

Manchester Schools Forum

Minutes of the meeting held on 12 July 2021

Present: Alan Braven, Andy Park, Gillian Houghton, Helen Child, Jo Fenton, Joshua Rowe, Michael Carson Tony Daly, Walid Omara, Gavin Shortall, Mike Cooke, Andrew Burton, Lolita Hall

Also Present: Councillor Reid

Apologies: Councillor Bridges (Portfolio holder) Hatim Kapacee, Michael Flanagan, Jimmy Buckley, John Morgan and Cath Baggaley

SF/21/09 Minutes

The minutes of the meeting held on 22 March 2021 were submitted for consideration as a correct record. The Chair of the Forum highlighted that Andrew Burton had incorrectly been referred to as 'Alan' Burton in those minutes.

Decision

To agree the minutes of the meeting held on 22 March 2021 as a correct record, subject to the amendment above.

SF/21/10 Dedicated Schools Grant (DSG) and School Balances 2020/21 – Outturn Report

The Forum considered a report of the Directorate Finance Lead – Children and Schools which presented the outturn position on school balances as at 31 March 2021 and the final outturn position on the Dedicated Schools Grant (DSG) including the centrally retained DSG.

It was explained that Local Authorities no longer require Schools Forum to approve the carry forward to 2021/22 of any DSG deficit balances following the outcome of the DSG consultation in January 2020. The Forum was therefore invited to note and comment on the maintained school balances and the DSG cumulative deficit balance to be carried forward into 2021/22 which was reported as £2.26m.

The 2020/21 DSG allocation after recoument for academies and high needs was reported as £320.64m, £300.12m of which had been delegated to schools, £18.69m had been retained centrally by the Council and £1.83m earmarked towards the DSG recovery plan. There had been additional high needs funding in 2021/22 of £11.46m, £9.96m of which had been allocated to meet demands in growth, and £1.50m planned for use towards mitigating the DSG deficit. The projected DSG cumulative deficit 2021/22 as at period 2 was £2.06m. Recovery was still expected by 2022/23.

The provisional outturn position for maintained schools was reported as an overall surplus of £20.62m. This was an increase of £5.80m in the total balances held compared to 2019/20, 49% of which was for schools within the primary sector; 35% being from the special schools sector. Primary sector balances had increased by

£2.81m, £2.36m of which was attributed to 15 schools where balances had increased by more than £100k. The report stated that the majority of the £2.05m increase in the special schools sector was attributable to 6 special schools.

Forum members were provided with an overview of maintained schools' total balances broken down by surplus and deficit balances. There had been no significant change in the actual number of schools in surplus and deficit, although there had been a small movement across the sectors. Schools' deficit balances had reduced by £1m since last financial year, due to movement within the special and secondary sector. Individual school revenue and capital balances were also provided.

The 2020/21 outturn position for the overall retained schools DSG budget was reported as an underspend of **£0.82m**, the cumulative DSG position is an overspend of **£2.26m**. The Forum was invited to note that the reduction in the cumulative DSG deficit which had previously been projected as £4.24m. The main reason for the reduction was cited lower than expected jointly funded placements with Health and Social Care and the resolution of an Early Years funding issue as a result of a temporary change to the funding methodology for 2020/21 due to the impact of the pandemic on attendance and school censuses.

A member asked about support from the Local Authority for those school in the list marked as in deficit. The Directorate Finance Lead - Children and Schools advised that following the City Treasurer's approval for the DSG Recovery Plan, no financial assistance could be offered however, advice and support for schools (including HR support) would be available.

Decisions

1. To note maintained school balances as at 2020/21
2. To note the Dedicated Schools Grant cumulative deficit balance of £2.26m to be carried forward in 2021/22
3. To note that Local Authorities no longer require Schools Forum to approve Dedicated Schools Grant deficit balances being carried forward to 2021/22, following the outcome of the DSG consultation in January 2020.

SF/21/11 Analysis of Excessive Schools Balance Clawback 2021/22

The Forum considered a report of the Directorate Finance Lead – Children Services and Education which discussed the outcome of the annual analysis of maintained schools in the city that have an excessive revenue balance. The report sought a decision by Maintained school representatives of the Forum on the use of recouped funds received via the mechanism with a proposal that those funds are used to address the current Dedicated School's Grant cumulative deficit of £2.26m. All Forum members were invited to comment. The report also included a request for volunteers from the Forum for the constitution of an Appeals Panel as part of the appeals process.

The report reiterated the circumstances in which a balance may be deemed excessive and subsequently recouped, with the right to appeal. There was reference to the decision taken last year not to action the recoupment of excessive balances in 2020/21 due to the unknown impact of COVID on schools at the time. The Forum was asked to note that the current position on Manchester maintained schools' excessive balances was an increase of £2.00m when compared to the previous year.

Forum members were provided with an overview of excessive balances across maintained schools sectors which demonstrated that the number of schools with excessive balances had increased by 51% (22 schools) compared to the last financial year. A list of schools with excessive balances greater than £100k was also provided. The list also provided information on schools that were in deficit.

The report discussed the collective level of committed spend across schools: some had outlined plans for parts of their allowable balance; a majority of the commitments (£2.20m) had been allocated to offset future year budget reductions from falling rolls. This was primarily in the primary sector. Other commitments were attributed to planned works (£1.67m primarily for buildings, grounds improvements and extensions); for planned asset purchases (£0.56m); as well as the carry forward of unspent grants (£0.86m).

A total of 18 schools had been identified as eligible for recoupment with collective excessive balance totalling £1.48m; £0.60m of that amount had been held for more than four years, resulting in total recoupment level of £304k to be actioned in July 2021.

The Forum discussed the underlying reasons for the excesses; including reduced reliance on supply teaching and later than expected funding allocations from the DfE in view of the impact of the global pandemic.

The Chair invited all maintained school representatives on the Forum to vote on whether to use the recouped funds to offset the DSG cumulative deficit balance £2.26m carried forward into 2021/22. Maintained School representatives of the Forum voted unanimously in favour of this proposal.

The Chair then invited volunteers for the composition of the Appeals Panel. The following members volunteered: Gillian Houghton, Michael Carson, Councillor Julie Reid and Alan Braven.

Decisions

1. To agree that recouped funds arising from the clawback mechanism shall be used to offset the cumulative deficit balance of £2.26m carried forward into 2021/22
2. To agree that the composition of Appeals Panel for mechanism shall be: Gillian Houghton, Michael Carson, Councillor Julie Reid and Alan Braven.

SF/21/12 High Needs Block Overview

The Forum received a presentation on the Dedicated Schools Grant budget for High Needs which summarised:

- The HNB budget for the 2021/22 financial year; its remit and categories of spend.
- An outline of strategic pressures and challenges this presents for the Authority and potential mitigation strategies
- Changes to special school funding over the last four financial years, including an overview of the growth in eligible pupil numbers to explain the per pupil increase in funding.
- A comparison of the ways in which special schools are funded across the North West.
- A summary of costs associated with independent pre-16 and post-16 placements to demonstrate the significance of reducing these placements where possible and support targeted funding elsewhere in the high needs system.
- A review of Department of Education 2019/20 benchmarking information for pupil and funding data which has been analysed against other Core Cities.
- The impact of tribunal decisions on the budget.
- Steps agreed to move forward to support better collaborative working between the Council and education providers.

The Forum discussed the growth of the cohort, the complexity of need and areas of particular pressure. Noting those challenges, including uncertainty around future funding allocations, the Forum acknowledged the need for prudent savings to ensure that funding is targeted to generate greater value for money, where possible, in particular for the cost of independent places. The Forum noted that Greater Manchester-wide activity was taking place with providers in order to build greater capacity in this particular area as part of the DfE Recovery Plan.

Decision

To note the presentation.

SF 21/13 Forward Plan

The Forum considered a report of the Directorate Finance Lead – Children and Schools which set out a scheduled programme of work and future meeting dates of for the Forum for the 2021/22 academic year.

Decision

To note the scheduled Work Programme and agree the schedule of meeting dates as set out in the report .

SF/21/14 Any Other Business: National Funding Formula – Consultation

The Directorate Finance Lead – Children and Schools gave the Forum an oral update on the forthcoming implementation of the National Funding Formula (NFF),

following recent communication with the Department for Education (DFE). Proposed changes to the way in which core funding allocations are calculated and the role of the Local Authority in respect of the Dedicated Schools Grant were outlined, with matter put out to consultation until 30 September 2021. Further information would be circulated to Headteachers and Governing bodies and a paper would be brought back to Forum members at its September 2021 meeting in order to consider draft responses to the consultation.

Decision

1. To note the oral update on proposed changes to the National Funding Formula.
2. To note that the Local Authority's draft response to the consultation would be considered at its September 2021 meeting.

SF/21/15 Any Other Business: Retiring Forum member

The Chair advised that Michael Flanagan had tendered his resignation to the Forum since he had also retired from his position of School Governor.

The Forum thanked Mr Flanagan for his valuable contributions and involvement in the Forum's work during his term of office.

Decision

To thank Mr Flanagan for his valuable contribution to the work of the Forum during his term of office.