

Schools Forum

Minutes of the meeting held on Monday, 15 July 2024

Present: Andy Park – in the Chair

Members: Lee Ormsby, Mike Cooke, Angela Stansfield, Tony Daly, Amy Davenport, Colin Rigby, Anna Mullen, Helen Child, Antonio de Paola, Isabelle Qamar

Apologies: Joshua Rowe, Saeeda Ishaq, Hatim Kapacee, Iram Cheema, Gavin Shortall

Also present: Vandhna Kohli, Amanda Corcoran, Cllr Reid, Matthew Hoeksma, Helen Wright, Kate Lane, Andrea Daubney

SF/24/8. Minutes

The minutes of the meeting held on 17 June 2024 were submitted for consideration as a correct record.

Decision

To agree the minutes of the meeting held on 17 June 2024 as a correct record.

SF/24/9. High Needs Block Recovery Update

The Forum considered a report of the Director of Education which discussed the high needs block recovery.

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 Department of Education (DfE) "SEND and Alternative Provision Improvement Plan".

Manchester's DSG 2023/24 in-year outturn position was £6.445m overspend, increasing the cumulative DSG position to an £7.803m overspend, due to pressures in the HNB. The 2023/24 HNB overspend was £9.340m, primarily due to increased growth and cost in Education Health and Care Plan (EHCP), Post-16 and Independent Sector Placements (ISP) areas.

Before recovery and assuming the same level of growth, current DSG forecasts showed the DSG overspend increasing to £81.964m by 2025/26. The report provided a progress update on Manchester's HNB recovery plan and covered:

- The potential funding gap over the next three years, details with and without recovery actions.
- Benchmarking.

- Update on HNB recovery actions for continuing SEND improved outcomes and financial stability.
- Schools Block transfer consultation for the financial year 2025/26.

The projected in-year HNB overspend for 2024/25 was £27.181m pre-recovery actions, which reduced to £19.051m post recovery. A consultation was to be launched with schools, with Schools Forum views sought on how to manage that process going forward.

A member noted their concern that the proposal to transfer 0.5% from the Schools Block to the High Needs Block did not seem to be enough and queried how else the gaps in funding could be combated. It was agreed that it was not enough but there was an effort to focus on where there was the most pressure, such as in Early Years EHCP's. The reality was that there was not enough money in the system and what was there was being moved around to where it was needed most.

It was queried if the 0.5% transfer was a one-time thing, if it impacted on all schools and the timing of it. It was stated that this was a one-time thing that would impact on all schools. The transfer would be from 2025/26 budgets.

The Chair suggested that the consultation with schools was delayed until September 2024 given the upcoming summer holidays. This was agreed.

Decision

To note the report.

SF/24/10. Analysis of Excessive School Balances 2023/24 & Clawback

The Forum considered a report of the Director of Education which stated that 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.

Within the Scheme for Financing schools where a maintained school has held an excessive surplus balance above the allowable threshold for two years, it will be subject to the clawback mechanism, with the right to an appeal. It was proposed that these funds are set against the DSG cumulative deficit.

The clawback mechanism was updated to consider excess balances held over a period of two, rather than five, years following consultation with schools (December 2022) and with Schools Forum in November 2022 and January 2023. This change is effective for balances from 31st March 2024.

All maintained Schools Forum members were asked to comment and vote on the two options and the use of the school's automatic clawback for excessive balances held up to 31st March 2024:

- Option One: 50% of all excessive surplus balances held for two years (£117k).
- Option Two: 100% of all excessive surplus balances held for two years (£235k).
- Any funds clawed back to be used against the high needs block deficit on Dedicated School Grant (DSG)

The Chair sought clarity that a 100% clawback had been agreed and that this related to 2023/24. This was confirmed and noted that an appeals mechanism was in place for schools against any clawback.

The Chair noted that the clawback would happen regardless of the 0.5% transfer suggested in the previous item and no objections were raised to this.

The Chair moved on to the vote of maintained Schools Forum members.

Decision

Maintained Schools Forum members agreed to:

- Option Two: 100% of all excessive surplus balances held for two years (£235k) and;
- Any funds clawed back to be used against the high needs block deficit on Dedicated School Grant (DSG)

SF/24/11. Forward Plan

The Forum considered a report of the Director of Education which provided a forward plan of Schools Forum business for the forthcoming academic year. As the consultation had been delayed until September 2024, it was noted that the September meeting of Forum would be delayed until mid-October.

The Chair requested a review of the Constitution of Schools Forum to be included on the agenda for the first meeting in the next Academic Year, alongside the election of Chair and Vice-Chair.

Decision

To note the report.