

**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.

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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.