

Manchester Schools Forum

Minutes of the meeting held on 19 November 2018

Present:

Secondary Sector Headteachers: Gillian Houghton

Secondary Sector Governors: - vacancy

Primary Sector Headteachers: Mike Cooke, Patricia Adams, Sarah Navin

Primary Sector Governors: Brendon Jones, Tony Daly, Nicola Davings, Michael Flanagan

Special School Headteachers: Alan Braven

Special School Governor: - Walid Omara

Academy Representatives: Emma Merva, Michael Carson, Ian Fenn, Andy Park, Joshua Rowe

Pupil Referral Unit Representative: Helen McAndrew

Nursery School Representative:

Non-school members: Councillor Stone, Isobel Booler, John Morgan and Cath Baggaley

PVI Sector Representative:

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

Apologies: Joanne Fenton and Antonio De Paolo

SF/18/10 Minutes

Decision

To agree the minutes of the meeting held on 24 September 2018 as a correct.

SF/18/11 Excessive Balances Update

The Forum considered a report of the Head of Finance for Adult Services and Children's Services Directorate which provided a detailed analysis of school's excessive balances which had increased by £2.1m since 2016/17. The report stated that the Local Authority needed to establish if excessive balances have been properly assigned. Where resources could not be proven to have been properly assigned clawback of the Funds would be considered.

It was noted that the Schools Forum has the right to clawback excess balances under the scheme of the Finance for Schools if they are not deemed to be properly assigned.

The report concluded that Manchester's increasing level of school balances does not support the City's case for sufficient funding for additional need following the full implementation of the national funding reforms, scheduled 2020/2021 onwards.

The Forum was informed that as previously reported, the Dedicated School Grant (DSG) finished with a deficit in 2017/18 of £769k and is projecting a £2.9m overspend this year and c.£2m pressure in the high needs block next year.

The Chair invited comments from the Forum.

A member asked for an explanation of the process to determine balances held by schools and this was provided by the Directorate Lead officer.

The Chair stated that clawback had been previously agreed by the Schools Forum. The meeting was informed that the Manchester Diocese were no longer funding capital expenditure requests and would refuse schools with a high capital reserve.

The Chair stated that he was aware of two school that had voluntarily returned their available balance, however there were still a large number of excessive balances maintained by other school. Officers were asked what the Local Authority was doing to address this.

It was reported that the clawback process would provide funding to become available in order to help schools. The Local Authority is not satisfied with the with large balance excess and checks will be made with those maintained schools concerned to ensure that balances are to be spent in accordance with the school spending plan. In response to a question on Academy school balances it was reported that funding was made directly from the Education and Skills Funding Agency and an excessive balance would be addressed through the ESFA. Officers would try to share information on the balances held by academies.

Officers were asked how the clawback on school balances would be calculated. It was reported that a level of clawback will be determined for maintained schools and will take into account a high needs block. The allowable balance is 8% of the budget share for primary and special schools and 5% for secondary schools.

The Chair thanked officers for the work done to identify and address the excessive balances and made the point that balances should not be in the same position next year.

Decisions

1. To note the reported process followed to establish if excessive balances have been properly assigned.
2. To note the outcome of the process.
3. To note that there are on-going discussions with three schools where further information is required to determine if excessive funds are properly assigned.

Maintained School Forum members agreed:

4. That clawback is to be applied where it has been established that the resources are not properly assigned.
5. That the clawback is allocated to off-set the 2017/18 Dedicated Schools Grant deficit.

SF/18/12 Consultation outcomes – Transfer of up to 0.5% from Schools Block to High Needs Block for 2019/20

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided an outline of the responses the Local Authority had received from the consultation. The consultation of schools had been launched on 8 October 2018 to seek views on a proposed transfer of up to 0.5% of the schools block into the high needs block. This proposal had been made as part of a number of strategies and options for reducing the high needs expenditure block.

The Forum was informed that of the 63 responses received from those schools contacted, which represented a third of total number of schools, 23 had replied 'yes' to the proposal, 36 had replied 'no' to the proposal and 3 had replied 'not sure'.

The Forum then discussed the proposal and the Char invited comments. Concern was expressed in view of the limited and stretched resources available that was not sufficient to address existing requirements. The suggestion was made that the proposal to use the clawback funds to off-set the 2017/18 Dedicated Schools Grant (DSG) deficit.

Decisions

Schools Forum (school members only)

1. To note the responses detailed within the report submitted.
2. To not agree the Local Authority proposal to transfer up to 0.5% from the schools to high need block next year.
3. To note that by not agreeing to the up to 0.5% proposal, the Local Authority will re-draft the 2019/2020 DSG recovery plan and will consider whether it seeks representation to the Secretary of State to continue with the proposed transfer. This would give the Local Authority the flexibility pending the DSG settlement expected in December 2018, outcome of the balances review and more is understood about the current level of pressures.

SF/18/13 Central School Services Block

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided a line by line breakdown of what is included in the central school services block (CSSB) for 2019/20. The report also sought approval for the amounts on each line.

The Forum noted that the DfE has introduced the central school services block in the Dedicated School Grant (DSG) 2018-19 which is made up of:

- Ongoing responsibilities, funding formula driven (c.£231m nationally distributed 90% via a per pupil rate and 10% deprivation). During the transition to the new National Funding Formula ongoing responsibilities there is

protection with a maximum reduction of -2.5% in 2019-20 and capping of gainers.

- Historic responsibilities are based on the lagged actual cost of the commitment, and will reduce as commitments cease.

In discussing the report reference was made to paragraph 2.7, in particular, the inability of the Local Authority to transfer the PFI budget to the schools block due to the Temple Primary School solicitor. It was reported that there had been a delay due to a challenge made by the school's appointed solicitor.

It was noted that the Local Authority intends to retain the following budgets at 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19.

Decisions

1. That the Schools Forum £5k – associated cost of operating the Schools Forum be confirmed.
2. That the unsupported Borrowing against school capital scheme £358k be confirmed.
3. That the Historic PFI Dedicated School Grant commitments for Temple and Wright Robinson be confirmed.
4. That the intention of the Local Authority to retain the following budgets be confirmed:
 - £1.582m – Budget for Admissions Team;
 - All school responsibilities for LA - £1.335m (which provides funding duties that were previously funded by the Education Service Grant. (The duties detailed in left hand column in Appendix 1 of the report submitted).

SF/18/14 Dedicated Schools Grant 2019/20 Update

The Forum considered the report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided an update on the 2019/20 Dedicated School Grant (DSG) estimate. The report also requested the Forum to make a number of key decisions from maintained school sector representatives.

The report stated that Dedicated School Funding will still be provided in two stages: first the government provides the grant to a local authority, and then the authority distributes the grant to the local educational establishments in 2018/19 and 2020/21. The Forum was informed that Schools Finance Regulations set out that certain amounts can be deducted from maintained school budgets with the approval of sector representatives at Schools Forum.

In introducing the report, the Forum was informed that a DSG settlement figure was

anticipated by the middle of December 2018. The officer also provided an explanation of paragraph 5.1 “Schools Block de-delegation”.

Decisions

1. To note the following:

- 2019/20 Dedicated School Grant estimate allocation;
- The increase of 0.5% on the pupil led element of the Schools Block allocation
- The reduction in the Growth Fund
- The Local Authority intention to decide if it intends transfer from school to high need block by 19 January 2019. (By the time of the January meeting of the Forum more will be known about the DSG settlement: level of headroom (if any) outcome of school balances review and current DSG grant pressures.

2. That approval be given, that in accordance with the Forum powers, maintained school, primary and secondary school members, on a phased basis to de-delegation for the following:

- Trade Union Duties (£254k which at current pupil levels equates to £5.84 per school aged pupil (paragraph 5.3 of the report);
- Education Services Grant General Duties (£500k which at current pupil levels equates to £11.52 per school aged pupil (paragraph 5.5 of the report); and
- Free School Meal checking software (£38k which at current pupil number equates to £0.88 per school aged pupil (paragraph 5.7 of the report).

[Ian Fenn declared a personal interest as a representative of the Association of School and College Leaders]