

Manchester Schools Forum

Minutes of the meeting held on 18th January 2021

Present: Gill Houghton, Mike Cooke, Hatim Kapacee, Gavin Shortall, Nichola Davidge, Tony Daly, Philip Geldard, Alan Braven, Walid Omara, Joseph Brownridge, Helen Child, Andy Park, Joshua Rowe, Michael Carson, Edward Vitalis, Phil Hoyland, Isobel Booter, Cath Baggaley, Jimmy Buckley, Antonio De Paola, Emma Merva

Also Present: Councillor Bridges (Portfolio Holder)

Apologies: Michael Flanagan, John Morgan, Bernard Stone

SF/21/01 Minutes

The minutes of the meetings held on 14 March 2020 and 16 November 2020 were submitted for consideration as correct records.

In considering the minutes for the meeting on 16 November 2020, Mr Shortall advised that his name had been incorrectly spelt.

Decisions

1. To agree the minutes of the meeting held on 14 March 2020 as a correct record.
2. To agree the minutes of the meeting held on 16 November 2020 as a correct record, subject to the amendment above.

SF/21/02 Dedicated Schools Grant 2021/22

The Forum received a report of the Directorate Finance Lead – Children and Schools which provided confirmation of the Dedicated Schools Grant (DSG) allocation as announced by the Department for Education (DfE) on 17 December 2020. In addition to information about the amounts received across each of the four blocks, the report provided an outline of the allocation across individual school budgets (ISB) and local authority (LA) retained schools budgets (RSB).

The report summarised that:

- all Manchester schools should see a per-pupil related increase in their individual school budget shares. In line with what had previously been agreed, the Local Authority recommended that this would best be achieved under Model G of the local formula. This would enable a larger proportion of the funding to be funnelled out through core formula factors and provide protection under the Minimum Funding Guarantee (MFG) as much as is affordable within the formula. Under this model, schools should receive between 2% minimum and up to 3% per pupil increase.

- The amount allocated to the Local Authority as part of the Growth Fund does not fully meet the demand for additional places and has led to £1.259m unfunded pressure in the Schools block. The Local Authority will contact the DfE and set out the funding pressures created by the current growth funding methodology.
- Central School Services block funding had reduced on a per pupil basis by 2.5% despite there being no reduction in functions that Local Authorities are required to provide.
- Funding for the High Needs Block had increased by £11.456m in 2021/22, this should enable the Council to manage some existing pressures and anticipated pressures next year but would not fully cover the previous year shortfalls. It was proposed that the deficit is recovered over a three-year period.
- Funding for Early Years rates had increased by 8p and 6p per hour in the two and three & four year old offer. All of the 2 year old increase will be passed to schools and private, voluntary and independent providers. For 3 and 4 year olds, 4p of the 6p increase will go to providers. 2p of the increase will be held back to manage risk of funding from DfE not fully covering funding to be paid to early providers. Final notifications of the adjustment to funding of the two, three and four year old offer will be received in July 2021 and July 2022.

The Forum was invited to provide a view and comment on the Grant.

There was a discussion about the ongoing High Needs funding shortfall which would remain despite the increased funding allocation. Some members felt that the special schools sector had been disproportionately affected by no increase to per pupil funding on over the last decade despite rising costs that are associated with educating those young people. It was asserted that the sector had consistently and carefully managed budgets, particularly over the last 3 – 4 years however the strain had become increasingly apparent and due to significant financial pressures, some services that had previously been available had subsequently had to be withdrawn. Complexities with the banding system of fixed amounts were also raised. This, set within the context of the rapidly changing needs of the SEMH cohort, was said to cause strain and present challenges with regard to the extent that support could swiftly be provided. There was acknowledgment that creating a system that could encompass such complexity would be difficult however it was felt that the Local Authority should speak to the DfE with specific reference to Element 1 and 2 funding since it was felt to be driving a lot of the funding pressures in light of there being no change to per pupil funding.

With regard to the yet to be confirmed amount to be allocated for Early Years funding, the Forum noted the Local Authority's concerns regarding vulnerability in respect of funding being dependent on January 2021 census data. There was felt to be a significant challenge for schools in being well placed to claim fully for nursery pupils and secure funding. Eligible members of the Forum confirmed that they had undertaken arrangements to provide evidence of offers. The Forum supported the Local Authority's assertion to make representations to the DfE about the potential

significant impact this would place on funding of nursery places in the city. The Directorate Finance Lead – Children and Schools also said that since the report had been published, there was now greater concern that the LA may not be able to pass on the increase to providers. This was in order to manage risk of the loss of a significant amount of funding (circa £8M) for next year. This would be reviewed following confirmation of the final allocation following January census data.

There was a discussion about the absence of a government-funded pay award, due the public sector pay freeze which would result the onus lying with individual schools in terms of funding pay increases.

Decision

To note the report.

SF/21/03 Any Other Business: Question regarding the Excess Balances Clawback mechanism

A member of the Forum asked what the Local Authority's intention was with regard to the currently suspended Local Authority Excess Balance Clawback mechanism.

The Directorate Finance Lead – Children and Schools outlined the mechanism in its current form, including sector specific thresholds. She added that the scheme had been suspended in March 2020 in light of the pandemic in recognition that schools would face unforeseen costs in providing a COVID-safe school environment.

The Director of Education said that the total amount attributed to the surplus had fallen but that the amount outstanding remained significant and detracted from the ongoing dialogue with the DfE about the significant impact that the introduction of the National Funding Formula will have on Manchester's schools and would diminish the case for additional need in the city.

The Forum was asked to provide a view on whether to resurrect the mechanism at either 50% or 100% of the excess balance, noting the decision ultimately lay with the LA. Questions were asked about the requirement to bring another paper to the Forum, the need to undergo a further consultation were significant changes to scheme be proposed, the impact of COVID on delaying both capital and revenue projects and the impact of other funding streams on school budgets. The feasibility of suspending the mechanism for a further 12 months was also suggested. The Forum was asked to take into consideration that other LA's had undertaken clawbacks in the current COVID climate with more rigour. It was also asked to take into consideration that the surpluses had been accrued long before the pandemic.

The Forum held mixed views: some members felt the mechanism should be suspended for a further year, others felt that retrieval process should mirror the rigour found in other LAs. It was resolved that timescales would not permit a consultation on a significant change to the mechanism before the financial year end. With regard to monies being held for the specific purpose of a capital project, the Directorate Finance Lead – Children and Schools said that those funds could be retained by the LA until such time that those funds were needed. She gave emphasis to the onus

lying with schools to initiate the dialogue with the LA with regard to taking certain school-specific factors into consideration when determining whether or not the threshold has been exceeded.

Decision

To note that the decision in respect of the reinstigation of the Excess Balances Clawback mechanism lies with the Local Authority.