the high needs block are a concern to the Council. There is a need to review some of the specialist services and provision funded through this block in order to continue to improve outcomes for children and young people with SEND and ensure there are sufficient specialist places and provision in the City to meet need whilst achieving maximum value for money from the high needs block and improving outcomes for children.

All Forum members are asked to note and comment on:

- Pressures on the high needs block in the current financial year and 2019/20 onwards.
- High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

### Appendix One: Acronym List of Primary Need

Acronym	Full Description
ASD	Autism Spectrum Disorder
SEMH	Social Emotional Mental Health
HI	Hearing Impairment
MLD	Moderate Learning Difficulties
MSI	Multi-Sensory Impairment
PD	Physical Disability
PMLD	Profound and Multiple Learning Difficulties
SLCN	Speech, Language and Communication Needs
SLD	Severe Learning Difficulties
SpLD	Specific Learning Difficulties
VI	Visual Impairment

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**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum – 13 May 2019  
**Subject:** Schools Forum Constitution  
**Report of:** Directorate Finance Lead – Children’s and Schools

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**Summary**

The purpose of this paper is to present to the Schools Funding Forum the Constitution and Procedural Rules of the Forum.

**Recommendations**

All Schools Forum members are asked to:

- Note removal of secondary school governor representative and replacing an additional academy representative, this would better reflect the proportion of children in maintained schools and academies.
  
  - Comment on the updated constitution.
- 

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**Background documents (available for public inspection): -**

**1. Introduction**

- 1.1 The purpose of this paper is to present to the Schools Forum the Constitution and Procedural Rules of the Forum.

**2. Proposed Change**

- 2.1 Agree to removing secondary school governor representative and replacing with an additional academy representative, this would better reflect the proportion of children maintained schools and academies.

**3. Recommendations**

- 3.1 All Schools Forum members are asked to:

- Note removal of secondary school governor representative and replacing an additional academy representative, this would better reflect the proportion of children in maintained schools and academies.
- Comment on the updated constitution.

## **Constitution, Membership and Procedural Rules for the Conduct of Meetings 2019**

### **1. Interpretation and Chair's Ruling**

- 1.1 These procedural rules apply to all meetings of the Schools Forum.
- 1.2 References in these rules to the Chair include the appointed Vice Chair, or any other member appointed by the Forum to act in their absence.
- 1.3 Any reference in the rules to "Forum" shall apply to any subgroups where appropriate.
- \*1.4 These rules are subject to any statute or other enactment whether passed before or after they came into effect.
- 1.5 The ruling of the Chair on the application and interpretation of these rules is final.

### **2. Suspension of Rules**

- \*2.1 With the exception of rules marked with an asterisk (\*), any rule may be suspended at a meeting, either by a motion included in the agenda, or by a motion put to the meeting without notice and passed by a majority of those members present and voting.

### **3. Chair and Vice Chair**

- \*3.1 The Chair and Vice Chair will be elected annually at the second meeting after the start of the academic year. At the end of their term, both the Chair and Vice Chair shall be eligible for re-election.
- \*3.2 In the interests of balance, the Forum should try to ensure that the Chair and Vice Chair are drawn from members representing different categories of interest. In addition, the Chair or Vice Chair cannot be an elected member or officer of the Council.
- \*3.3 The Chair and Vice Chair shall be elected by a simple majority of the constituent members defined in rule 4.1 present and voting.
- \*3.4 If there are an equal number of votes between candidates for the office of Chair or Vice Chair, those candidates will be deemed not to have been elected. The Clerk will then invite further nominations.
- \*3.5 In the event of a casual vacancy in the office of Chair or Vice Chair, the Forum should elect a member to fill that vacancy at its next meeting. Any member elected will (subject to rule 4.6) hold office until the date of the meeting at which the Chair or Vice Chair would have held office had the casual vacancy not occurred. This will be subject to the provisions of rule 3.2 above continuing to be observed by such an appointment.

- \*3.6 A Chair or Vice Chair shall cease to hold office if (a) they resign their office by written notice given to appointing authority, or (b) ceases to be a member of the Forum.

#### **4. Membership**

- \*4.1 The Forum shall consist of 29 members to represent the following groups -
- (a) Nine non-school members as appointed by Manchester City Council. This will specifically exclude any Executive member of the Council, and any officer involved with responsibility for strategic resource management.  
(To include two union representatives – see paragraph 4.9, one non executive member, one operational senior manager, one Private, Voluntary & Independent sector representative and one 16-19 representative)
  - (b) Four members appointed to represent primary school head teachers;
  - (c) One member appointed to represent secondary school head teachers
  - (d) One member appointed to represent special school head teachers;
  - (e) Four members appointed to represent the governing bodies of primary schools (\*)
  - (g) One member appointed to represent the governing bodies of special schools (\*)
  - (h) Seven members to represent academies
  - (i) One member appointed to represent the head teachers of nursery schools
  - (j) One member appointed to represent the head teachers of pupil referral units
- (\*) This excludes Executive Members of the Council who may not be regarded as a schools' member in their capacity of governor of any maintained school.
- 4.2 Manchester City Council will organise the elections for Schools Forum representatives. In doing so, the Council will ensure that all relevant bodies are involved in the election process within the relevant peer groups.
- 4.3 Individuals appointed to be members of the Forum shall hold and vacate office in accordance with their term of appointment which is for a period of 4 years from the date of appointment. Members will then be eligible for re-election. A non-schools' member shall remain in office until they resigns his office or until the relevant authority makes a further appointment to replace him/her or nominate from the relevant body.
- 4.4 Executive members and senior officers with responsibility for resource management are entitled to attend and speak at a Forum meeting.
- 4.5 A member may resign their membership at any time by giving written notice to the Council.



- 4.6 A member must vacate their office where -
- (a) they cease to hold the office by virtue of which they became eligible for appointment to the Forum;
  - (b) their office as a member comes to an end or
  - (c) they resign as a schools' forum member.
- 4.7 A member will be deemed to have vacated their office if they fail to attend Forum meetings on three consecutive occasions without good cause or reason.
- 4.8 The local authority shall invite nominations from the other groups referred to in above and the relevant teacher and non-teaching unions for the two Union representatives, and seek nomination of LA Operational Senior Manager from the Head of Children's Services. The elected member will be appointed annually in May by the Constitutional and Nomination Committee. Rule 5.1 below will apply to these appointments. Non schools' member shall remain in office until they resign their office or until the relevant authority makes a further appointment to replace them or nominate from the relevant body.

## **5. Substitute and Alternate Members**

- \*5.1 A member of the Forum may nominate a substitute member to attend meetings of the Forum in their absence. The absence of members of the Forum will however still be deemed to be accountable in accordance with rule **4.7 above**.

## **6. Clerk**

- 6.1 Manchester City Council will appoint an independent clerk to the Forum

## **7. Notice of Meetings**

- \*7.1 The dates of meetings will be agreed between the Chair and the local authority, but, subject to rule 7.3 below, they shall comply with any direction in the matter -
- (a) given by the Forum at a previous meeting, or
  - (b) given by the Chair, or in their absence, the Vice Chair, so far as such direction is not inconsistent with any direction given at (a) above.
- 7.2 Every member of the Forum shall be given at least five working days before the date of the meeting:
- (a) written notice of the date, time and place of the meeting
  - (b) a copy of the agenda for the meeting and associated papers.
- 7.3 The Chair may cancel or postpone any meeting, prior to the issue of the agenda, or subsequently, if there is no business to be transacted.

## **8. Urgent Business**

8.1 In the exceptional case where there is a genuine business need for a decision or formal view to be expressed by the Forum before the next scheduled meeting, and it is not possible to call an unscheduled meeting, clearance of proposals will be conducted via e-mail with a formal report then being brought to the next scheduled meeting.

**9. Voting**

\*9.1 Each member of the Schools Forum will have a single vote. The decisions on proposals presented to the Forum will be determined by a simple majority vote of those members attending and voting (i.e. excluding abstentions). Where there is an equal number of votes for or against a particular proposal, the Chair can exercise a casting vote.

\*9.2 The voting eligibility for members on different decisions is set out in table one below:

Table One:

<b>Schools Members</b>	<b>Academies Members</b>	<b>Non-School Members</b>
<ul style="list-style-type: none"> <li>• Only primary representatives can vote on primary school de-delegation</li> <li>• Only secondary representatives can vote on secondary school de-delegation</li> <li>• All schools members can vote on any other Schools Forum business, including the consultation on the funding formula</li> </ul>	<ul style="list-style-type: none"> <li>• No voting on de-delegation</li> <li>• All academy members can vote on any other Schools Forum business, including the consultation on the funding formula</li> </ul>	<ul style="list-style-type: none"> <li>• No voting on de-delegation</li> <li>• Only PVI representatives can vote on the consultation on the funding formula.</li> <li>• All non-school members can vote on any other business.</li> </ul>

9.3 The overall vote on the Forum must be recorded in the minutes including details of number of votes for, against and abstaining.

**10. Quorum**

\*10.1 The meeting will be quorate if at least two fifths of the total membership is present at the meeting. Based on the current membership (25) the meeting will be quorate with 10 members.

\*10.2 If the meeting is inquorate it can proceed only in terms of responding to authority consultation and give views to the authority but cannot legally take any decisions. This rule also applies if the number of members present falls below the quorum level during the course of a meeting.

10.3 If the Forum is required to take a vote on a decision, two fifths of the members

that are eligible to vote on that decision must be present at the meeting.

## **11. Minutes of meetings**

- 11.1 The Clerk will prepare the minutes of each meeting as soon as practical after the meeting. The minutes will be submitted for approval as a correct record at the following meeting.

## **12. Motions without notice**

- 12.1 The following motions may be moved without prior notice:
- (a) To appoint a member to Chair the meeting;
  - (b) To approve or correct the minutes of the previous meeting;
  - (c) To change the order of business on the agenda;
  - (d) To withdraw an item from the agenda;
  - (e) To require a member to leave the meeting;
  - (f) To suspend particular rules;
  - (g) To go to the next business item of business. If seconded, the vote will then be taken and if carried the item under discussion will be treated as withdrawn;
  - (h) Put the question immediately to a vote. If seconded, the vote will then be taken and if carried the mover of the original motion shall have a right of reply;
  - (i) To adjourn the meeting. If the motion to adjourn is carried, there will be no right of reply allowed;
  - (f) To exclude the public during considerate and confidential business in accordance with access to information regulations.

## **13. Conduct at meetings**

- 13.1 If the Chair calls the meeting to order, members shall be silent.
- 13.2 If a member behaves improperly or offensively, or deliberately obstructs business, the Chair may direct that member to be silent. If the member continues such behavior the Chair may direct either that the member leaves the meeting, or that the meeting be adjourned for a specified period.
- 13.3 If a member of the public interrupts the meeting, the Chair will warn the person concerned. If the interruption continues the Chair may order their removal from the meeting.

## **14. Public Admission to Meetings**

- \*14.1 All meetings are open to the public.
- \*14.2 Members of the public can be invited to speak at the Chair's discretion.
- \*14.3 The public may be excluded from a meeting during the consideration of confidential business. The reasons for confidentiality must be recorded in the minutes.

## **15. Interests**

- 15.1 A member of the Forum must declare an interest in an individual proposal which directly affects:
- An individual school where they work;
  - An individual school at which their children attend, or
  - An individual decision where in which they might have a prejudicial interest in the decision made. A prejudicial interest is defined as one where the personal interest in an item of business could be perceived as prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard this as so significant that it is likely to prejudice your judgment of the public interest. Where such a declaration is made, a member must withdraw from the meeting and take no part in the decision.

**16. Powers and Duties of the Forum**

- 16.1 The powers and duties of the Forum and its relationship with Manchester City Council and the Department for Education and Skills are set out in table two.

**Table Two – Schools Forum powers and responsibilities**

<b>Function</b>	<b>Local Authority</b>	<b>Schools Forum</b>	<b>DfE Role</b>
Formula change (including redistributions)	Proposes and decides	Must be consulted [Voting restrictions to school members] and informs the governing bodies of all consultations	None
Contracts	Propose at least one month prior to invitation to tender, the terms of any proposed contract	Gives a view and informs the governing bodies of all consultations	None
Financial issues relating to: arrangements for pupils with special educational needs; arrangements for use of pupil referral units and the education of children otherwise than at school; arrangements for early years provision; administration arrangements for the allocation of central government grants	Consult annually	Gives a view and informs the governing bodies of all consultations	None
Minimum funding guarantee (MFG)	Proposes any exclusions from MFG for application to DfE	Gives a view	Approval

<b>Function</b>	<b>Local Authority</b>	<b>Schools Forum</b>	<b>DfE Role</b>
De-delegation for mainstream schools for: contingencies, administration of free school meals, insurance licences/subscriptions, staff costs, facility arrangements, supply cover support for minority ethnic pupils/underachieving groups, behaviour support services, library and museum services	Proposes	Primary and secondary school member representatives will decide for their phase	Will adjudicate where Schools Forum does not agree LA proposal
Central spend on and the criteria for allocating funding from: growth fund (to meet requirements for basic need and infant class size regulations), falling rolls fund for surplus places in good or outstanding schools where a population bulge is expected in 2-3 years.	Proposes	Decides	Adjudicates where Schools Forum does not agree LA proposal
Central spend on: funding for significant pre-16 pupil growth, back-pay for equal pay claims, places in independent schools for non-SEN pupils early years expenditure	Proposes	Decides	Adjudicates where Schools Forum does not agree LA proposal

<b>Function</b>	<b>Local Authority</b>	<b>Schools Forum</b>	<b>DfE Role</b>
Central spend on: admissions, servicing of schools forum	Proposes up to the value committed in 2013-14	Decides for each line	Adjudicates where Schools Forum does not agree LA proposal
Central spend on: capital expenditure funded from revenue contribution to combined budgets, schools budget centrally funded termination of employment costs, schools budget funded prudential borrowing costs, special education needs transport costs	Proposes up to the value committed in 2013/14 and where expenditure has already been committed.	Decides for each line	Adjudicates where Schools Forum does not agree LA proposal
Carry forward a deficit on central expenditure to the next year to be funded from the schools budget	Proposes	Decides	Adjudicates where Schools Forum does not agree LA proposal
Scheme of financial management changes	Proposes and consults the governing body and Head of every School	Approves	Adjudicates where Schools Forum does not agree LA proposal
Membership: length of office of members	Decides	None (but good practice would suggest that they gave a view)	None
Voting procedures	None	Determine voting procedures	None
Chair of Schools Forum	Facilitates	Elects ( <i>may not be an elected member of the Council or officer</i> )	None

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