

Manchester Schools Forum

Minutes of the meeting held on 21 March 2022

Present: Alan Braven, Andy Park, Helen Child, Hatim Kapacee, Joseph Brownridge, Michael Carson Tony Daly, Gavin Shortall, Mike Cooke, Andrew Burton, Jimmy Buckley, John Morgan, Councillor Reid, Cath Baggaley, Antonio De Paolo, Edward Vitalis, Lolita Hall, Phillip Geldard and Lee Ormsby

Also present: Councillor Bridges (Portfolio holder), Amanda Corcoran

Apologies: Gillian Houghton

SF/22/04 Election of Chair and Vice Chair

The Forum received nominations to appoint Andy Park as Chair of the Forum, and for Mike Cooke to be appointed as Vice Chair for the remainder of the academic year. Both nominations were seconded. No other nominations were received. The Forum voted by acclamation and unanimously voted to appoint both nominees.

Decision

To appoint Andy Park as Chair of the Forum, and Mike Cooke as Vice Chair for the remainder of the academic year.

SF22/05 Minutes

The minutes of the meeting held on 17 January 2022 were submitted for consideration as a correct record.

Antonio De Paolo and Lolita Hall asked that their presence at the last meeting be recorded.

On reviewing those minutes, the Directorate Finance Lead - Children and Schools advised the Forum that the Authority had receive information from the DfE which indicated that the School Improvement Monitoring Grant would reduce by 50% next year. A report on this would therefore be submitted to a future meeting of the Forum.

Decision

To agree the minutes of the meeting held on 17 January 2022 as a correct record, subject to the amendments above.

SF/22/06 Supplementary Grant – High Needs 2022/23

The Forum considered a report of the Directorate Finance Lead – Children and Schools which provided information on the High Needs Supplementary Grant 2022/23 as announced by the Government following the Autumn 2021 Spending Review. Additional funds had been allocated in respect of the additional costs associated with the Health and Social Care Levy as well as other cost increases that

Local Authorities and schools will face during 2022/23. Manchester had been allocated £18m from the Government's £1.6bn supplementary grant funding. This was in addition to the city's Dedicated School Grant settlement for 2022/23. The supplementary funding comprised of £14m for mainstream schools, Early Years and Post-16 provision, with a further £4m allocated to the High Needs block, special schools and alternative provisions. The DfE had published an indicative allocations calculator for mainstream schools. Early Years and post-16 elements of the Grant would be allocated on a simple per-pupil basis. However, no funding methodology for the distribution of the additional £4m high needs funding for special schools and alternative provisions had been put forward by the DfE other than an expectation that where Authorities agree to allocate additional supplementary funding to special schools it will form part of the element three top-up funding. It had also been acknowledged that colleges and other providers offering extra hours of study to students with High Needs may require additional funding to support those students and established guidance indicated that element three top up funding should follow the pupil in real time. The report also discussed the proposal to increase the special school element three top-up value for 2022/23 by a further 3%, funded by the Supplementary Grant in line with benchmarking exercises. This was in addition to the recent inflationary uplift on the top-up element as previously reported to the Forum (January 2022). The impact of those increases were illustrated in the report. The report went on to discuss the recent increases to High Needs block funding which were anticipated to shift the current deficit into a more sustainable position at a national level. In the context of future increases over the next two years, as forecasted by DfE, and the need for the Council to ensure future financial sustainability, a further review of the additional 3% increase was proposed in respect of the final 2023/24 settlement to address financial impacts within the High Needs block outside of special schools that will need to be met to avoid a detrimental impact on the HNB recovery.

The Forum was invited to comment on the allocation methodology of the grant and the proposal to review the 3% supplementary increase for special schools for the 2023/24 in terms of future financial sustainability.

There was a discussion about sustainability of block. The Forum welcomed the methodology and the supplementary increase noting that this was likely to be a one-off increase to the special school element three top-up value. The Forum also noted that the remainder of the grant would be used to address the Local Authority's High Needs deficit, in recognition that demands on the block continued to increase across the city. The Forum also noted that some Authorities had chosen not to increase the special school element three top-up values and instead use the funds to address ongoing deficits in their High Needs blocks.

Decision

To note the report.

SF/22/07 Free School Meals – Transitional Protection

The Forum considered a report of the Directorate Finance Lead – Children Services and Education which discussed the potential future impact of the cessation of the

government's transitional protection of Free School Meals (FSM) eligibility, expected to be March 2023. According to October 2021 school census data, 39.7% of Manchester pupils were eligible for Free School Meals. This was compared against the national average of 20.8%. The process of capture of FSM eligibility had changed in the city (in 2018) to help minimise under reporting of need and to maximise funding in the city. This had been achieved through the use of an on-line eligibility checker which was accessed at individual school level. As a result, eligibility in the city had risen steadily and had continued to rise, however with the removal of protection there was a significant risk that schools would notice a reduction in the number of pupils who are eligible in future years.

The Government had introduced FSM transitional protection arrangements to ensure that families were not disadvantaged during the rollout of Universal Credit and that protection remained in place irrespective of any change in circumstances until the full rollout of Universal Credit. Once the rollout of Universal Credit was complete, no child would lose their entitlement and would continue to be transitionally protected until the end of their current phase of education. Transitional protection applied to all children whether eligible through legacy benefits or Universal Credit status.

The direct implication of the cessation of protection was that as pupils move to a different school phase, there would likely be a steady decline in FSM pupils as well as associated funding directly linked to those pupils, such as Pupil Premium, and the allocation for 'Deprivation' as measured by FSM eligibility within the Funding Formula. Since Primary school pupils in Reception, Year 1 and 2 all qualify for FSM under the Universal infant free school meals (UIFSM), the importance of identifying pupils who are eligible for FSM in those year groups before the cessation was stressed, to ensure protection until they leave Year 6. High schools may start to see a drop in the number of FSM pupils in Year 7, from September 2023, however any high school pupils already identified as eligible would remain so until the end of their phase.

In light of the historic understatement of need in the city which had been addressed by the use of the online FSM checker, the Forum discussed whether any additional support at Local Authority level could help schools to identify eligible pupils in Key Stage 1. The Directorate Finance Lead - Children and Schools emphasised that activity at individual school level was the simplest means of identification, however the issue would be discussed in a series of briefings to raise awareness about the impact of the cessation across Manchester. There was then a discussion about whether eligibility could be identified during admissions for a school place. The Director of Education spoke about the challenge and complexities of the Integrated School Admissions process but agreed to explore what options could be achieved.

Decision

To note the report.

SF/22/08 Oral Update Local Authority Gas and Electricity Contracts

The Forum was provided with an oral update on the impact of increases to the Local Authority's gas and electricity contracts. The Group Manager Energy (Procurement

& Integrated Commissioning) reported that most but not all schools and academies in the city were using the Local Authority energy supply framework for gas and electricity need. Renewal dates for energy supplies would vary for those organisations who sought supply from elsewhere, however the basic principles to be outlined would be applicable to all. As had been well publicised, energy prices were set to significantly increase. The Local Authority's electricity contract had been replaced last year on an October to September contract whereas the gas contract was aligned with the standard financial year. The renewal of the electricity contract had involved an unprecedented price increase of 87% average. As the gas contract was due for imminent renewal, it would then be subject to prevailing market forces and was likely to involve a six-fold increase. In addition, the Authority's current gas supplier was Gazprom with links to the Russian parent company. Therefore on the advice of the Secretary of State, the Council would be seeking an alternative supplier at the end of the contract. He however gave assurance that during the contract with Gazprom, very little to no supply of energy came directly from Russia supplies. Options had been thoroughly explored and as a result the Authority would be moving to Corona Energy (an earlier supplier prior to Gazprom), the nature of which would be a 24 month flexible contract in light of the significant level of uncertainty around pricing.

The Head of Corporate Procurement added that in the current extremely hostile market, the Authority's chosen supplier was best viewed as a 'least worst' option. He also referred to ongoing dialogue at Local Government Association, DfE and Cabinet Office level about gas markets pressures, given that price-capping was only in place for domestic contracts. He urged schools to be extremely cautious where pricing information was concerned as recent information had come to light about unscrupulous energy brokers seeking to exploit concerns over market forces by providing false pricing information to their own advantage. Schools were therefore invited to approach the Local Authority for advice and guidance where those concerns were at play.

There was a discussion about actions to mitigate the impact, the Forum noted that currently there was no planned large-scale intervention at this stage although the Government had indicated that it would keep the issue under review. The Directorate Finance Lead - Children and Schools added that the Supplementary Grant discussed under an earlier agenda item had been provided to include support schools with rising energy costs although it was extremely unlikely to accommodate the full cost of those increases, therefore a prudent approach was required in terms of budgeting. She added that schools and academies were now able to apply for Salix loans for energy efficiency schemes and that further information on this would be circulated to schools.

A member commented that given the impact of the increase in National Insurance contributions, the Supplementary Grant was extremely unlikely to provide adequate support to schools in their management of rising energy costs. The Director of Education added the impact of rising costs would also impact on the cost of third party supply services to schools. She indicated that the wide ranging impact of those price increases on schools should form the basis of representations to the DfE by the Local Authority and at individual school level.

The Directorate Finance Lead - Children and Schools advised that the Forum would be kept informed on the issue.

Decision

To note the update.