



Schools Forum

Date: Monday, 17 July 2023
Time: 4.00 pm
Venue: To be held virtually over Zoom.

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published

Everyone is welcome to attend this committee meeting.

Membership of the Schools Forum

Secondary Sector Headteachers: Lee Ormsby

Primary Sector Headteachers: Mike Cooke, Hatim Kapacee, Saeeda Ishaq, Gavin Shortall

Primary Sector Governors: Tony Daly, Philip Geldard, Lolita Hall, Angela Stansfield, Iram Cheema

Special School Headteachers: Alan Braven

Special School Governor: Walid Omara

Academy Representative: Joseph Brownridge, Helen Child, Andy Park, Joshua Rowe, Edward Vitalis, Karl Harrison, Jill Usher

Pupil Referral Unit Representative: Colin Harvey-Rigby

Nursery School Representative: Amy Davenport

Non-School Members: Councillor Reid, Cath Baggaley, John Morgan, Antonio de Paola, Isabelle Qamar

Supplementary Agenda

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|------|--|---------|
| 4. | Analysis of Excessive School Balances 2022/23 & Clawback
The report of the Directorate Finance Lead – Children's and Schools is now enclosed. | 3 - 10 |
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| 5. | High Needs Block (HNB) Recovery and SEND Improvement Measures
The report of the Directorate Finance Lead – Children's and Schools is now enclosed. | 11 - 18 |

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

Anne Summerfield
Tel: 0161 234 1463
Email: anne.summerfield@manchester.gov.uk

This supplementary agenda was issued on **Thursday, 13 July 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk), Manchester M60 2LA

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: Analysis of Excessive School Balances 2022/23 & Clawback

Report of: Directorate Finance Lead – Children’s and Schools

Summary

All maintained schools deemed to have an excessive balance as reported at year end must complete an analysis of reserves, to account for the control and use of the excessive balances. In 2022/23, Manchester schools’ excessive balances have decreased by £2.070m when comparing to 2021/22 balances.

The Scheme for Financing schools includes a clawback mechanism (section 4), where schools who have held an excessive surplus balance above the allowable threshold for five years will be subject to a clawback, with a right to appeal.

Going forward school balances from 31st March 2024, the clawback of excessive balance will be based on excessive balances held for two years. This update was following a full consultation with all maintained schools and approved by Schools Forum November 2022 and January 2023.

This report seeks School Forum’s decision on the rate of the automatic clawback mechanism for balances held as at 31st March 2023.

Recommendations

All School Forum members are asked to note and comment on:

- The level of maintained school excessive balances 2022/23
- The excessive clawback to be actioned for excessive balances, held as at 31st March 2023 for maintained schools

All maintained Schools Forum members are asked to comment and vote on the option and use of the school’s automatic clawback for excessive balances held up to 31st March 2023:

- Option One: 50% of all excessive surplus balances held for five years (£29k).
 - Option Two: 100% of all excessive surplus balances held for five years (£59k).
 - Any funds clawbacked to be used against the high needs block deficit on Dedicated School Grant (DSG)
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Contact Officers:

Name: Anne Summerfield
 Position: Directorate Finance Lead Education and Schools
 Telephone: 0161 234 1463
 E-mail: anne.summerfield@manchester.gov.uk

Name: Matthew Hoeksma
 Position: Principal Finance Manager - Schools
 Telephone: 0161 219 6447
 E-mail: matthew.hoeksma@manchester.gov.uk

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.

Supporting Reports:

16 th January 2023	School Forum Agenda Item 4: Consultation Outcome – Updates to Scheme for Financing Schools (Excessive Balance mechanism)
14 th November 2022	School Forum Agenda Item 5: Review of Excessive Balance Clawback

1. Introduction

- 1.1 Annually an analysis of reserves review is completed for each maintained school that has an excessive revenue balance, identifying the planned use of the excessive reserves. Schools' balances are deemed excessive if the surplus is higher than the allowable balance, whereby the allowable balance is deemed to be 8% of the budget share for nursery, primary and special schools, and 5% of the budget share for secondary schools.
- 1.2 Within the Scheme for Financing schools where a maintained school has held an excessive surplus balance above the allowable threshold for five years will be subject to the clawback mechanism, with the right to an appeal. It is proposed that these funds are set against the DSG cumulative deficit.
- 1.3 Going forward, school balances from 31st March 2024, the clawback of excessive balance will be based on excessive balances held for two years. This update was following a full consultation with all maintained schools and approved by Schools Forum November 2022.

2. Excessive Surplus Balances

- 2.1 Table one outlines the excessive balances for 2022/23 by phase, on all schools above the allowable balance, a total of £1.970m which is a decrease of £2.069m compared to 2021/22 excess balances. The table shows that the number of schools with excessive balances has decreased by 45% (21 schools) compared to the last financial year. The primary sector has seen the biggest reduction since last financial year.

Table one: Schools' Excess Balances

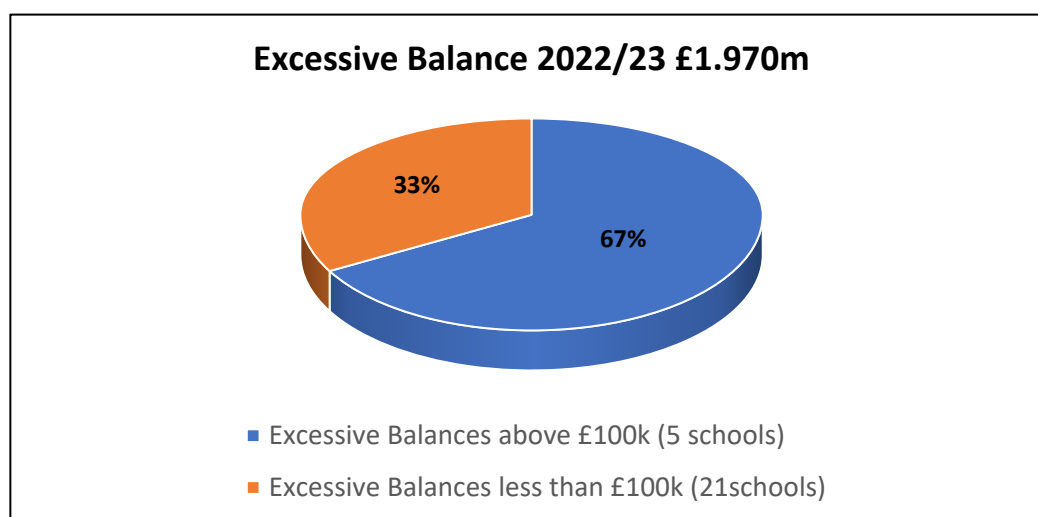
Sector	2022/23		2021/22		Movement	
	No.	£000's	No.	£000's	No.	£000's
Nursery	0	0	0	0	0	0
Primary	19	751	38	2,442	-19	-1,691
Secondary	1	5	1	359	0	-354
Special	6	1,214	8	1,238	-2	-24
Total	26	1,970	47	4,039	-21	-2,069

- 2.2 Schools via analysis of reserves have provided commitments for their 2022/23 excess balances, as shown in table two below. Most of the commitments are related to:
- Offsetting future year budget reductions resulting from falling rolls £1.157m, across ten primary schools and one special school.
 - Planned works primarily for building and grounds improvements, ICT, electrical and upgrades. The planned work of £1.161m covers thirteen primary, five special and one high school.
 - Contingencies for backdated payments, £225k for three schools (primary, secondary, and special)
 - Planned asset purchases, £190k for six primary and four special schools.

Table two: Analysis of Reserves - Committed Spend

2022/23	Excess Balance	To off-set future year budget reductions (falling rolls)	Planned Work not yet begun or completed	Contingency for backdated payments	Planned Asset Purchase	External Balances e.g., Banker School	Unspent Grants	Balances held on behalf of other schools	Total Committed
	£000's	£000's							
Nursery	0	0	0	0	0	0	0	0	0
Primary	751	359	617	30	115	25	5	0	1,151
Secondary	5	0	48	180	0	0	0	0	228
Special	1,214	798	496	15	75	0	0	0	1,384
Total	1,970	1,157	1,161	225	190	25	5	0	2,763

- 2.3 Collectively, schools have committed spend of £2.763m of their total £1.970m excessive balances. Whilst schools have outlined plans for their excessive balances, several schools have outlined committed plans above and beyond their excess balances.
- 2.4 There are five schools where the excessive balances, totalling £1.318m are above £100k, this equates to 67%, illustrated on the chart below. From 2021/22 this has dropped significantly by 58%, when sixteen schools held excessive balances are above £100k.



- 2.5 Appendix one provides a full list of the twenty-six schools with excessive balances at end of 2022/23, detailing their total 2022/23 year-end balance and the excess balances. The final column illustrates the school 2022/23 year-end balance as a proportion of their current year's budget share.

3. Excessive Surplus Balances Clawback

- 3.1 Scheme for Financing Schools section 4.2 maintained schools are subject to a

clawback of any excessive surplus balances held by the school for a period of five years. For school balances from 31st March 2024, the clawback of excessive balances the retention period will be based on two years. This update was following a full consultation with all maintained schools and approved by Schools Forum January 2023. Example of how the excessive clawback mechanism works is illustrated in appendix two. Schools have the right to challenge this clawback via appeal to a panel, made up of school forum members.

- 3.2 In 2023/24, five schools have been identified (4 primary and 1 special) for the automatic excessive balance's clawback, their collective excessive balances over the allowable threshold totals £154k as at 31 March 2023, of which £59k of these balances have been held for five years. Appendix three outlines the excessive balances held by the five schools over the past five years, and the potential clawback. The clawback at 100% rate totals £59k (at 50% £29k). Last financial year ten schools (which included four out of the five school listed in appendix four), were subject to the excessive balances clawback, at the rate of 100% as agreed by Schools Forum.
- 3.3 The range of the excessive clawback if at 100%, would be from £2k to £25k, four of the five schools the clawback would be £15k or below, and £25k for the other school. The Council included the Mainstream Supplementary Additional Grant (MSAG) funding in the excessive balances' calculation, by doing so resulted in a higher school's allowable balance. Also, the late additional devolved formula capital grant was excluded from schools' final outturn figure.
- 3.4 If 100% clawback was actioned three out of the five schools, the clawback would be lower than their current excess balance, so those schools would still hold balances excess of 5% and 8%.
- 3.5 School Forum June 2023, the Council reported that the Dedicated School grant (DSG) cumulative deficit as 31st March 2023 is £1.417m. This deficit is due to on-going pressures within the high needs block (HNB). The Council are actively working on recovery to address the structural deficit, an update on the pressures and the recovery position is included in agenda item 5.
- 3.6 This report seeks agreement from the maintained Schools Forum members regarding the rate of the clawback for schools' excessive surplus balances held for five years as at 31 March 2023, option one: 50% or option two: 100%.

4. Conclusion and Recommendations

- 4.1 **All** School Forum members are asked to note and comment on:
 - The level of maintained schools' excessive balances 2022/23
 - The excessive clawback to be actioned for excessive balances, held up to 31st March 2023 for maintained schools
- 4.2 **All maintained** Schools Forum members are asked to comment and vote on the option and use of the school's automatic clawback for excessive balances held up to 31st March 2023:
 - Option One: 50% of all excessive surplus balances held for five years (£29k).

- Option Two: 100% of all excessive surplus balances held for five years (£59k).
- Any funds clawbacked to be used against the high needs block deficit on Dedicated School Grant (DSG)

Appendix One: Schools with Excess Balances in 2022/23 (twenty-six schools)

DFE NO	School	YEAR END BALANCES (Revenue & Capital)	EXCESS BALANCES	BUDGET SHARE INCOME (Early Years, Schools Block, High Needs, & MSAG Grant)	YEAR END BALANCE as % of BUDGET SHARE
		2022-23 £	2022-23 £	2023-24 £	%
Primary					
3301	All Saints, Newton Heath	121,956	13,108	1,360,595	9%
2006	Alma Park	247,965	22,478	2,578,689	10%
2326	Baguley Hall	278,388	21,667	2,957,882	9%
2058	Chapel Street	382,984	66,693	3,661,259	10%
2303	Higher Openshaw	193,529	23,647	1,917,628	10%
2161	Mauldeth Road	221,606	15,302	2,339,302	9%
2165	Moston Lane	266,738	40,763	2,591,245	10%
2186	Northenden	109,426	1,731	1,163,609	9%
2302	Pike Fold	257,582	37,682	2,513,570	10%
3418	St Ambrose	105,091	8,569	1,206,518	9%
3011	St Augustine's	248,070	124,977	1,359,495	18%
3473	St Bernard's	181,852	78,478	1,292,179	14%
3429	St Brigid's	111,623	3,118	1,356,310	8%
3440	St Edmund's	153,290	45,390	1,348,747	11%
3460	St Patrick's	138,379	49,928	1,105,633	13%
3039	St Paul's	170,013	14,203	1,741,885	10%
3325	St Philip's	205,150	103,087	1,275,784	16%
3034	St Wilfrid's, Newton Heath	151,930	35,649	1,271,242	12%
2278	Varna	271,408	44,699	2,597,721	10%
	Primary Total (19 sch.)	3,816,977	751,171	35,639,292	11%
Secondary					
4770	St Peter's RC High	410,334	4,739	8,111,897	5%
	Secondary Total (1sch.)	410,334	4,739	8,111,897	5%
Special					
7959	Castlefield Campus	384,529	130,405	3,176,540	12%
1105	KS3/4 PRU	1,167,560	678,341	5,740,857	20%
7029	Lancasterian	368,751	21,885	4,044,958	9%
7042	Meade Hill	166,439	55,161	1,159,343	14%
7047	Rodney House	248,332	46,849	2,323,576	11%
7056	Southern Cross	557,068	281,127	3,175,310	18%
	Special Total (6 sch.)	2,892,677	1,213,769	19,620,584	15%

	Total Excessive Balances	7,119,989	1,969,678	63,371,773	11%

Note: Five schools with excessive balances £100k or more are highlighted.

Appendix Two: Illustration of excessive clawback mechanism.

Example below, all three schools have:

- demonstrated robust plans to spend the excess balance.
- the same excessive balance of £250k at the end of the current financial year.

However, each school is subject to a different clawback due to the lowest excessive balance held over five years, see table A. Table B illustrates the clawback over two years, which will be in place next financial year.

Table A: Excessive Clawback over five years (to be actioned this financial year)

	<u>School A</u>	<u>School B</u>	<u>School C</u>
	Excessive Balance (above 5% or 8% threshold)	Excessive Balance (above 5% or 8% threshold)	Excessive Balance (above 5% or 8% threshold)
Year one: 2022/23	£250,000	£250,000	£250,000
Year two: 2021/22	£8,500	£150,000	£780,000
Year three: 2020/21	£0	£95,000	£785,000
Year four: 2019/20	£0	£10,000	£700,000
Year five: 2018/19	£56,000	£100,000	£650,000
Excess Balance held for 5 years	£0	£10,000	£250,000
Clawback at 50%	£0	£5,000	£125,000
Clawback at 100%	£0	£10,000	£250,000

Table B: Excessive Clawback over two years (in place next financial year)

	<u>School A</u>	<u>School B</u>	<u>School C</u>
	Excessive Balance (above 5% or 8% threshold)	Excessive Balance (above 5% or 8% threshold)	Excessive Balance (above 5% or 8% threshold)
Year one: 2023/24	£250,000	£250,000	£250,000
Year two: 2022/23	£0	£150,000	£780,000
Excess Balance held for 2 years	£0	£150,000	£250,000
Clawback at 50%	£0	£75,000	£125,000
Clawback at 100%	£0	£150,000	£250,000

Illustrated above, School A is not subject to a clawback and has demonstrated robust plans for the current excessive balance (via Analysis of Reserves). However, if School A has not demonstrated sufficient plans, a clawback will be applied prior to the lapse of the allowable balance retention period. In this example, the school would be subject to a maximum clawback of £250k. Appeals panel will continue under both options to give schools an

opportunity to present evidence of their extenuating circumstances which have led to individual schools holding excessive balances over retention period.

Appendix Three: Clawback - Excess Balances held for five years (five schools)

DfE no	Name of School	Excess Balance (£ Above Allowable Balance)					Excess Balance held for 5 years	Clawback at 50%
		2022/23	2021/22	2020/21	2019/20	2018/19	100%	50%
2161	Mauldeth Road Primary	15,302	126,807	36,322	114,065	185,036	15,302	7,651
2186	Northenden Primary	1,731	3,488	2,114	9,413	36,178	1,731	866
2302	Pike Fold Primary	45,498	24,730	214,548	290,749	692,780	24,730	12,365
2278	Varna Street Primary	44,699	5,942	150,053	69,608	298,926	5,942	2,971
7047	Rodney House	46,849	193,354	143,189	11,521	11,212	11,212	5,606
	Totals	154,081	354,320	546,226	495,356	1,224,131	58,917	29,459

Manchester City Council Report for Resolution

Report to: Schools Forum

Subject: High Needs Block (HNB) Recovery Plan Update and SEND Improvement Measures

Report of: Directorate Finance Lead – Children’s and Schools

Summary

The Dedicated Schools Grant (DSG) is a ringfenced grant, that has four separate funding blocks, of which one is the high needs block (HNB), funding specialist education provision for children and young people up to 25 years old with Special Education Needs and Disabilities (SEND). The HNB is the most financially volatile block of the DSG, which has been recognised nationally as part of the Government’s SEND review. The SEND review looks at how to better equip mainstream settings, identify and support children and young people’s needs instead of being met by EHCPs or specialist provision.

The DSG cumulative position 2022/23 was a deficit of £1.417m primarily due to the growth in the Education, Health, & Care Plans (EHCP), Post-16, Out of City Placements (OOC) and use of Other Local Authority (OLA) in the HNB. If no action is taken growth continues at the same rate the 2024/25 the projected pressure is £16.631m.

The DSG Recovery Plan working group aims to maximising value for money through an outcome-based approach. This report looks at:

- Recovery plan results 2022/23 and overall DSG financial position (section 2).
- Potential funding gap for 2023/24 and 2024/25 (section 3).
- Recovery and continuing to improving SEND outcomes (section 4).

All Schools Forum members are asked to note and comment:

- The current projected 2023/24 HNB deficit position £5.417 (prior to mitigation).
 - Further update to be provide on 2024/25 position, post funding advised by DfE.
 - Draft recovery plans and actions to try to mitigate the HNB funding gap.
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Contact Officers:

Name: Amanda Corcoran

Position: Director of Education

Email: amanda.corcoran@manchester.gov.uk

Name: Vandhna Kohli

Position: Head of Finance – Children’s, Education Services and School

E-mail: vandhna.kohli@manchester.gov.uk

Name: Anne Summerfield

Position: Directorate Lead and Schools Finance

E-mail: anne.summerfield@manchester.gov.uk

Name: Matthew Hoeksma
 Position: Principal Finance Manager - Schools
 E-mail: matthew.hoeksma@manchester.gov.uk

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.

Supporting Reports:

19 September 2022	School Forum Agenda Item 4: High Needs Block (HNB) Recovery Plan
June 2023	Primary Headteacher Briefing – Early Years and SEND Plans
June 2023	Post-16 SEND Commissioning Project Plan 2023
May 2023	Post 16 SEND Strategic Commissioning Report

1. Introduction

- 1.1 The DSG is a ring-fenced grant, made up of four blocks: schools, central school services, early years, and high needs. A substantial proportion of it is paid directly to schools and other settings to provide education services. Unlike other parts of the grant the HNB has significant pressures and was overspent by £2.141m last year.
- 1.2 The main areas of spend in the HNB include:
- special school and further education (FE) college places
 - top-up funding for nurseries, mainstream schools, special schools, FE colleges and independent schools linked to Education, Health, and Care Plans (EHCPs)
 - support for the provision of special services provided by schools and the local authority (LA), which include but are not limited to, the Sensory Service and resource provision in mainstream schools.
- 1.3 The HNB pressures are a result in the growth in: Education, Health, & Care Plans (EHCP), Post-16, Out of City Placements (OOC) and use of Other Local Authority (OLA). DfE have confirmed local authorities will not get the same level of grant increase in HNB funding as in previous years, which was c.13% 2023/24 and is expecting to drop to c.3% growth in grant going forward. If growth in demand continues at the same rate as 2022/23, and no action is taken, the shortfall on the HNB is projected to be £16.631m by 2024/25.
- 1.4 The Department for Levelling Up, Housing and Communities (DLUHC) has made regulations which ring-fence DSG deficits from councils' wider financial position in their statutory accounts. So, any DSG balance from a previous financial year is carried forward and addressed in the following funding period. This ring-fence was due to end after the accounts for the 2022/23 financial year but has now been extended to 2025/26, at which point local authorities will need to demonstrate their ability to cover DSG deficits from their future available reserves. This means that the DSG deficit will become a greater risk to the Council, potentially affecting other services. It is therefore crucial that the HNB pressures are addressed.

2. Recovery plan results 2022/23 and overall DSG financial position

- 2.1 Due to the growth in demand within high needs resulted in a block overspend of £2.141m. The four key areas of pressures were offset by contingencies and recovery actions. The in-year HNB and Central Schools block deficits were off-set against underspends in Schools and Early Years block as shown in table one below. The DSG cumulative deficit £2.509m was reduced by the in-year surplus, £1,092m and led to a cumulative balance of £1.417m at the end of the financial year.

Table One: 2022/23 DSG Overspend

DSG Position 2022/23	
	Over/(under) spend to budget £000's
EHCP	1,074
Post 16	2,068
OOC (Out of City)	1,545

OLA (Other Local Auth.)	594
Overspend High Risk Areas	5,281
Use of Contingency	(1,350)
Recovery Plan Actions	(1,790)
HNB Overspend	2,141
Net Early Years, Schools, and Central Blocks Underspend	(3,232)
In-year surplus	(1,092)
Balance at start of the year	2,509
Balance at 2022/23	1,417

- 2.2 There are on-going pressures in the HNB, the block's recovery plan is built across six outcomes, listed in table two below. The recovery approach is to invest in lower costs through prevention, to gain best value for money alongside providing quality services for SEND children and young people.

Table Two: Outcomes of High Needs Recovery Plan 2022/23

	Expected Saving 2022/23 £'000	Actual Saving 2022/23 £'000	% Saving Made
Recovery In-year			
Outcome 1: Reduce spend on Post 16 commissioning of places	(15)	(15)	100%
Outcome 2: Prevent further increase of EHCPs at current rates	69	40	58%
Outcome 3: Reduce spend on EHCPs	0	0	100%
Outcome 4: Reduce spend on independent school placements	384	0	0%
Outcome 5: Reduce spend on PRUs / AP and Hospital School	(195)	(195)	100%
Outcome 6: Reduce other spend on HN bloc	2,205	1,960	89%
TOTAL RECOVERY IN-YEAR	2,447	1,790	73%

- 2.3 2022/23 recovery were from outcome six. They related to a one-off reduction of £1.4m on joint funded placement recharges, £160k reduction on ICT after capitalisation, £158k use of other grants to cover virtual school spend, £193k clawback of excessive balances from schools. 73% of savings were achieved overall, this is better than normal resolution for building savings which is normally between 50% and 60% across local authorities. Outcome 1-5 savings are mostly planned to be achieved 2023/24 onward.

3. **Potential Funding Gap: 2023/24 and 2024/25**

- 3.1 The cost of the four key high-risk areas in HNB (EHCP, Post-16, OOC and OLA) increased on average by 22% from 2021/22 to 2022/23. The cost increase was due to high inflation, activity increasing and demand for independent sector placements from all authorities increasing, while supply not following at the same pace. The HNB budget 2023/24 increased by £13.315m, including £5.009m additional funding, an increase of 13%. The four key areas spend increased by an average of 24%, given the 2022/23 overspend. Future funding will not be sufficient to cover the expected pressures if costs increase at same rate as 2022/23, illustrated in table four below.

Table Three – Forecast Overspend Pre-Recovery Plan on High Risk HNB Areas

Area	Overspend 22/23 £'000	Cost Increase 21/22 to 22/23 %	Budget 23/24 £'000	Budget Increase 23/24 to 22/23 %	Proj' of Cost 23/24	Shortfall 23/24 £'000	Indicative Budget 24/25	Forecast Budget Increase % 23/24 to 22/23	Proj' of Cost 24/25 £'000	Shortfall 24/25 £'000
EHCP	1,074	27%	20,094	23%	22,116	2,022	20,697	3%	28,103	7,407
Post 16	2,068	21%	14,629	39%	15,205	576	15,068	3%	18,336	3,268
OOC	1,545	19%	12,163	15%	14,456	2,293	12,528	3%	17,243	4,715
OLA	594	15%	2,666	10%	3,465	799	2,746	3%	3,987	1,241
Total	5,281	22%	49,552	24%	55,242	5,690	51,039	3%	67,670	16,631

- 3.2 If costs increase by the same as 2022/23 going forward then there will be a shortfall in HNB funding of £5.690m and £16.631m this year and next. The 2024/25 forecast includes an assumption that the budget funding increase of HNB will be 3%, as indicated by Department for Education (DfE), this has not been confirmed. The projected pressures are prior to recovery plan actions.
- 3.3 Section four outlines the policies and subsequent savings expected in 2023/24 to meet a DSG balanced budget and potentially to reduce the deficit whilst also improving SEND actions in line the DfE green paper.
- 3.4 Forum is reminded that given the recovery plan expectations at budget setting, the Council did not request the 0.5% block transfer from the school's block in 2023/24, which equated to c.£2.4m. This option remains part of the recovery plan, and the position will be reviewed 2024/25.

4 Recovery and Continuing to be Improving SEND outcomes

- 4.1 Manchester City Council is currently progressing SEND improvements throughout its services, these are detailed in this section along with methods to help meet the HNB recovery action plan six outcomes.
- 4.2 Below details of the recovery plan savings and how the service will look to enact them in 2023/24 are highlighted below. Based on current and expected levels of activity Forum is asked to consider two scenarios:
- **One:** Best position savings of £5.4m, considering these actions would make enough savings to cover the estimated shortfall in HNB budget of £4m and to cover the deficit of £1.417m from previous years.
 - **Two:** Minimum estimated saving of £4m to have a balanced in-year DSG budget. No contribution to current cumulative deficit £1.417m.
- 4.3 The Local Authority believes that scenario two is more likely to be achieved given current level of activity.

Table Four Recovery Plan Scenarios

Recovery In-year	Expected Saving 2023/24 Scenario 1 £'000	Expected Saving 2023/24 Scenario 2 £'000
Outcome 1: Reduce spend on Post 16 commissioning of places	900	500
Outcome 2: Prevent further increase of EHCPs at current rates	-	-
Outcome 3: Reduce spend on EHCPs	300	200
Outcome 4: Reduce spend on independent school placements	1,800	1,200
Outcome 5: Reduce spend on PRUs / AP and Hospital School	600	600
Outcome 6: Reduce other spend on HN bloc	1,800	1,500
TOTAL RECOVERY IN-YEAR	5,400	4,000

4.4 Outcome 1 Post 16

- Proposal for Post 19 inclusive model, which includes a pilot for an inclusive college, commissioned to work with young people with Profound Multiple Learning Difficulties (PMLD). These placements have significant cost across the city and the college model will reduce the cost whilst enhancing outcomes.
- 140 young people aged 16 & 17 on EHCPs at Special Schools with post 16 provision, by developing alternative provision will identify savings from negotiation post September 2023.
- Uplift Negotiations: keeping inflationary uplifts to no more than 7%.

4.5 Outcome 2 Prevent further increase of EHCPs

- Work is being undertaken to increase SEN training and help within early years to help reduce numbers of EHCP presenting later.
- Extension of early years SEN inclusion funding into reception class.
- Kickstarter programme funding EYP in the most deprived areas, with additional speech and language therapy and education psychologists to try to address issues at the early stage. One of the aims is to lower the need for EHCP occurring when children reach primary school age.

4.6 Outcome 3 Reduce Spend on EHCP

- Delivering a new approach to reviewing EHCPs, so that funding can be more closely tapered to meet need, as child progresses through the education system.

4.7 Outcome 4 Independent Sector

- Increase special school provision by building of new special schools and expansion of other special schools which will mean new placements are not put in higher cost independent provision.
- Build SEN units within mainstream school provision again lowering cost from higher cost special school provision.
- Increase resource provision within mainstream schools so that children with lower needs do not have to be in more specialist provision at again a higher cost.

4.8 **Outcome 5 Review of Alternative Provision (AP)**

- Delivering AP taskforce multiagency team around secondary PRU to improve outcomes and prevent needs from escalating, via grant funding.
- Ongoing delivery of SAFE (Support, Attend, Fulfil and Exceed) programme. This is DfE grant funded, with the aim to prevent young people becoming involved in the youth justice system.
- Refresh AP framework to increase the range of providers and local authority quality assurance.

4.9 **Outcome 6 Other Savings**

- Review contribution to other services.
- Transfer of 0.5% school block funding to high needs under review for 2024/25.
- Excessive school balances clawback mechanism to continue.

4.10 **Regional Expert Partners**

The DfE want to work with local areas which can use their experience of delivering effectively within the current SEND system to lead the testing and implementation of their plan for SEND and Alternative provision published earlier this year. This provides an opportunity to inform and shape the direction of the change program. Manchester has been asked by the DfE to be a regional expert partner and lead this work in the Northwest region.

Manchester submitted a successful bid to lead as a regional expert partnership for the northwest, the change program starts in September 2023. The grant can be used to fund additional capacity in the local authority to test and implement the government's SEND reforms, such as: -

- Early years SENCO training, funding for up to 5,000 early years professionals to gain a Level 3 SENCO award.
- National approach to funding bands. Manchester City Council it has been shown are higher than statistical neighbours so potential for savings.
- Additional educational psychologists trained.
- Consideration of changes to SEN Inclusion Funding for early years.

- 4.11 Further work is now being undertaken to see how policy changes can be speeded up and have full year effects for 2024/25 and whether they can counter any pressures advised. Last year the DfE advised late of additional funding for the HNB, therefore although there is an estimated a £16.631m pressure for 2024/25 initially this could be lower if the government increase the provision by more than the 3% as advised. An update will be provided for 2024/25 once all factors are known.

5. **Recommendations**

- 5.1 All Schools Forum members are asked to note and comment on:

- The current projected 2023/24 HNB deficit position £5.417 (prior to mitigation).
- Further update to be provide on 2024/25 position, post funding advised by DfE.
- Draft recovery plans and actions to try to mitigate the HNB funding gap.

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