



Schools Forum

Date: Monday, 17 June 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

1. **Urgent Business**
To consider any items which the Chair has agreed to have submitted as urgent
2. **Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda
3. **Minutes** 5 - 10
To agree the minutes of the last meeting as a correct record.
4. **Excessive School Balances Mechanism - Revised Proposal** 11 - 18
5. **Free School Meals Eligibility** 19 - 30
6. **Update from the National Funding Conference** 31 - 34
7. **Section 251 Benchmarking** 35 - 44
8. **Forward Plan** 45 - 46
9. **Date of next meetings**

15th July 2019

Information about the Forum

Schools are represented on the Forum by headteachers and school governors, elected to reflect all categories of school. In Manchester; there are non-school representatives from the teacher associations; additional non-voting places are reserved for invited elected members and representatives of other interested bodies.

The Forum members work together to provide a clear consensus of professional advice to education decision-makers, to achieve a transparent deployment of available resources. The Forum provides a formal channel of communication between the Council and schools for consultation concerning the funding of schools, and aims to agree recommendations which present the best possible compromise between competing claims on limited resources; has strategic oversight of ALL funding decisions affecting schools, and is involved in annual consultation in respect of the Council's functions relating to the schools budget in connection with the following:

- pupils with SEN (Special Educational Needs)
- early years
- revisions to the Council's scheme for the financing of schools
- administration of central government grants to schools including Standards Funds
- arrangements for free school meals

The Forum must be consulted on any proposed changes to the Council's school funding formula, and the financial effects of any proposed changes.

Smoking is not allowed in Council buildings.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
Albert Square,
Manchester, M60 2LA

Further Information

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

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This agenda was issued on **Tuesday 11 | June 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 13 May 2019

Present:

Secondary Sector Headteachers: - Gillian Houghton

Primary Sector Headteachers: Mike Cooke, Patricia Adams, Saeeda Ishaq

Primary Sector Governors: Nichola Davidge, Tony Daly, Michael Flanagan

Special School Headteachers: Alan Braven

Special School Governor: - Walid Omara,

Academy Representatives: Elizabeth Fritchley, Emma Merva, Ian Fenn, Michael Carson

Pupil Referral Unit Representative: - Helen McAndrew,

Nursery School Representative: - Joanne Fenton

Non-school members:, Isobel Booter, Cath Baggaley

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

Apologies: Councillor Stone, Andy Park, John Morgan, Hatin Kapacee, Joshua Rowe

SF/19/09 Minutes

Decision

To agree the minutes of the meeting held on 18 March 2019 as a correct record.

SF/19/10 Dedicated Schools Grant and School Balances 2018/19 – Outturn report

The Forum considered a report of the Directorate Finance Lead – Children and Schools which discussed the outturn position on school balances as at 31 March 2019 and the final outturn position on the Dedicated Schools Grant (DSG) including the centrally retained DSG.

The provisional outturn for schools was reported as overall revenue surplus of £26.2m, a decrease of £1.4m in the total Schools Balances (Revenue & Capital) held compared to 2017/18. The final position on the centrally retained element of the DSG was an overspend of £1.71m. This was attributable to a High Needs Block overspend in 2018/19 of £2.72m, an Early Years Block overspend of £2.19m and had been offset by an underspend in the Schools Block of £3.15m.

The Forum was asked to note and comment on the maintained school balances as at 2018/19, the DSG deficit balance of £1.71m to be carried forward into 2019/20, in the context of the proposal to transfer 0.5% from Schools Block to the High Needs Block as well as the proposed changes to the Excessive Surplus Balance Mechanism in the Scheme for Financing Schools report.

Current analysis had revealed that across the 48 schools, the surplus balances maintained for more than two years ranged from less than £1,000 to £1.26M. The Forum was also asked to note that the following analysis under the existing balance control mechanism, the potential clawback of 50% would be £3.224m.

There was a discussion about the extent to which alternatives to transfer 0.5% from the Schools Block had been explored to help fill the deficit. The Directorate Finance Lead – Children and Schools explained that actions proposals to mitigate pressures in the HNB were outlined in item 6 of this meeting's published agenda and urged members of the Forum to note that subject to approval the 0.5% transfer would only be applicable to the financial year 2020/21 and would not be sufficient to fill the deficit in isolation. In addition, any transfer from the Schools Block would be applicable to all schools, local authority maintained, or otherwise.

Decision

1. To note the maintained school balances for 2018/19.
2. To note that the Dedicated School Grant deficit balance to be carried forward into 2019/20.
3. To note the financial impact of the proposed changes to the excessive surplus balance clawback mechanism as part of the Scheme for Financing Schools.
4. To approve the Dedicated Schools Grant deficit balance on central expenditure carried forward to 2019/20 of £1.71m to be recovered through 1) a proposal to begin consultation on transfer of 0.5% from schools block to high needs block (as set out in **SF/19/12**) and 2) a proposed change to the locally managed excess surplus balance mechanism to claw back 50% of all excessive surplus balances held for two years or longer - a further amendment on which will be brought to a future meeting of the Forum (see **SF/19/11**)

SF/19/11 Consultation outcome for the changes to the Scheme for Financing Schools

The Forum considered a report of the Directorate Finance Lead – Children and Schools which presented the outcome of a consultation on proposed changes to local Management of the Scheme for Financing Schools. The proposed change to the Scheme was to establish an excess surplus balance mechanism to claw back 50% of all excessive surplus balances that are held for two years or longer.

In light of the Forum's, power to approve changes to the Scheme for Financing Schools, maintained school members were invited to vote on a number of questions concerning the local management of the Scheme. It was noted however that directed revisions by the Department for Education are required to be adopted by Council and schools. The questions are set out below:

- (Q1) Scheme Ref: 2.3 - Require schools to submit multi-year budget plans and underlying assumptions on which financial plans were based.
- (Q2) Scheme Ref: 2.9 - Further detail and clarification required in schools' register of business interests.
- (Q3) Scheme Ref: 2.10.1 - 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.
- (Q4) Scheme Ref: 3.2 - Budget share payments should be made in 12 equal instalments throughout the year.
- (Q5) Scheme Ref: 3.6 - Update to clarify Salix Loans are now permissible.
- (Q6) Scheme Ref: 4.2 - The Council to clawback balances above the allowable threshold that have been held for more than 2 years.
- (Q7) Scheme Ref: 4.9 – a DfE directed revision - 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.
- (Q8) Scheme Ref: 8.3 - 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.
- (Q9) Scheme Ref: 11.10 - The costs of individual school staff attending child protection case conferences and other related activity will be met from the school's individual budget.
- (Q10) Scheme Ref: 13.1 - Responsibility of repairs and maintenance lies with schools via use of delegated budget shares. Capital expenditure is to be retained by authorities.

The Forum noted that a consultation across Local Authority maintained schools had been launched which had received 73 responses. The report provided the consultation responses to each of the questions that were circulated in the following style: number of responses received; number in favour; number opposed and a summary of comments.

The Forum took into consideration each of the consultation responses and the Directorate Finance Lead – Children and Schools responded to questions from Forum Members before proceeding to debate each question in turn prior to moving to vote.

There was a lengthy discussion about Q6 (excessive balances clawback mechanism at a rate of 50% for any excessive balance held for over two years). The Forum noted that a strong majority of respondents had not given their support for the mechanism as described in its current form, citing a variety of concerns about the need for cuts, contingency arrangements. It went on to discuss the complex and unpredictable manner in which maintained schools across the sectors are sometimes funded, and how budgets are set and the consequences this may have on school balances at the end of a financial period.

Officers emphasised that the purpose of clawback was to remove the retention of excess balances and thus strengthen Manchester's lobby to central government

about appropriate levels of funding for its schools to deliver high quality education, particularly given the intention that the characteristic of 'deprivation' will in future be removed from the Grant. The Forum then discussed the needed for a Scheme which allowed for such factors to be taken into consideration and the importance of fairness in the way the money is recouped and reallocated. There was a consensus amongst the Forum that a more refined and flexible approach than the one before them was required. Whilst it was acknowledged that a more robust approach that would allow funds to be recouped in an open and transparent way, officers accepted that more work on the mechanism was necessary to bring about a procedure that was able to withstand the nuances and complexities of schools funding arrangements whilst remaining fit for purpose. It was subsequently agreed that an amendment on this particular point would be brought back to a future meeting of the Forum for consideration without the need to repeat a consultation across maintained schools.

Decision

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

1. Eligible members of the Forum voted in favour by majority. There was one vote against and no abstentions.

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

2. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions.

(Q3) Scheme Ref: 2.10.1- 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.

3. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions.

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

4. Eligible members of the Forum voted in favour by majority. There was one vote against and no abstentions.

(Q5) Scheme Ref: 3.6 - Update to clarify Salix Loans are now permissible.

5. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions.

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

6. The Forum voted unanimously to request that officers undertake further work to

develop a more detailed clawback mechanism for consideration at a future meeting of the Forum.

(Q7) Scheme Ref: 4.9 – a DfE directed revision - 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.

7. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions

(Q8) Scheme Ref: 8.3 - 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.

8. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions

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

9. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions

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

10. Eligible members of the Forum voted in favour unanimously. There were no votes against and no abstentions

SF/19/12 Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review

The Forum considered a report of the Director of Education and Directorate Finance Lead - Children's and Schools which discussed financial implications of current and future pressures within the High Needs Block in the current financial year and 2019/20 onwards. 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 were also included. The Director of Education introduced the report outlining its key points for consideration. The Forum was asked to note ongoing pressures in the High Needs Block (in essence a projected overspend of £2.7M, despite the allocation of additional funding) and the need to review some of the specialist services and provision to meet need whilst achieving maximum value for money from the Block. The Forum was therefore asked to note recovery options discussed within the report and the intention to begin a consultation on the transfer 0.5% from schools block to

High Needs Block in 2020/21.

The Director of Education responded to questions and comments about the level of unit funding and the calculation of real terms funding. The Forum then went on to agree the recommendations.

Decisions

1. To note the pressures on the High Needs Block in the current financial year and 2019/20 onwards.
2. To note the High Needs block recovery options, and the intention to begin consultation on the transfer 0.5% from Schools Block to High Needs Block in 2020/21.

SF/19/13 Schools Forum Constitution

The Forum considered a report of the Directorate Finance Lead – Children and Schools which presented to the Schools Funding Forum the Constitution and Procedural Rules of the Forum. The Forum was invited to note the removal of secondary school governor representative which had been replaced by an additional academy representative. The reason given being that this would better reflect the proportion of children in maintained schools and academies.

Decision

To note the removal of secondary school governor representative and replacement with an additional academy representative

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Excessive Schools Balance Mechanism – Revised Proposal**

Report of: **Directorate Finance Lead – Children Services and Education**

Summary

Manchester's approved Scheme for the Financing of Schools includes a schools' balance control mechanism, as agreed by Schools Forum, which requests the Local Authority (LA) control and clawback, where appropriate, schools' excessive surplus balances. A consultation on the revisions to the Scheme was launched following the report to Schools Forum on Excessive School balances in March 2019, the deadline for school responses was the 9th May 2019. A summary of the responses was provided to Schools Forum at the meeting held on 13 May 2019. At the May 2019 meeting members voted unanimously to request that officers undertake further work to develop a more detailed clawback mechanism for consideration at a future Schools Forum meeting.

This report details the revisions to the proposed mechanism and the impact at school level.

Recommendations

All maintained Schools Forum members are asked approve:

- The proposed change to excess surplus balance mechanism to claw back 50% of all excessive surplus balances held for more than four years in 2019/20.
- Formation of an appeal panel that considers written evidence from individual schools subject to clawback.

All School Forum members are asked to comment on:

- Plan to review the implementation and impact of the new clawback mechanism for schools before March 2020.

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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.

14 May 2018: Schools Forum - Dedicated Schools Grant and School Balances
2017/18 Outturn Report

16 July 2018: Schools Forum - Analysis of Excessive School Balances 2017/18

19 November 2018: Schools Forum - Schools Excessive Balances update Report

18 March 2019: Schools Forum – Excessive Schools Balances Mechanism

13 May 2019: Schools Forum - Dedicated Schools Grant and School Balances
2018/19 Outturn Report

13 May 2019: Schools Forum – Consultation Outcome for the changes to the
Scheme for Financing Schools

1. INTRODUCTION

- 1.1 Manchester's approved Scheme for the Financing of Schools includes a schools' balance control mechanism that requests the LA control and clawback, where appropriate, schools' excessive surplus balances.
- 1.2 A consultation on the revisions to the Scheme was launched following the Excessive School balances Schools Forum report in March 2019, the deadline for school responses was the 9 May 2019. A summary of the responses was provided to Schools Forum at the meeting held on 13 May 2019. At the May 2019 meeting Forum voted unanimously to request that officers undertake further work to develop a more detailed clawback mechanism for consideration at a future Schools Forum meeting.
- 1.3 This report details the revisions to the proposed mechanism and the impact.
- 1.4 Schools Forum members are reminded that previous National Formula Funding (NFF) proposals indicated Manchester as being ranked 7th as one of the most significant losers (losing the most outside of London), as set out in the table six below. This suggested that in the longer term, funding is likely to be significantly below the protected floor and when transitional protection is removed, there will be a significant loss in funding.

Table one: Top Ten Losses

Local Authority Area	Impact -loss	Ranking
Hackney	-1.393%	1
Camden	-1.391%	2
Lambeth	-1.391%	3
Lewisham	-1.386%	4
Haringey	-1.382%	5
Newham	-1.361%	6
Manchester	-1.360%	7
Southwark	-1.357%	8
Tower Hamlets	-1.354%	9
Hammersmith and Fulham	-1.352%	10

2. REVISED EXCESS BALANCE MECHANISM

- 2.1 At the May 2019, Forum requested:
 - i) exclusion of additional devolved formula capital and supplementary free school meals grant paid to schools in March 2019 from the excess balance calculation.
 - ii) extending the number of years the excess balance can be held for before clawback is considered and actioned.
- 2.2 At the same meeting, sector representatives also proposed that the LA

considers:

- iii) removal of maintained nursery schools (MNS) from the clawback mechanism.
- iv) increasing of the allowable balance threshold, currently 8% for special schools.

- 2.3 The LA has considered the requests above, and in the revised proposed mechanism plans to exclude the additional devolved formula capital and supplementary free school meal grant paid to schools in March 2019 in the excess balance calculation. It is also proposed that the number of years the balance is held for before clawback is considered is raised from 2 years or more to **4 years or more**. The LA is of the view that this gives schools more than sufficient time to plan and appropriately spend balances above the allowable threshold. Appendix one lists balances held by schools for 4 years or more above the allowable threshold of 5% for secondary or 8% for all other sectors.
- 2.4 It is not proposed that MNS are excluded from the mechanism, nor that the allowable threshold for special schools is increased. Given the increased focus on high needs funding pressures and MNS longer term funding sustainability, the LA is of the view that the risk of increasing balances in these sectors will not support the City's case for sufficient funding for additional need.
- 2.5 The revised proposed excess control mechanism is provided below:
- 2.6 The Scheme for Financing Schools stipulates that schools may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. School balances are part of the City Council's general reserves and may be used to support the overall financial requirement of the City Council but subject to the absolute undertaking that the balances will always be available for the use of school governing bodies when required.
- 2.7 Surplus balances held by schools, as permitted under this scheme, are subject to the following restrictions with effect from 1 April 2019:
- a) The LA shall calculate by 31st May each year the surplus balance, if any, held by each school as at the preceding 31st March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
 - b) The LA shall then deduct from the resulting balance late grants that were received and not previously notified to the school in sufficient time in the financial year. The LA will confirm to schools on an annual basis what grants are identified as late, and these will be excluded from any excess balance calculation. For 2018/19 balances the calculation would therefore exclude additional devolved formula capital and the supplementary free school meals grant announced and paid to schools late 2018/19.
 - c) **If the result of steps a-b is a sum greater than whichever is the greater**

of 5% of the current year's budget share (secondary schools) or 8% (nursery, primary and special schools), or £10,000 (where that is greater than either percentage threshold), then the LA will review how much of the amount above 5% or 8% has been held for more than 4 years.

- d) The LA will clawback balances above the allowable threshold that have been held for more than 4 years, at a rate of 50%. This will apply to balances as of the 31 March 2019. The future operation of the mechanism will be reviewed by Schools Forum before March 2020.
- 2.8 Schools should continue to annually provide analysis of reserves to governors for approval and send to the Local Authority by the 7th June.
- 2.9 If schools are unable to demonstrate sufficient robust plans to commit their balance, clawback will be applied **prior** to the lapse of the allowable balance retention period of more than four years.
- 2.10 Paragraphs 2.11 to 2.15 provides examples of the potential impact of the proposed clawback mechanism. Note in the tables one to four, *Year five excessive balance above the threshold is after deducting late grants as described in para.2.7b above.
- 2.11 School A – Has demonstrated annually their plans to spend the balance above the excess, but would be subject to clawback of £250,000, which is 50% of the excessive balance that has been above the threshold for more than four years.

Table two – School A

	Excessive Balance i.e. above 5% or 8% threshold	Excessive balance held for more than four years	Clawback under proposed mechanism
	(a)	(b)	(c) = (b) x 50%
	£	£	£
Year one: 2014/15	500,000		
Year two: 2015/16	650,000		
Year three: 2016/17	750,000		
Year four: 2017/18	850,000		
*Year five: 2018/19	1,000,000	500,000	250,000

- 2.12 School B – Has demonstrated annually their plans to spend the balance above the excess, but would be subject to clawback of £25k, which is 50% of the excessive balance that has been above the threshold for more than four years.

Table three – School B

	Excessive Balance i.e. above 5% or 8% threshold (a) £	Excessive balance held for more than four years (b) £	Clawback under proposed mechanism (c) = (b) x 50% £
Year one: 2014/15	500,000		
Year two: 2015/16	650,000		
Year three: 2016/17	50,000		
Year four: 2017/18	850,000		
*Year five: 2018/19	1,000,000	50,000	25,000

- 2.13 School C – Has demonstrated annually their plans to spend the balance above the excess in year two to year five, but would **not** be subject to clawback, as there was no excessive balance in year one.

Table four – School C

	Excessive Balance i.e. above 5% or 8% threshold (a) £	Excessive balance held for more than four years (b) £	Clawback under proposed mechanism (c) = (b) x 50% £
Year one: 2014/15	0		
Year two: 2015/16	650,000		
Year three: 2016/17	750,000		
Year four: 2017/18	850,000		
*Year five: 2018/19	1,000,000	0	n/a

- 2.14 School D – The school has not held an excess balance above the threshold for more than four years, but would be subject to clawback of a **maximum of £1m**, due to the school not demonstrating sufficient robust plans to spend the excess balance. In this case, clawback will be applied prior to the lapse of the allowable balance retention period of more than four years.

Table five – School D

	Excessive Balance i.e. above 5% or 8% threshold	Excessive balance held for more than four years	Clawback under proposed mechanism
	(a)	(b)	(c) = (b) x 50%
	£	£	£
Year one: 2014/15	0		
Year two: 2015/16	650,000		
Year three: 2016/17	750,000		
Year four: 2017/18	850,000		
*Year five: 2018/19	1,000,000	0	n/a

- 2.15 Taking into account the feedback through consultation and previous meetings, table six below compares the overall impact of the proposed revisions (affecting 35 schools) to the previous proposal (affecting 48 schools).

Table six: Impact of proposed revisions (as per para 2.3)

Sector	50% Clawback above threshold held <u>more than 2 yrs.</u>		50% Clawback above threshold *held <u>more than 4 yrs.</u>			
	No.	Total	Total		Range of Clawbacks	
		£000's	No.	£000's	£000's	£000's
Nursery	2	44	2	40	6	34
Primary	39	2,658	28	1,866	6	520
Secondary	2	168	1	58	58	58
Special	5	354	4	289	23	184
Total	48	3,224	35	2,253		

* After deducting late grants 2018/19: additional devolved formula capital and supplementary free school meals.

- 2.16 The LA recommends the formation of an appeals panel. The panel would be a sub-group to Schools Forum. The terms of reference for the sub-group would be to review any appeals against potential clawback of balances. It is not expected that this group would meet more than twice each year. The group would consider only written evidence from schools subject to clawback. The panel would be made up of three members of Schools Forum and would be supported by an LA officer. In specific situations (i.e. discussion around own

school), it will become necessary for a substitute head teacher or governor to take the place of a colleague on the sub-group.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 Whilst the DfE has not yet confirmed the timing of full implementation of the NFF, it still maintains and is currently considering the timing of further moves to the NFF. Given the potential impact of these funding revisions, it is imperative that urban areas like Manchester do not undermine their case for adequate funding pre-implementation of the NFF.
- 3.2 Schools Forum has previously expressed concerns regarding the level of school balances in the City. It has been previously recognised that the current level of school balances could incorrectly signal capacity to manage funding shortfalls through schools finding further efficiencies. Given this risk to Manchester's funding levels, there is a need to strengthen the current balance control mechanism.
- 3.3 All maintained Schools Forum members are asked approve:
 - The proposed change to excess surplus balance mechanism to claw back 50% of all excessive surplus balances held for more than four years in 2019/20.
 - Formation of an appeal panel that considers written evidence from individual schools subject to clawback.
- 3.4 All School Forum members are asked to comment on:
 - Plan to review the implementation and impact of the new clawback mechanism in the long-term before March 2020.

**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Free School Meals Eligibility**

Report of: **Directorate Finance Lead – Children Services and Education**

Summary

The Local Authority (LA) reported to Schools Forum May 2018 that Manchester had undertaken a range of proactive measures in order to maximise Free School Meal (FSM) funding to schools. Last year, Manchester changed the way FSM eligibility was captured for funding purposes after undertaking a data exercise that assessed FSM eligibility which appeared to have been under-reported in the past.

This report assesses the impact on the numbers of children eligible for FSM since the implementation of new method of capturing FSM eligibility last year.

Recommendations

Schools Forum is asked to:

- comment on the report
- note that the Local Authority will seek Forum approval to de-delegate the cost of the on-line checker at an Autumn term Schools Forum meeting.

Contact Officers:

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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.

14 May 2018: Schools Forum - Dedicated Schools Grant and School Balances 2017/18

1. INTRODUCTION

- 1.1 The costs of free school meals take-up is borne by schools from within their delegated budgets. Currently Manchester's local schools formula allocates out £497.95 and £477.75 for every primary and secondary pupil respectively ever eligible for Free School Meals in the last six years. The entitlement to free school meals also has a direct impact on the allocation of Pupil Premium, at the per pupil rate of £1,320 for primary and £935 for secondary.
- 1.2 In Manchester 28.1% of pupils are currently eligible for free school meals, as recorded on the January 2019 school census.
- 1.3 A May 2018 report to Schools Forum noted that the LA had introduced an on-line checker at school level in order to improve the capturing of FSM eligibility and in turn maximise the levels of Pupil Premium and Dedicated Schools Grant resource to in the City.

2. FREE SCHOOL MEALS (FSM) TRENDS

- 2.1 In October 2017 there was a decline of 1.5% in Manchester's recorded FSM eligibility of 24.8%, as demonstrated in table one below. This decline in eligible FSM did not correlate with the increasing number of pupils living in the 10% most deprived area in the country, as measured by the IDACI index. In 2016 45.4% of Manchester's pupils live in the top 10% most deprived areas. The FSM data match exercise (reported to Schools Forum May 2018) using MOSAIC geodemographic model based on postcode identified potential under reporting of FSM at schools. Schools reported that the downward trend in FSM was due to: introduction of universal infant free schools meals, changes in benefits criteria and parent's not FSM claiming, rather than reduced level of need.

Table one: FSM eligibility in Manchester from October 2016

Table One: FSM Eligibility in Manchester from October 2016 to

	2016/17		2017/18			2018/19		2018/19	
	Census : Oct-16		Census : Oct-17			Census : Oct-18		Census : Jan-19	
	Total Pupils	% Eligible for FSM	Total Pupils	% Eligible for FSM		Total Pupils	% Eligible for FSM	Total Pupils	% Eligible for FSM
Nursery	210	13.8%	102	30.4%	May 18 New FSM Checker	183	18.0%	158	34.8%
Primary	53,518	25.8%	53,907	24.4%		54,219	26.1%	54,917	27.7%
Secondary	24,069	26.5%	25,647	24.9%		26,898	26.7%	26,849	27.7%
All Through	2,880	22.3%	2,983	21.6%		3,217	21.7%	3,220	22.8%
Special	1,299	48.6%	1,427	46.8%		1,528	51.0%	1,600	52.1%
PRU	326	58.9%	272	71.0%		288	74.0%	392	70.4%
Total	82,763	26.3%	84,409	24.8%		86,741	26.7%	87,541	28.1%

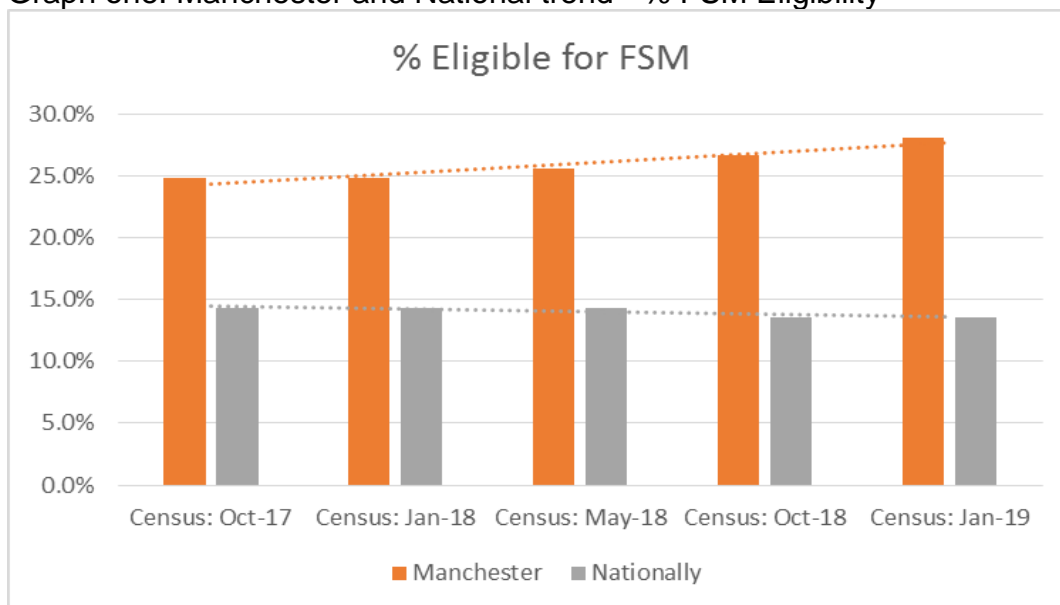
- 2.2 Table one above shows an upward trend for Manchester from October 2018 of 1.9% compared to the previous October. Whereas at the same time nationally the eligibility for FSM dropped by 0.7%, see table two below comparing Manchester to national statistics.

Table two: Manchester compared with National % Eligible for FSM

% Eligible for FSM					
	2017/18		2018/19		
	Census: Oct-17	Census: Jan-18	Census: May-18	Census: Oct-18	Census: Jan-19
Manchester	24.8%	24.8%	25.6%	26.7%	28.1%
Nationally	14.3%	14.3%	14.3%	13.6%	13.6%

- 2.3 Since May 2018 Manchester has seen a steady growth in the pupils identified for FSM, which is in contrast to the national trend. Manchester has seen a 2.5% increase from May 2018 to January 2019. Compared to national data where it has remained constant with a small downward trend from October 2018. Graph one below compares Manchester and national trend of FSM eligibility from October 2017 to January 2019.

Graph one: Manchester and National trend - % FSM Eligibility



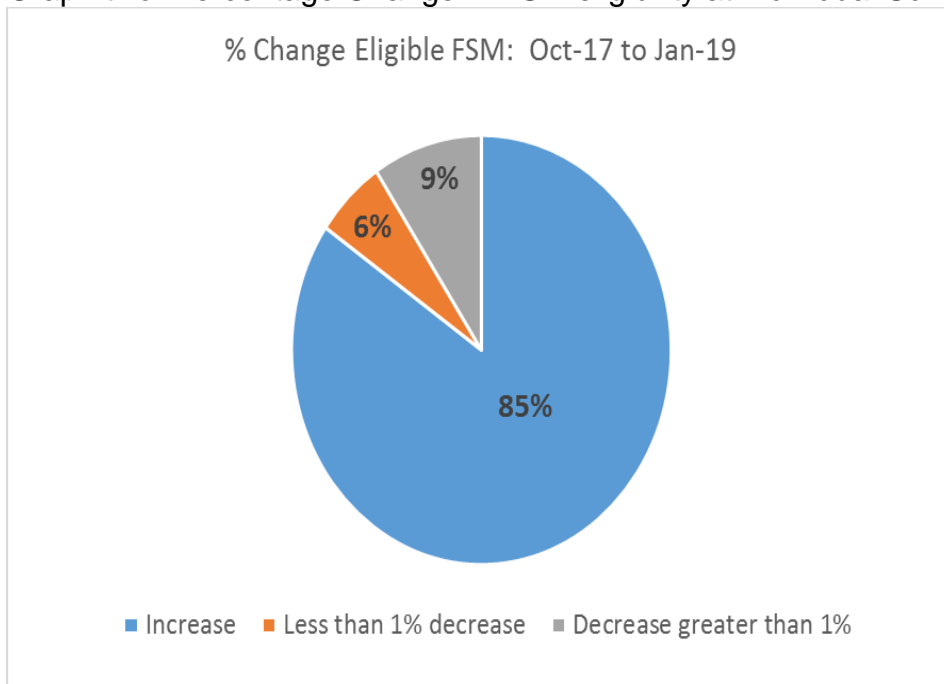
3. IMPACT OF FREE SCHOOL MEAL ELIGIBILITY CHANGES

- 3.1 The roll out of Government's Universal Credit regime meant there were changes to the FSM eligibility criteria. From April 2018 FSM eligibility is for children from households with an income of up to £7,400 a year, excluding benefits, which is equivalent to £18,000 to £24,000 a year including benefits. A transitional protection is now applied to FSM, so all existing claimants will continue to

receive FSM during the Universal Credit rollout period (April 2018 - March 2023), even if earnings increase. Once fully rolled out, existing claimants that no longer meet the eligibility criteria will then continue to be eligible for FSM until their child has reached the end of their current phase of education (e.g. primary, secondary). In recognition of this, there has been an additional fund granted to schools, the FSM Supplementary Grant.

- 3.2 In Manchester up until May 2018, entitlement to FSM had been identified as part of the claim process for housing benefit and council tax support. This has meant that the eligibility of most families was captured as part of this process. However as households with children move on to Universal Credit they will not make a claim for housing benefit via the council; the rent element will be paid as part of their claim for Universal Credit. The Council would only be able to check if a family is entitled to FSM, if it knows of an intention to claim. The change in the benefits regime and the reduced contact between the claimant and council increased the risk that pupils not being identified for their entitlement to FSM.
- 3.3 As reported to Schools Forum May 2018, to try and mitigate this risk for Manchester pupils the Council purchased a licence for **all maintained schools** to use FSM checker software to ensure that all children entitled to free school meals and Pupil Premium are identified.
- 3.4 The Council negotiated a significant reduction of 50% on the cost of the licence compared to the purchase price quoted for individual schools seeking to buy direct. The lower cost was only secured as a block of three-year licences were purchased. The Council funded the first year from May 2018 and secured Schools Forum approval to de-delegate c.£38k for the 2019/20 license. Academies are responsible for carrying out their own FSM checks. As part of the Council's negotiations in May 2018 with the FSM checking software provider, academies in the City were able to purchase the licence at the discounted rate for a limited period.
- 3.5 Schools welcomed the change and have been positive during the period of change to the on-line FSM checker. It was anticipated that this change will lead to more children being recorded as being eligible for FSM. The chart below demonstrates that since October 2017 and January 2019 85% of schools in the City have seen an increase in recording eligible FSM pupils in Manchester. Appendix one shows this at individual school level, the overall increase from October 2017 to January 2019 was 3.3%. It is likely a number of factors have contributed to this: introduction of the on-line checker, roll out of Universal Credit, and the free school meal transitional protection. It is difficult to isolate and quantify the impact of each individual factor.

Graph two: Percentage Change in FSM eligibility at Individual School Level



4. CONCLUSION AND RECOMMENDATIONS

4.1 Since the introduction of the on-line FSM checker, the identification of eligible FSM has increased by 2.5% in Manchester, whereas nationally there has been a reduction of 1.3%. Therefore it can be concluded that if Manchester had not initiated the roll out of the on-line checker the identification of eligible FSM would not have increased in the manner it has.

4.2 Schools Forum is asked to:

- comment on the report
- note that the Local Authority will seek Forum approval to de-delegate the cost of the on-line checker at an Autumn term Schools Forum meeting.

APPENDIX ONE: Change in Eligible FSM October 2017 to January 2019 at School Level

School Name	Type	Phase	FSM Eligible Census October 2017	FSM Eligible Census January 2019	Change
Collyhurst Nursery School	Maintained	Nursery	34.9%	35.9%	1.0%
Martenscroft Nursery	Maintained	Nursery	27.1%	33.8%	6.6%
Abbey Hey Primary Academy	Academy	Primary	34.8%	38.9%	4.1%
Abbott Community Primary School	Maintained	Primary	39.5%	41.5%	2.0%
Acacias Community Primary Sch	Maintained	Primary	9.9%	11.8%	1.9%
All Saints (Gorton)	Maintained	Primary	36.8%	41.3%	4.5%
All Saints CE Primary School	Maintained	Primary	39.1%	42.4%	3.3%
Alma Park Primary	Maintained	Primary	13.7%	16.6%	2.9%
Armitage C.E. Primary	Maintained	Primary	29.2%	33.0%	3.8%
Ashbury Meadow Primary	Maintained	Primary	24.9%	20.8%	-4.1%
Aspinal Primary	Academy	Primary	36.0%	34.4%	-1.6%
Baguley Hall Primary School	Maintained	Primary	39.0%	38.4%	-0.6%
Barlow Hall Primary School	Academy	Primary	25.5%	29.9%	4.4%
Beaver Road Primary School	Academy	Primary	5.6%	5.8%	0.2%
Benchill Primary School	Maintained	Primary	38.0%	49.5%	11.6%
Birchfields Primary	Maintained	Primary	22.5%	25.7%	3.2%
Bowker Vale Primary School	Maintained	Primary	22.9%	25.8%	2.8%
Briscoe Lane Academy	Academy	Primary	44.0%	50.5%	6.5%
Broad Oak Primary School	Maintained	Primary	12.5%	12.4%	-0.1%
Brookburn Community	Academy	Primary	2.6%	3.0%	0.5%
Button Lane Primary School	Maintained	Primary	33.6%	46.1%	12.5%
Cavendish Community Primary	Maintained	Primary	15.8%	17.2%	1.4%
Chapel Street Primary School	Maintained	Primary	16.7%	21.9%	5.2%
Charlestown Community Primary	Maintained	Primary	34.2%	39.2%	5.0%
Cheetham CofE Community	Academy	Primary	18.0%	22.5%	4.5%
Cheetwood Primary School	Maintained	Primary	32.3%	30.8%	-1.5%
Chorlton C.E. Primary School	Maintained	Primary	1.7%	0.8%	-0.8%
Chorlton Park Primary School	Academy	Primary	11.3%	14.1%	2.8%
Christ The King Primary School	Maintained	Primary	22.6%	28.2%	5.6%
Church of England School of the Resurrection	Maintained	Primary	21.8%	30.8%	9.0%
Claremont Primary	Maintained	Primary	34.5%	37.1%	2.6%
Co-op Academy Broadhurst	Academy	Primary	23.2%	25.8%	2.6%
Crab Lane Primary School	Maintained	Primary	31.4%	37.7%	6.3%
Cravenwood Primary School	Academy	Primary	14.9%	13.2%	-1.7%
Cringle Brook Primary School	Academy	Primary	18.7%	16.8%	-1.9%

Crossacres Primary School	Academy	Primary	28.7%	30.7%	2.0%
Crosslee Primary School	Maintained	Primary	34.7%	35.5%	0.8%
School Name	Type	Phase	FSM Eligible Census October 2017	FSM Eligible Census January 2019	Change
Crowcroft Park Primary School	Maintained	Primary	12.1%	17.3%	5.2%
Crumpsall Lane Primary School	Maintained	Primary	10.5%	17.2%	6.6%
Didsbury C.E. Primary	Academy	Primary	1.3%	4.2%	2.9%
E-Act Blackley Academy	Academy	Primary	26.7%	40.6%	14.0%
Green End Primary School	Academy	Primary	25.9%	28.4%	2.5%
Haveley Hey Community School	Academy	Primary	49.4%	48.0%	-1.4%
Heald Place Primary School	Maintained	Primary	26.4%	29.4%	2.9%
Higher Openshaw Community	Maintained	Primary	20.6%	40.7%	20.1%
Holy Name R.C. Primary	Maintained	Primary	15.8%	20.0%	4.2%
Holy Trinity C/E Primary	Maintained	Primary	24.8%	34.9%	10.1%
Irk Valley Community	Maintained	Primary	14.8%	18.9%	4.1%
King David Primary	Academy	Primary	4.4%	5.2%	0.9%
Ladybarn Primary School	Academy	Primary	29.0%	29.8%	0.8%
Lily Lane Primary School	Maintained	Primary	35.6%	37.6%	2.0%
Longsight Community Primary	Academy	Primary	20.7%	23.5%	2.8%
Manchester Communication Primary Academy	Academy	Primary	26.8%	29.0%	2.2%
Manley Park Primary School	Maintained	Primary	9.1%	7.9%	-1.2%
Mauldeth Road Primary School	Maintained	Primary	18.0%	22.7%	4.8%
Medlock Primary	Maintained	Primary	23.1%	28.0%	4.9%
Moston Fields Primary School	Maintained	Primary	22.6%	30.0%	7.3%
Moston Lane Primary	Maintained	Primary	35.0%	38.2%	3.1%
Mount Carmel RC Primary School	Maintained	Primary	20.7%	21.1%	0.4%
New Islington Free School	Academy	Primary	8.5%	8.5%	0.0%
New Moston Primary School	Maintained	Primary	25.5%	27.0%	1.5%
Newall Green Primary	Academy	Primary	57.7%	59.1%	1.4%
Northenden Community School	Maintained	Primary	8.9%	9.0%	0.1%
Oasis Academy Harpur Mount	Academy	Primary	35.9%	39.2%	3.3%
Oasis Academy Temple	Academy	Primary	19.9%	17.9%	-2.0%
Old Hall Drive Primary	Academy	Primary	36.0%	37.7%	1.7%
Old Moat Community Primary	Academy	Primary	38.1%	38.9%	0.9%
Oswald Road Primary School	Maintained	Primary	7.2%	8.4%	1.2%
Our Lady's R.C. Primary	Maintained	Primary	11.2%	26.5%	15.3%
Park View Community	Maintained	Primary	33.2%	39.5%	6.3%
Peel Hall Primary School	Maintained	Primary	32.8%	41.0%	8.3%
Pike Fold Primary	Maintained	Primary	15.4%	22.0%	6.6%
Plymouth Grove Primary School	Maintained	Primary	27.3%	26.0%	-1.4%
Rack House Primary School	Maintained	Primary	26.1%	37.4%	11.3%
Ravensbury Primary School	Maintained	Primary	31.6%	34.0%	2.4%
Ringway Primary School	Maintained	Primary	23.8%	30.1%	6.3%
Rolls Crescent Primary School	Academy	Primary	37.3%	32.2%	-5.1%

School Name	Type	Phase	FSM Eligible Census October 2017	FSM Eligible Census January 2019	Change
Rushbrook Primary Academy	Academy	Primary	27.1%	26.7%	-0.5%
Sacred Heart Catholic Primary	Maintained	Primary	14.3%	17.4%	3.1%
Sacred Heart RC Primary	Maintained	Primary	27.1%	29.6%	2.5%
Sandilands Primary	Maintained	Primary	25.7%	27.0%	1.3%
Saviour CE Primary School	Maintained	Primary	37.3%	33.0%	-4.3%
Seymour Road Academy	Academy	Primary	41.2%	41.3%	0.2%
SS John Fisher and Thomas More	Academy	Primary	23.4%	33.0%	9.7%
St Wilfrid's CofE Aided Primary School Northenden	Academy	Primary	7.4%	9.9%	2.5%
St. Agnes C.E. Primary	Maintained	Primary	13.0%	14.1%	1.2%
St. Aidan's Catholic Primary	Maintained	Primary	17.6%	20.2%	2.6%
St. Ambrose R.C. Primary	Maintained	Primary	35.2%	40.7%	5.5%
St. Andrew's C.E. Primary	Maintained	Primary	9.2%	14.3%	5.1%
St. Anne's RC Primary (Ancoats)	Maintained	Primary	22.6%	24.7%	2.0%
St. Annes RC Primary School	Maintained	Primary	18.2%	22.9%	4.7%
St. Anthonys	Academy	Primary	16.8%	21.2%	4.4%
St. Augustines CE Primary	Maintained	Primary	38.9%	41.2%	2.3%
St. Barnabas C. of E.	Academy	Primary	33.6%	38.4%	4.8%
St. Bernard's RC Primary	Maintained	Primary	28.9%	33.0%	4.1%
St. Brigid's R.C. Primary	Maintained	Primary	24.2%	31.4%	7.3%
St. Catherine's R.C. Primary	Maintained	Primary	3.0%	4.2%	1.2%
St. Chad's R.C. Primary School	Maintained	Primary	18.0%	18.9%	0.9%
St. Chrysostoms Primary School	Maintained	Primary	16.6%	20.2%	3.7%
St. Clares RC Primary School	Maintained	Primary	17.0%	24.1%	7.1%
St. Clement's C. of E. Primary	Maintained	Primary	39.2%	44.4%	5.3%
St. Cuthbert's R.C. Primary	Maintained	Primary	22.6%	30.0%	7.4%
St. Dunstan's Primary School	Maintained	Primary	20.0%	31.9%	11.9%
St. Edmund's RC Primary School	Maintained	Primary	25.2%	38.3%	13.1%
St. Elizabeth's R.C. Primary	Academy	Primary	11.3%	11.4%	0.1%
St. Francis RC Primary School	Maintained	Primary	20.8%	24.0%	3.1%
St. James C.E. Primary	Academy	Primary	41.3%	46.2%	4.9%
St. James' C.E. Primary School	Maintained	Primary	18.4%	22.3%	3.9%
St. John Bosco R.C. Primary	Maintained	Primary	14.3%	18.0%	3.7%
St. John's C.E. Primary	Maintained	Primary	18.2%	20.5%	2.3%
St. John's R.C. (Chorlton) Primary	Maintained	Primary	6.0%	7.8%	1.8%
St. Josephs RC Primary School	Maintained	Primary	21.6%	23.8%	2.1%
St. Kentigern's RC Pri.	Maintained	Primary	39.7%	43.6%	3.9%

School Name	Type	Phase	FSM Eligible Census October 2017	FSM Eligible Census January 2019	Change
St. Luke's C.E. Primary	Maintained	Primary	28.2%	27.2%	-1.0%
St. Malachy's RC Primary	Maintained	Primary	39.5%	45.0%	5.5%
St. Margaret Mary's RC Primary	Maintained	Primary	11.7%	12.5%	0.8%
St. Margaret's C.E. Primary	Maintained	Primary	23.5%	25.3%	1.8%
St. Mary's C of E Primary	Maintained	Primary	25.6%	29.2%	3.6%
St. Mary's C.E. Primary, Moss Side	Maintained	Primary	51.6%	51.6%	0.0%
St. Mary's RC (Levenshulme)	Maintained	Primary	16.5%	18.4%	1.9%
St. Patricks RC Primary School	Maintained	Primary	33.6%	37.9%	4.3%
St. Paul's C.E. Primary	Maintained	Primary	10.6%	14.6%	4.0%
St. Peter's Catholic Primary School	Maintained	Primary	22.4%	27.6%	5.1%
St. Philip's C/E Primary	Maintained	Primary	20.8%	25.0%	4.2%
St. Richard's RC Primary	Maintained	Primary	20.1%	24.6%	4.5%
St. Wilfrid's C.E. Primary	Maintained	Primary	33.3%	38.9%	5.6%
St. Wilfrid's R.C. Primary	Maintained	Primary	24.4%	35.5%	11.1%
St. Willibrords R.C. Primary	Maintained	Primary	24.9%	30.0%	5.1%
Stanley Grove Primary Academy	Academy	Primary	34.1%	31.1%	-2.9%
The Divine Mercy RC Primary	Maintained	Primary	33.1%	30.8%	-2.3%
The Willows Primary School	Academy	Primary	38.3%	42.3%	3.9%
Unity Community Primary School	Academy	Primary	15.2%	24.1%	8.9%
Varna Community Primary School	Maintained	Primary	22.9%	33.5%	10.6%
Webster Primary School	Academy	Primary	27.9%	33.5%	5.6%
West Didsbury CE Primary School	Academy	Primary	6.3%	10.8%	4.6%
Wilbraham Primary School	Academy	Primary	29.7%	32.6%	2.8%
Burnage Media Arts College	Academy	Secondary	21.6%	21.8%	0.1%
Cedar Mount Academy	Academy	Secondary	23.2%	32.9%	9.7%
Chorlton High School	Academy	Secondary	15.1%	17.6%	2.5%
Co-op Academy Manchester	Academy	Secondary	23.0%	26.8%	3.8%
Co-op Academy North Manchester	Academy	Secondary	27.2%	31.0%	3.7%
Dean Trust Ardwick	Academy	Secondary	26.9%	27.7%	0.7%
Eden Boys' Leadership Academy	Academy	Secondary	12.5%	18.8%	6.3%
Eden Girls' Leadership Academy	Academy	Secondary	7.5%	17.9%	10.4%
Levenshulme High School	Academy	Secondary	18.4%	20.4%	1.9%
Loreto High School Chorlton	Maintained	Secondary	26.4%	31.6%	5.2%
Manchester Academy	Academy	Secondary	33.7%	36.9%	3.2%
Manchester Communication Academy	Academy	Secondary	31.6%	38.7%	7.0%
Manchester Enterprise Academy	Academy	Secondary	32.3%	40.9%	8.6%
Manchester Health Academy	Academy	Secondary	37.0%	40.9%	3.9%
MEA Central	Academy	Secondary	17.2%	26.1%	8.8%
Newall Green High School	Academy	Secondary	40.8%	39.7%	-1.1%

School Name	Type	Phase	FSM Eligible Census October 2017	FSM Eligible Census January 2019	Change
Our Lady's R.C. High School	Maintained	Secondary	23.7%	25.9%	2.2%
Parrs Wood High School	Academy	Secondary	18.1%	19.1%	1.1%
St. Matthew's R.C. High School	Maintained	Secondary	27.0%	32.2%	5.1%
St. Paul's Catholic High School	Academy	Secondary	38.0%	41.5%	3.5%
St. Peters RC High School	Maintained	Secondary	24.5%	28.0%	3.5%
The Barlow R.C. High School	Maintained	Secondary	20.6%	22.0%	1.4%
The East Manchester Academy	Academy	Secondary	38.4%	43.1%	4.7%
The King David High School	Academy	Secondary	3.8%	3.2%	-0.6%
Trinity Church of England High	Academy	Secondary	16.5%	16.3%	-0.3%
Whalley Range 11-18 High School	Academy	Secondary	23.6%	25.1%	1.5%
Wright Robinson College	Maintained	Secondary	29.3%	27.5%	-1.8%
Abraham Moss High School	Maintained	All Through	21.9%	25.1%	3.1%
William Hulme's Grammar School Academy	Academy	All Through	18.9%	19.8%	0.9%
Ashgate Specialist Support Primary School	Maintained	Special	56.6%	55.6%	-1.0%
Camberwell Park Specialist Support School	Maintained	Special	52.7%	59.7%	7.0%
Grange School	Maintained	Special	38.9%	45.1%	6.2%
Lancasterian	Maintained	Special	55.7%	61.2%	5.5%
Meade Hill School	Maintained	Special	72.0%	76.4%	4.4%
Melland High School	Academy	Special	41.0%	41.2%	0.2%
North Ridge High School	Maintained	Special	43.8%	48.8%	5.0%
Pioneer House High School	Academy	Special	51.9%	50.7%	-1.3%
Piper Hill School	Academy	Special	39.1%	41.8%	2.7%
Rodney House School	Maintained	Special	22.0%	45.2%	23.2%
Southern Cross School	Maintained	Special	62.0%	69.2%	7.2%
The Birches	Maintained	Special	36.1%	46.7%	10.6%
Bridgelea KS2 PRU	Maintained	PRU	83.6%	88.4%	4.8%
Manchester Secondary PRU	Maintained	PRU	67.7%	66.6%	-1.2%
TOTAL			24.8%	28.1%	3.3%

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**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Update from National Funding Conference**

Report of: **Directorate Finance Lead – Children Services and Education and Skills**

Summary

This paper provides an update following attendance at the National Fair Funding conference in May 2019. The bi-annual conferences are an established forum for education local government funding policies. It brings colleagues together to communicate directly with Department for Education (DfE) representatives and funding experts to share strategies, experiences and concerns through networking. These conferences provide a valuable means of understanding the latest developments and emerging issues. The day was lead by financial, educational and political speakers who identified the important changes and the future outlook for educational funding and how local authorities could be affected.

Recommendations

Members of Schools Forum are asked to note the report.

Contact Officers:

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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 Once or twice a year, there is a national conference about education funding. The speakers include DfE / ESFA officials as well as others involved in school and education funding e.g. LAs and schools involved in piloting new funding arrangements. This note provides a summary of some of the key topics covered at the most recent conference held on the 22nd May 2019.
- 1.2 There were no announcements from the DfE.

2. HEADLINES FROM THE CONFERENCE

- 2.1 A key theme of the key note speaker was the pressures and strategic direction of the high needs block. It was recognised by many attendees that a tipping point in the block had been reached. Analysis on increase in EHCPs and special school places was shared and discussed. LAs' management of the pressures and the need to develop and sustain practice in local SEND systems were explored.
- 2.2 Isos have analysis showing rising levels of spend and an increasing gap between spending and allocations. Local areas have been "topping up" from other parts of the Dedicated Schools Grant and reserves, but are running out of room for manoeuvre.
- 2.3 **What do we know about (effective) local systems of alternative provision and support for inclusion** - The speaker shared a summary of key messages from recent research carried out for the Department for Education on alternative provision and inclusion support in local areas. Consideration of some of the different approaches that ensure that schools, alternative providers and council leaders can work together to ensure local inclusion support and alternative provision is used effectively.
- 2.4 **Dedicated School Grant Recovery plan** - Local authorities who have a DSG deficit of 1% or more are required to submit the recovery plan to the ESFA, demonstrating recovery within three years. The seminar focused on the reasons for implementing the recovery plan, how to complete the recovery plan, the delivery cycle and enabling delegates to ask questions on the operational cycle. A number of authorities have had to request an extension to the three year recovery period. Manchester's deficit is not 1% or more and a recovery plan does not yet need to be provided to the DfE.
- 2.5 **Early Years funding** - Manchester facilitated a workshop on the challenges in the financial management of the early years block. In particular, the shortfall in funding arising from January census point for 2 year old funding was discussed. Some colleagues felt that January was not the "mid-point" for two year olds recorded in their settings and it was proposed that switching to a different census would assist in offsetting pressures on this stream. A DfE official stated that this would necessitate a major upheaval of the current system

(which in itself would be a long, difficult, and bureaucratic process), which might end up being counter-productive for the three and four year old funding, which seemed to be working well under the January census for most.

- 2.6 **Schools Forum** - A discursive session on the history of schools forum, its current operation and its future are covered. Challenges around block transfers and meeting the published NFF have created conflict, and the Local Authority has been placed in a challenging position to maintain positive relationships. The recent ESFA communication around best practice will be considered.
- 2.7 **Diffusing High Needs Block Timebomb** – Analysis of high needs issues was provided. Discussion regarding the reasons for high needs pressures was categorised as a result of: funding reforms (insufficient levels), demographic changes, and policy decisions (reduced LA services, DfE promoting special free school). Consideration on how LAs can engage with schools to achieve cost effective support for children with SEND. Discussion on LA review of high needs covered:
- Leadership vision and culture
 - Threshold (element two)
 - Pattern of provision and transition
 - Funding arrangements
 - Support for inclusion
 - Incentivising accountability
- 2.8 **Affordable Schools** - As the financial challenges faced by schools increase, local authorities are needing to adapt the way they support and challenge their schools to ensure financial sustainability and safeguard the financial position of the school and LA. The workshop offered an insight into a LA's evolving approach to managing the situation, and afforded an opportunity to share ideas and good practice. The workshop supported a need for a whole school solution: finance, quality assurance and human resources. One of the approaches to managing financial sustainability by the workshop was for head teachers meeting with their peers to review and discuss benchmarking data.

3. **RECOMMENDATIONS**

- 3.1 Members of Schools Forum are asked to note the report.

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**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Section 251 Benchmarking**

Report of: **Directorate Finance Lead – Children Services and Education and Skills**

Summary

In considering the Schools Budget, schools' forums are expected to consider benchmarking data concerning its Local Authority (LA). The latest benchmarking information published by the DfE on planned expenditure by LAs is based on 2018/19 Section 251 Budget Statement. At the time of writing this report, the 2019/20 Section 251 Budget Statement is not available.

This report outlines the DfE budget data collection return and provides a summary of the current benchmarking information produced by the DfE from returns submitted by each local authority.

Recommendations

Forum Members are asked to note and comment on the contents of the report.

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Background documents (available for public inspection):

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

1. INTRODUCTION

- 1.1 Prior to the start of the financial year all councils are required to publish a statement showing their planned expenditure on children's services. The statement is prescribed by the DfE and requires councils to set out in a common format their planned spending on children's services for the forthcoming financial year.
- 1.2 Since 2003/04 this has enabled the DfE to publish comparative information. The latest S251 benchmarking information was published by the DfE in and is available at:

<https://www.gov.uk/guidance/section-251-2018-to-2019>

2. SECTION 251

- 2.1 Electronic copies of the benchmarking data from LA Table of S251 are attached at appendices A and B of the School Forum reports.
- 2.2 Schools Forum's principal role is to focus on the use of the Dedicated Schools Grant, i.e. those lines up to 1.8.1 or Column 54. The other budget lines and columns beyond that will nevertheless be of interest to the Schools Forum, because they support schools and, more broadly, children's services across the City.
- 2.3 This report looks mainly at Manchester's geographical and statistical neighbours, due to the similar characteristics and proximity of these Councils. The report considers the key statistics within S251 and highlights a number of key issues relating to them.
- 2.4 Council spend relates to all children living in the Authority area, figures provided are per capita, not per pupil. Capita figures vary from dataset to dataset, but generally include all pupils aged 3 – 19 when analysing school only services, and total population aged 0 – 19 when analysing services provided to any child in the authority area.

3. COMPARISON TO STATISTICAL NEIGHBOURS

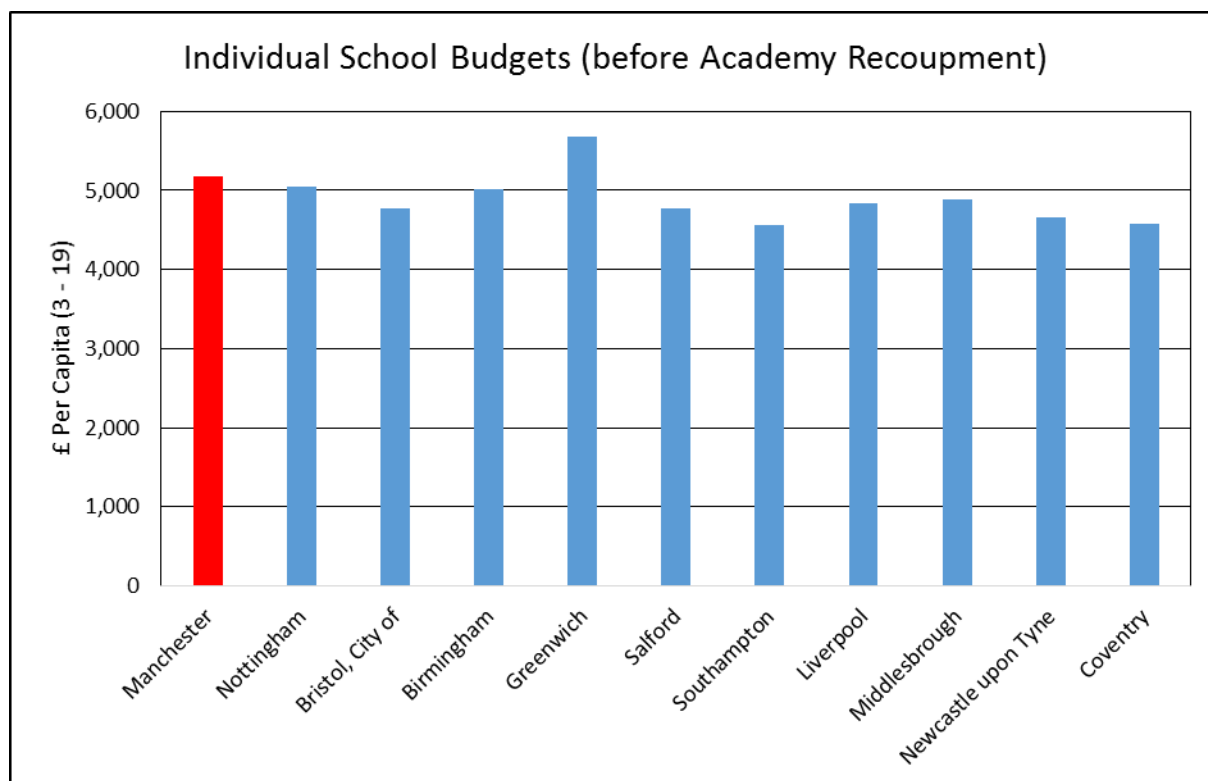
- 3.1 Manchester has ten statistical neighbours, chosen based on population, as follows:
 - Bristol, City of
 - Birmingham
 - Coventry
 - Greenwich
 - Liverpool
 - Middlesbrough
 - Newcastle upon Tyne
 - Nottingham
 - Salford
 - Southampton

- 3.2 In 2018/19, Manchester City Council delegated more per capita to mainstream and special schools through the individual schools budget than any other statistical neighbour with the exception of Greenwich – a London Borough. Please see table one.

Table one: Individual School budgets, but excluding all high needs funding.

	Individual Schools Budget, but excluding all high needs place funding (B)	High needs place funding within Individual Schools Budget including all pre- and post-16 place funding for maintained schools and academies	Individual Schools Budget (before Academy recoupment), including high needs place funding (B)
	£ (per Capita)		
England (avg.)	4,414	125	4,608
Manchester	4,876	184	5,176
Nottingham	4,871	95	5,046
Bristol, City of	4,552	126	4,771
Birmingham	4,748	173	5,017
Greenwich	5,502	103	5,682
Salford	4,604	99	4,767
Southampton	4,369	112	4,567
Liverpool	4,599	160	4,835
Middlesbrough	4,549	226	4,887
Newcastle upon Tyne	4,385	163	4,662
Coventry	4,401	115	4,585

Graph one: Individual School budgets, but excluding all high needs funding.



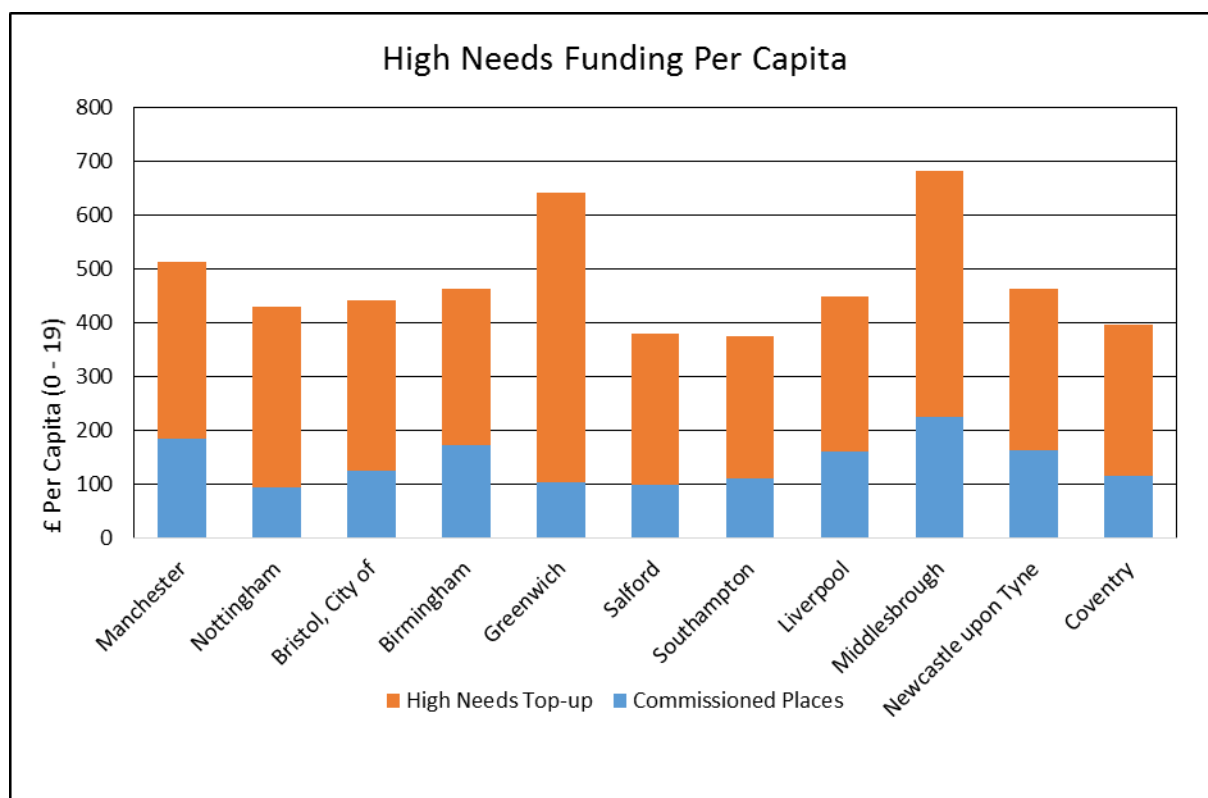
3.3 In 2018/19, the S251 centrally retained high needs budget figures do not include special school budgets, as these were included in the ISB figures. In 2018/19, commissioned place funding at special schools has been included in the ISB, but top up pupil funding has been included in the high needs budget figures.

3.4 In 2018/19, Manchester delegated the third highest combination of commissioned places and top-up funding for high needs per capita when compared to its statistical neighbours, please see table 2.

Table two: Per Capita Places and Top-up for High Needs

	Commissioned Places	High Needs Top-up	Per Capita High Needs Funding
	£ (per Capita)		
Manchester	184	£330	£514
Nottingham	95	£335	£430
Bristol, City of	126	£316	£442
Birmingham	£173	£290	£463
Greenwich	£103	£539	£642
Salford	£99	£281	£380
Southampton	£112	£263	£375
Liverpool	£160	£290	£450
Middlesbrough	£226	£455	£681
Newcastle upon Tyne	£163	£301	£464
Coventry	£115	£282	£397

Graph two: Per Capita Places and Top-up for High Needs

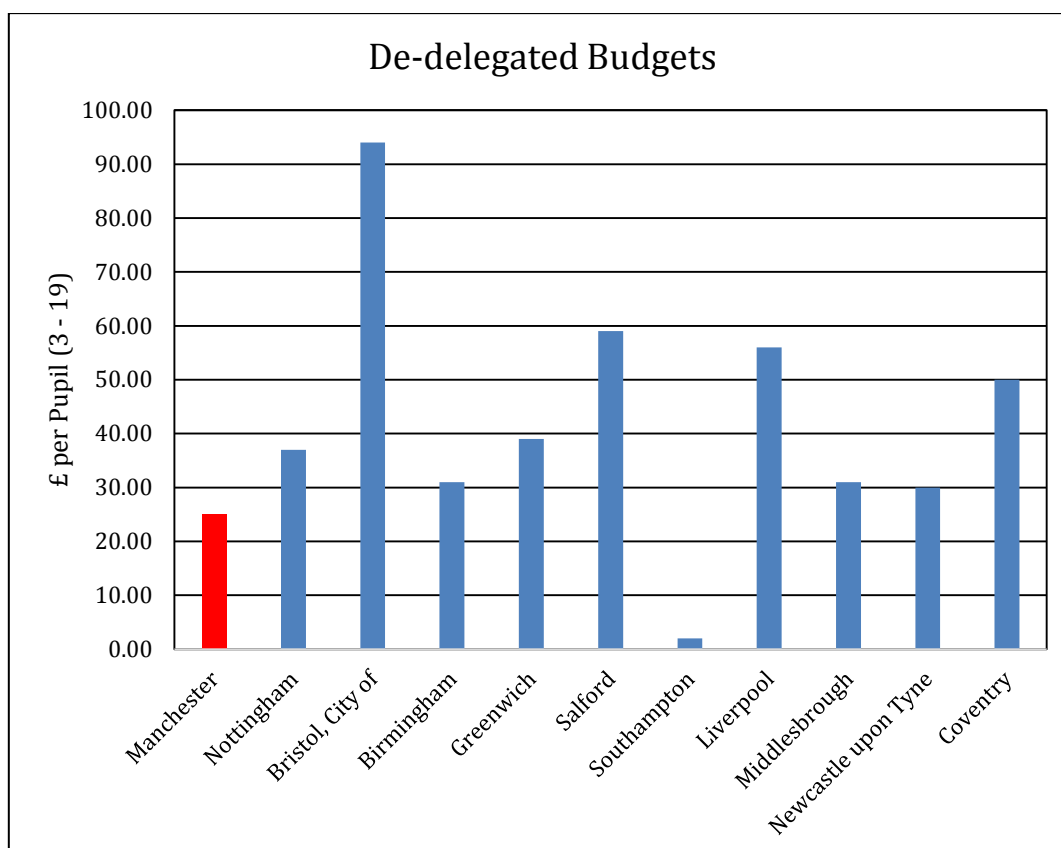


3.5 In 2018/19, Manchester's de-delegated budget was the second lowest per capita when compared to its statistical neighbours.

Table three: De-delegated Budget Categories and Education Service Grant

De-delegated budgets (detail – to nearest whole pound)	Contingencies	Behaviour support services	Support to UPEG and bilingual learners	Free school meals eligibility	Insurance	Museum and Library services	Licences / subscriptions	Staff costs – supply cover excluding facility time	Staff costs – supply cover for facility time	School improvement	Statutory/Regulatory Duties Mainstream	Statutory/Regulatory Duties Maintained Schools
Manchester	-	-	-	-	-	-	-	-	£5	-	£14	£6
Nottingham	£9	£16	-	-	-	-	-	-	£5	-	£7	-
Bristol, City of	£15	£5	-	£1	£28	-	-	£26	£6	-	£13	-
Birmingham	£13	£3	-	-	-	-	-	-	£4	-	£11	-
Greenwich	£23	£12	-	£1	-	-	-	-	£3	-	-	-
Salford	£5	£2	£13	£2	-	£5	-	£21	£3	-	£8	-
Southampton	-	-	-	-	-	-	-	-	£2	-	-	-
Liverpool	£8	£15	£10	£1	-	-	-	£6	£4	-	£12	-
Middlesbrough	-	-	-	£3	-	-	£13	-	£7	-	£8	-
Newcastle upon Tyne	-	-	-	£2	-	-	-	-	£2	-	£7	£19
Coventry	-	-	£11	£1	-	-	-	£21	£4	£8	£5	

Graph three: Per Capita De-delegated Budgets and Education Service Grant



3.6 In 2018/19, Manchester delegated the third highest per capita budget when compared to statistical neighbours.

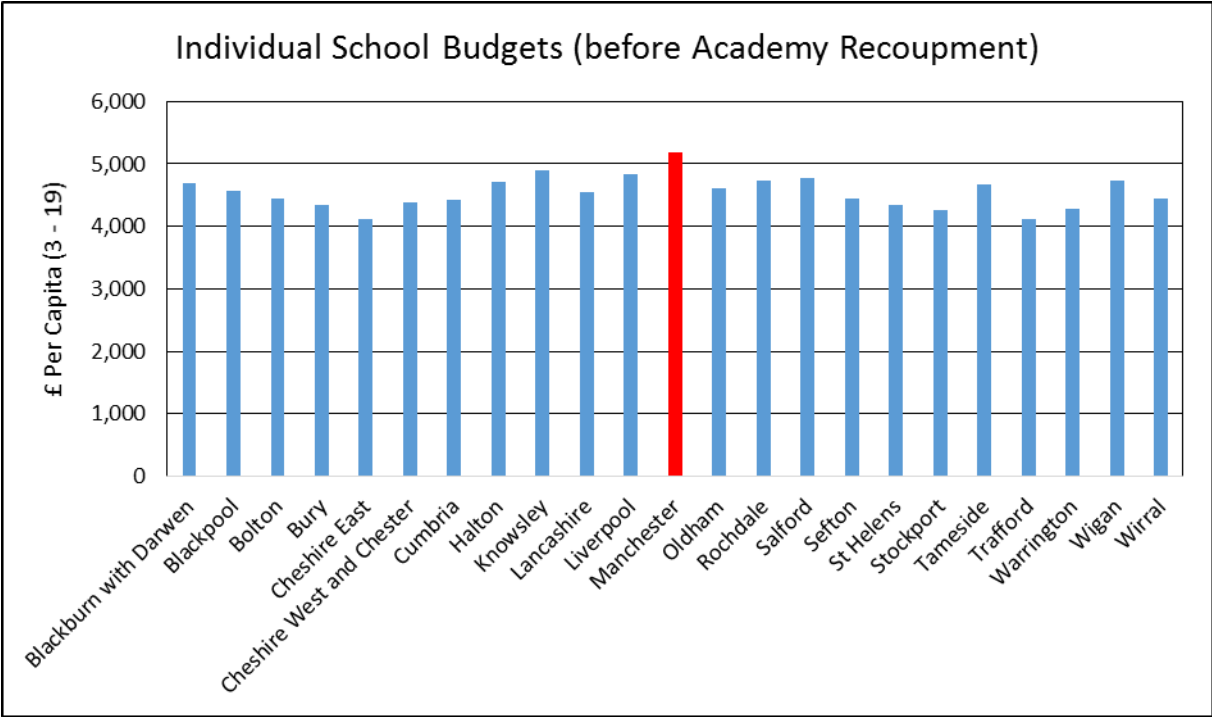
3.7 Other budgets:

- Per capital central expenditure on children on early years entitlement is in line with the mean average spend by statistical neighbours.
- School Admissions and Pupil Growth expenditure per capita remains significantly higher than all other statistical neighbours.
- Manchester's spend on SEN transport is broadly in line with the mean average spend by statistical neighbours.

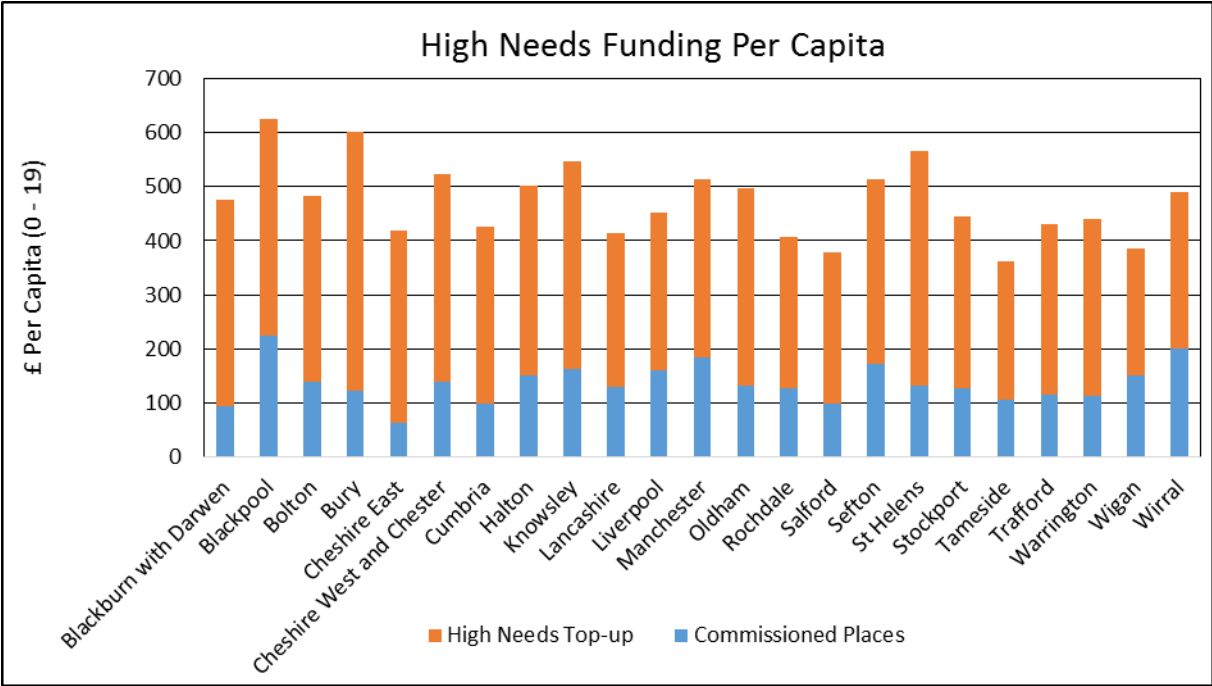
4. COMPARISON TO GEOGRAPHICAL NEIGHBOURS

4.1 Comparison to North West (NW) authorities identifies that Manchester de-delegates the fourth least from maintained schools. The corrected individual school budget remains the largest in the NW per capita, whilst the corrected high needs budgets has risen from amongst the lowest to the 4th highest per capita.

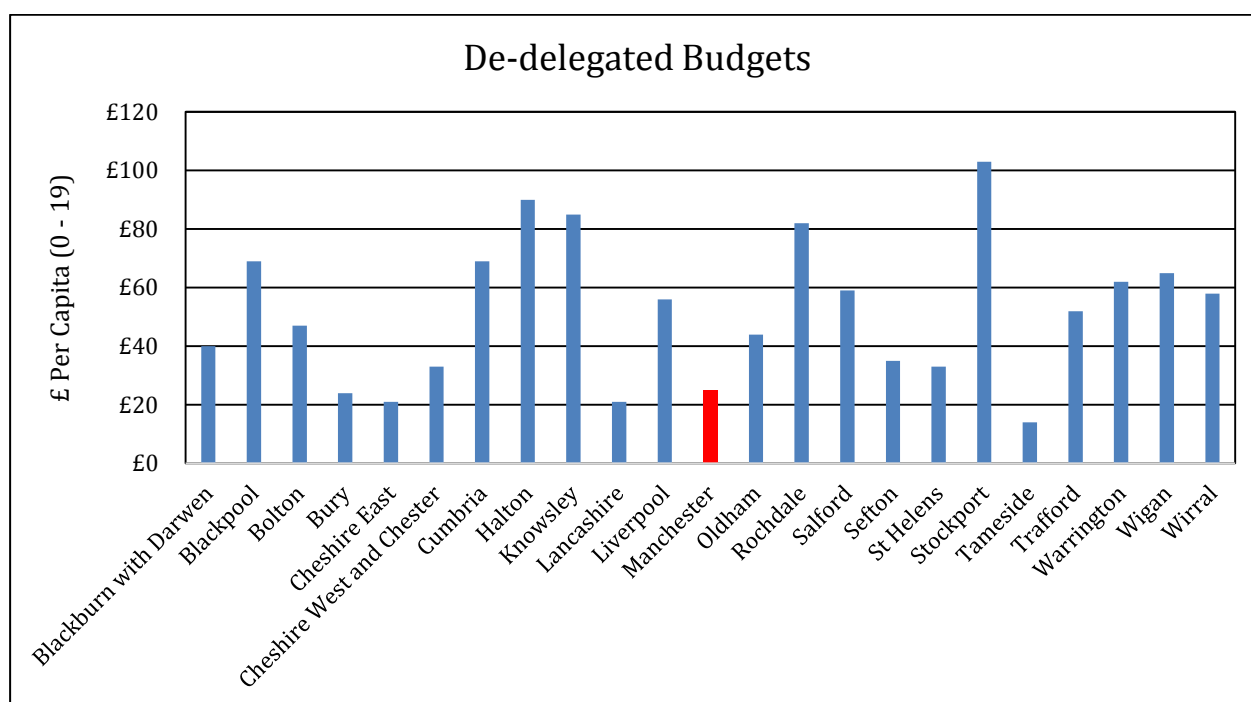
Graph Four: Individual School budgets, but excluding all high needs funding.



Graph Five: Per Capita Places and Top-up for High Needs



Graph Six: Per Capita De-delegated Budgets and Education Service Grant



4.2 Other budgets:

- Expenditure on admissions is the second largest per capita, after Halton.
- Expenditure on Pupil Growth is the highest per capita in the NW
- Contribution from DSG to SEN transport is the highest per capita in the NW.
- Manchester's total schools budget is the largest in the NW.

5 CONCLUSION

- 5.1 In 2018/19, Manchester appeared to be an outlier when compared to both statistical neighbours and NW authorities, as more money per capita is delegated to schools through the Individual Schools Budgets, and less is retained centrally when compared to neighbouring and statistical neighbours.

6 RECOMMENDATION

- 6.1 Forum Members are asked to note and comment on the contents of the report.

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**Manchester City Council
Report for Resolution**

Report to: **Schools Forum**

Subject: **Forward Plan 2019/20**

Report of: **Directorate Finance Lead Children's Services**

Summary

Forward plan of Schools Forum business for the forthcoming academic year.

Recommendations

Members of Schools Forum are asked to note the report.

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Background documents (available for public inspection):

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

1. INTRODUCTION

- 1.1 The following report provides a forward plan for essential approvals and reports that will be brought to the Schools Forum by officers throughout the 2018/19 academic year. Further reports will be added to the Forum agenda as and when required.

2. FORWARD PLAN

Meeting	Reports
23rd September 2019	<ul style="list-style-type: none"> • National Funding Formula updates • Central Schools Block • Dedicated Schools Grant monitoring Q1 & Q2
18th November 2019	<ul style="list-style-type: none"> • Early Years Funding 2019/20 update • National Funding Formula updates • Benchmarking Schools Block
16th December 2019	<ul style="list-style-type: none"> • DSG Report 2020/21
20th January 2020	<ul style="list-style-type: none"> • DSG settlement and budget for forthcoming year
16th March 2020	<ul style="list-style-type: none"> • DSG budget monitoring
11th May 2020	<ul style="list-style-type: none"> • Outturn report – School Balances and centrally retained DSG • DSG update – adjustment to grant allocations • High Needs Block
15th June 2020	<ul style="list-style-type: none"> • Annual Review of Scheme for Financing Schools and School Financial regulations • Review of Analysis of Reserves • Early Years Block review
13 th July 2020	<ul style="list-style-type: none"> • National Funding Formula updates

- 2.1 Updates to schools and early years funding reforms will continue to be provided to Schools Forum as announcements are made.

3. RECOMMENDATIONS

- 3.1 Members of Schools Forum are asked to note the report.