

High Needs Block (HNB) Recovery Plan

2022/23 Overview

Budget rebased (based on demand)

Growth: 2018/19 – 2022/23

Initial funding gap 2022/23 – 2024/25

Council's approach & planned outcomes (1-6) to reducing the funding gap

Impact of outcomes on the funding gap 2022/23 – 2024/25

Overview Send Green Paper

Risk Register

High Needs Block 2022/23

High Needs Block
£114m (Inc Supp
Grant)

Overspend £3.3m
 $\frac{1}{2}$ % of DSG or 3% of
total HNB funding

Special Schools -
2,798 places across
16 special schools
plus Hospital school

No. of EHCP in
Mainstream settings
- 3,072

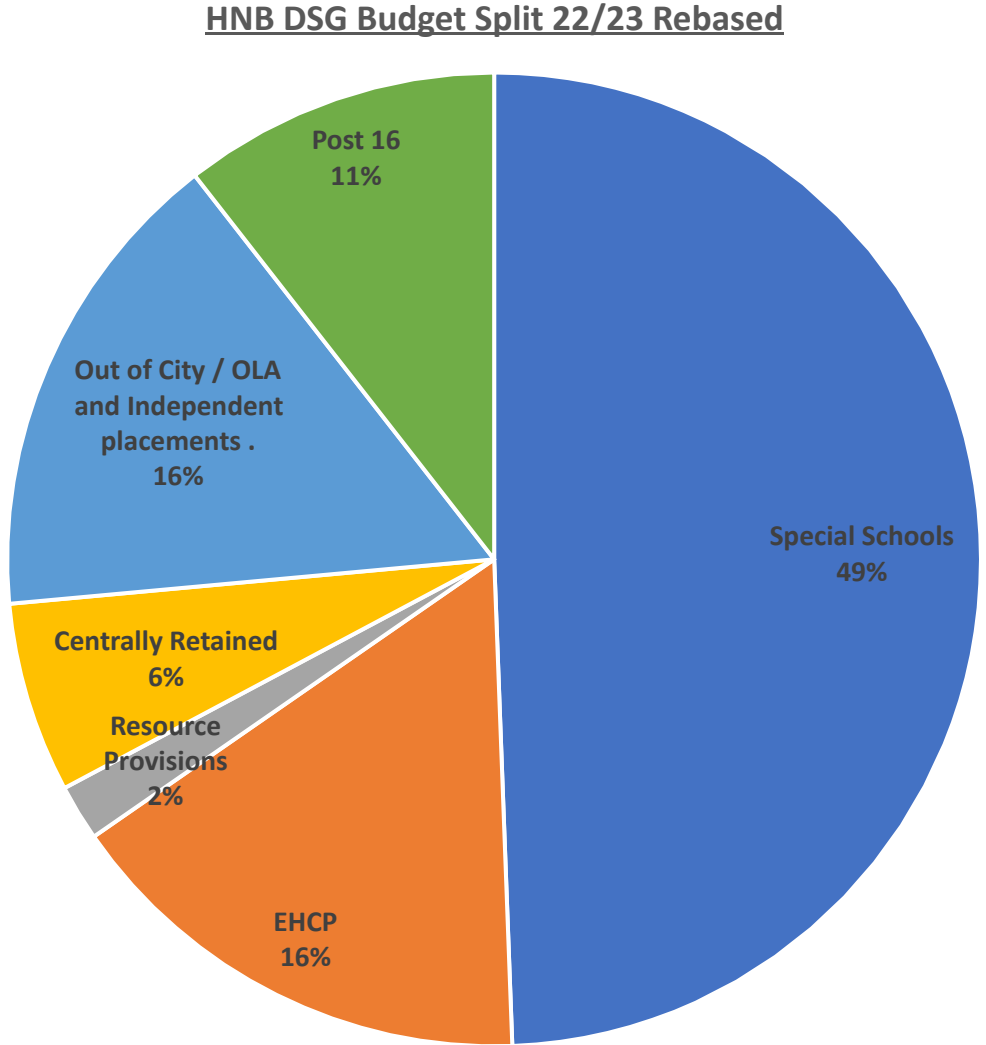
Out of
City/Independent
Placements – 692.

Other LA Pupils - 401

Post 16 pupils - 664

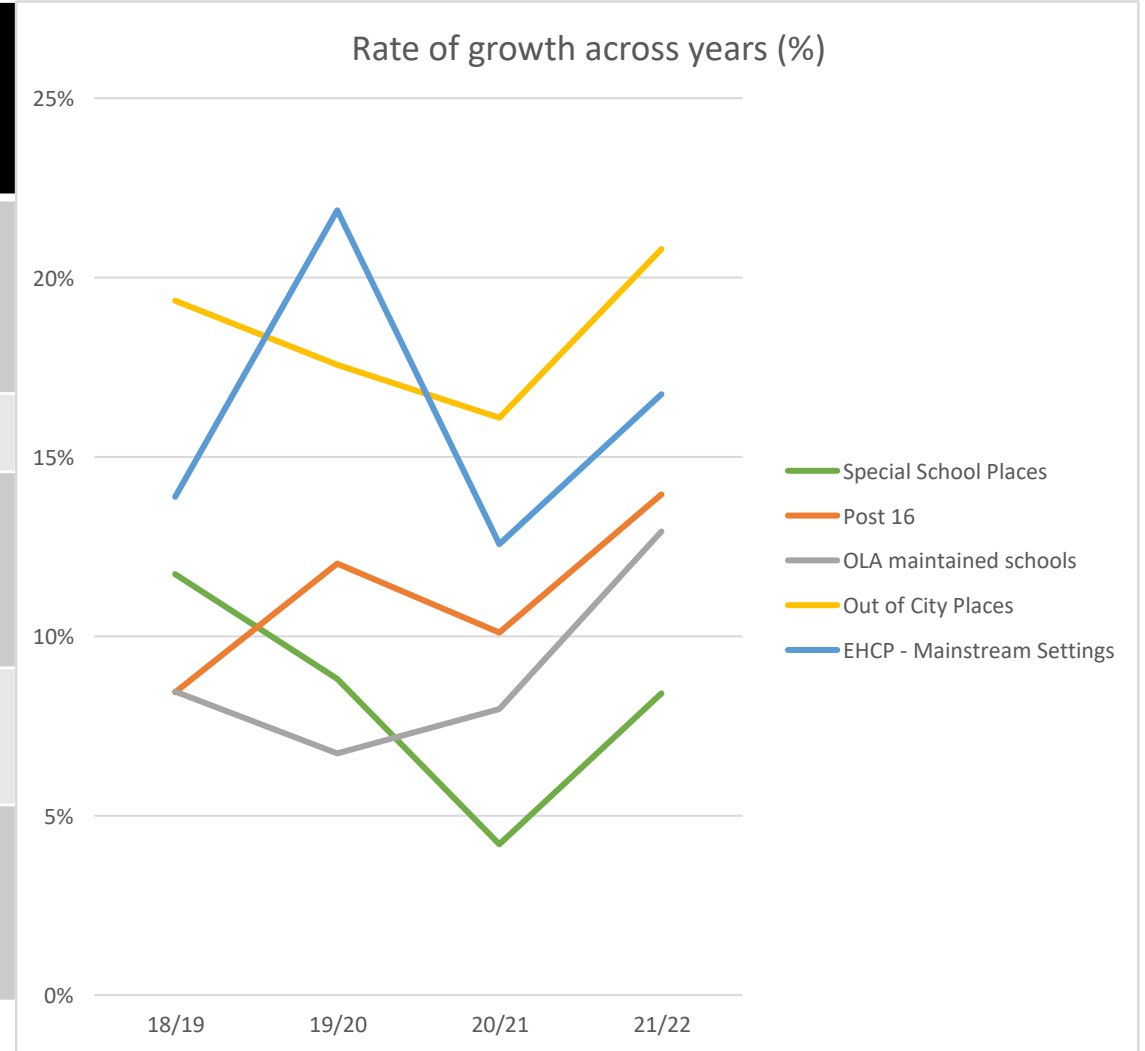
High Needs Block Budget Rebased

DSG spend	Budget 2022/23 Rebased (£m)
Special Schools	58.0
EHCP	18.7
Resource Provisions	2.2
Centrally Retained	7.4
Out of City / OLA / Independent placements	18.7
Post 16	12.4
DSG recovery	0.0
Total Projected Spend	117.4
	↕
NFF Allocation (Inc Supp Grant)	114.1



HNB Increase in Demand - Growth

% of Growth Places	18/19 %	19/20 %	20/21 %	21/22 %	22/23 % Projected Growth
Special School Places	11.73	8.82	4.21	8.41	9.65
Post 16	8.44	12.0	10.11	13.96	11.48
OLA maintained schools	8.46	6.74	7.97	12.92	9.37
Out of City Places	19.35	17.57	16.09	20.79	19.24
EHCP - Mainstream Settings	13.89	21.88	12.57	16.75	17.50



GAP : Funding to Projected Spend	2022/23 £'000	2023/24 £'000	2024/25 £'000
In-Year: Initial HNB Projected Gap /Shortfall (Do nothing)	-3,387	-13,811	-23,757
In-Year: Current Gap / Shortfall (revised pre-recovery plan)	-1.120	-9,483	-19,603

£'m

In Year - Current Gap/Shortfall HNB 2022-2025 (WIP)



Budget Approach

Managing Demand/Responding to need

Narrowing the Financial gap

Cost Avoidance:

Earlier intervention within EY to stem level of EHCP requests by use of SEN hubs/Pathway. Increase number Resource Provisions citywide. Diversion of Outreach service. Use of Grant funding.

Service Improvement & Efficiencies:

Managed review of centrally held High Needs spend. Develop ordinarily available provision for schools. Develop banded model for Post 16/19

**Safe,
Effective
and
Efficient
Built around 4
themes**

Planning & Practice Improvement

Further expansion of special schools. Post 19 place planning. Annual EHCP reviews to drive change when needs reductions identified.

Commissioning & Partnerships

Review and manage relationships with providers. Reduce reliance on certain providers to drive a reconfiguration of the existing market. Post 16 provision. Further increase special school places in the City.

Approach leads to adequate capacity which in turn leads to meeting needs and value for money

Recovery In-year

Outcome 1: Review spend on Post 16 commissioning of places

Outcome 2: Develop earlier intervention in order to reduce the significant growth in EHCP numbers.

Outcome 3: Review spend on EHCPS

Outcome 4: Reduce spend on Independent School Placements (Out of City)

Outcome 5: Review spend on Alternative Provision(AP)

Outcome 6: Reduce other spend across the High Needs Block

OUTCOME 1 – Review spend on Post 16 commissioning of places

	Savings targets currently evaluated		
	2022-23	2023-24	2024-25
	(£15k)	£764k	£764k
<u>Action</u>	<u>Activity</u>		
Commissioning Post 16 Lead	Appointment of Specialist Commissioning Role		
Post 16 Service provider review	Review commissioning of places at Specialist colleges		
	Review EHCPs post 19 where not accessing education provision. <i>To be worked through & evaluated</i>		
Revised delivery model	New delivery model for commissioning post 16 specialist education/provision agreed with cost avoidance detailed		
	Extend banded funding model to include post 16 /post 19 funding and use this to pay providers. <i>To be worked through & evaluated.</i>		

OUTCOME 2 – Develop earlier intervention in order to reduce the significant growth in EHCP numbers.

	Savings targets currently evaluated		
	2022-23	2023-24	2024-25
	£69k	£382k	£382k
<u>Action</u>	<u>Activity</u>		
Agree an alternative way for schools to access support and resources for children in Early years presenting with additional needs / delayed development.	1. Communication to schools to request meeting before submitting requests for EHCPs to consider support required.		
	2. Prioritise special school outreach to focus support in early years including coaching/modelling. <i>Efficiencies to be evaluated.</i>		
	3. Education Psychology support available to support with advice and support earlier. <i>To be worked through & evaluated</i>		
Pilot and develop SEN support hubs for children in Early Years	1. Use Early Years data to identify schools where there are a significant number of children identified with additional needs.		
	2. Cost out a model to meet identified needs and provide intensive support and early intervention		
Review role of outreach and adjust the offer to prevent requests for EHCPs	Review RHOSEY and EY pathway. <i>Efficiencies to be evaluated</i>		
	Review outreach offer from special schools		
	Target Outreach resources and specialist service to support transitions through school phases.		
Strengthen universal provision for children with Autism	Roll out of Autism in school project and provision of a universal training offer for all school staff. <i>To be worked through & evaluated</i>		
Strengthen SEN support offer in schools	Develop ordinarily available provision for mainstream schools		

OUTCOME 3 – Review spend on EHCPS (savings to *be worked through & evaluated*)

<u>Action</u>	<u>Activity</u>
Reduce spend on transitions	1. Develop & implement a process to identify when CYP moved out of area and to stop budget continuing to go out to provider .
	2. Develop & implement a cost effective way to provide education for children new to City awaiting a specialist place.
	3. Develop clear guidance for schools on review process and need to reduce spend linked to EHCP as needs reduce.
Enhancing review process	Use annual review process to reduce spend on EHCPS as needs reduce especially as progress through school.
	Review high cost and Joint funded places when pupil reaches 18 years.
Forecasting of future EHCP demand.	Develop EHCP forecasting tool

OUTCOME 4 – Reduce spend on independent school placements.

	Savings targets currently evaluated		
	2022-23	2023-24	2024-25
	£384k	£1.994m	£2.079m

<u>Action</u>	<u>Activity</u>
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Increase special school places in City through phase 2 SEND programme	1. Submit expression of interest for additional special school place for DFE Free school wave.
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	2. Develop proposal for a new secondary special school
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	3. Develop proposals for any further special school expansions
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	4. Develop post 19 and beyond specialist provision to be included in place planning.
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Resourced provision	1. Review resourced provision and funding of places and consider approach where places are empty.
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	2. Review options for further Resourced provisions across City. <i>To be worked through & evaluated</i>
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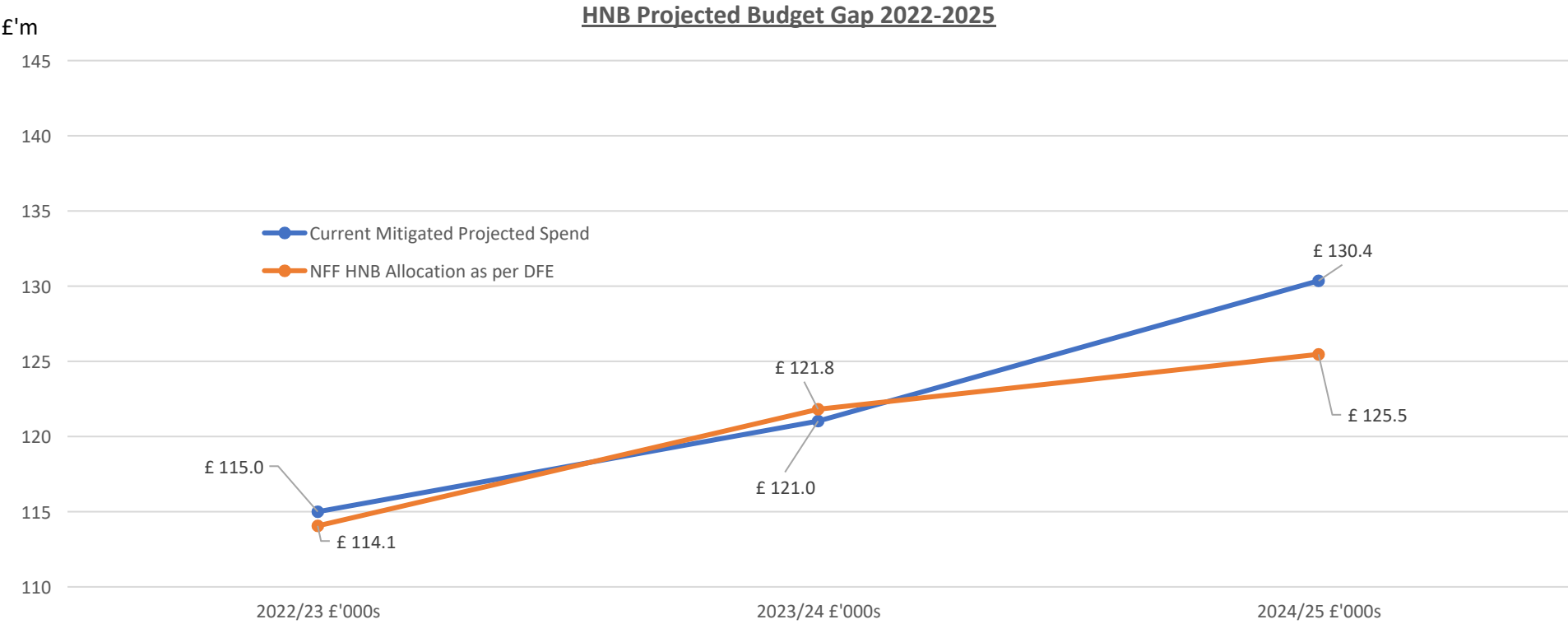
OUTCOME 5 – Review spend on Alternative Provision (AP)

	Savings targets currently evaluated		
	2022-23	2023-24	2024-25
	(£195k)	£1.193m	£935k
<u>Action</u>	<u>Activity</u>		
Review of Manchester Hospital School	1. Work with Hospital school to develop a model of practice ensuring operation within allocated budget.		
	2. Work with Hospital school to make application to DFE for further funding due to increase in hospital bed numbers.		
	3. Review Section 19 medical offer.		
Review spend on AP	1. Ceasing AP places via MSPRU & develop AP framework which schools fund directly		
	2. Review commissioned services at MSPRU		
	3. Monitor impact of new arrangements and impact on commissioned PRU places		
SAFE programme to reduce spend on Exclusions	SAFE interventions funding via DFE to prevent number of exclusions required.		

OUTCOME 6 – Reduce other spend on High Needs Block (HNB)

	Savings targets currently evaluated		
	2022-23	2023-24	2024-25
	£2.205m	£4.049m	£4.154m
<u>Action</u>	<u>Activity</u>		
Reduce contribution to Central Services	Agree revised contribution on central Services funding		
Review all HNB spend on support services	1. Line by line review of spend on support services		
	2. Develop options including impact assessment for reducing spend on individual services		
HNB spend on personal travel budgets	Include this option in proposal for service restructure and future budget required		
Income generation	Develop options for income generation against spend in HNB e.g. SENCO networks, MPNT, special school banding, support for other LAs		
Use of other grant funding	Release HNB by using grant funding to fund posts in virtual school.		
Closed School	Release staff and cease security arrangements upon asset disposal		
School budgets/school contributions	1. Schools excessive balance clawback. Approved at Forum 18/07/2022, subject to appeals panel in the autumn term.		
	2. Present to Schools Forum modelled options around reduction of time schools hold an excessive balance before clawback mechanism is triggered.		
Schools Block to HNB Transfer 0.5%	Develop a proposal to transfer 0.5% from schools block for discussion and approval at Schools Forum.		

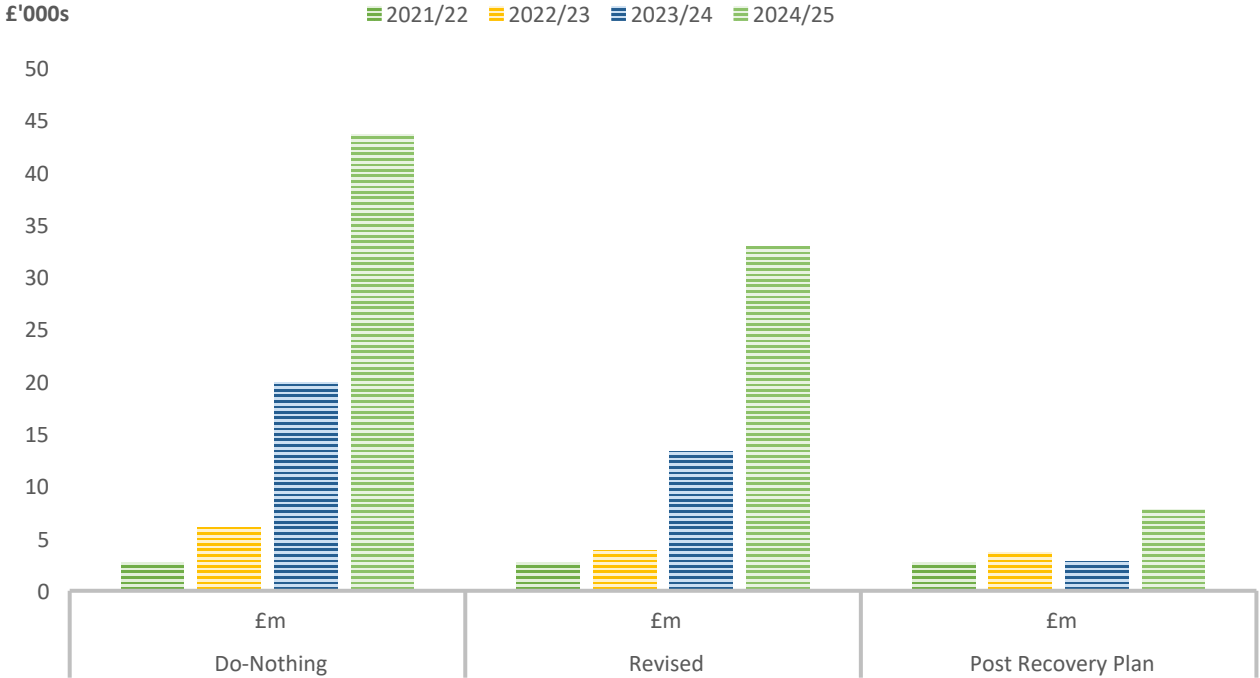
GAP : Updated to reflect actions on Recovery Plan (Aug22)	2022/23 £'000	2023/24 £'000	2024/25 £'000
In-Year: Current Gap / Shortfall (slide 5)	-1.120	-9,483	-19,603
In-Year: Current mitigated recovery as per Outcomes 1-6 (WIP)	-940	786	-4890



Dedicated Schools Grant (DSG) HNB Deficit Forecast

DSG CUMULATIVE DEFICIT FORECASTS

	Do-Nothing	Revised	Post Recovery Plan
	£m	£m	£m
2021/22	2.70	2.70	2.70
2022/23	6.09	3.82	3.64
2023/24	19.90	13.31	2.84
2024/25	43.66	32.91	7.73



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. **As it stands, this ring-fence is due to end after the accounts for the 2022-23 financial year, at which point LAs will need to demonstrate their ability to cover DSG deficits from their future available reserves.** It is crucial that LAs take the opportunity afforded by the significant funding increases and sharing of learning, to move to a more sustainable position now.

Right Support, Right Place, Right Time

SEND review is part of the government's 'Levelling up Agenda'. The consultation seeks views on addressing the proposals to deliver greater national consistency in SEND support that should be made available, how it should be accessed and funded.

The review covers a wide range of areas to try and address the **three challenges** identified:

- **Outcomes for children & young people with SEND** or in alternative provision on average are poor.
- **Navigating the SEND system** & alternative provision is not a positive experience for children, young people & their families
- The system is **not financially sustainable**, despite unprecedented investment the system is not delivering value for money for children, young people and families

Why is the system not financially sustainable ?

The cycle starts in early years and mainstream schools, despite best efforts are often unable to identify and support children/young people's needs. For families it is not clear what support they should reasonably expect from their local mainstream settings in meeting their child's needs = EHCPs (& in some cases specialist provision) are seen as the only routes for guaranteeing the appropriate support.

Result **increased numbers of requests for EHCPs** = Significant **delays** for children and young people in accessing support **PLUS** creates a system that is **not financially sustainable** because of **growth** in EHCPs.

Manchester

EHCP 2021/22 = 6,373 cases of which **41% are in mainstream settings** (2,614 cases). Overall growth of 13% in EHCP cases from 2020/21
EHCP mainstream primary schools, summer 2022 new cases = 200 of which almost a third (28.5%) relates to early years (nursery & reception).

Risk Register Consequences, Likelihoods and Capacity to Control definitions

Consequences	
5 - Major	£5m or more
4 - Significant	£2m - £5m
3 - Moderate	£1m - £2m
2 - Minor	Under £1m

Likelihood	
5 - Very Likely	<ul style="list-style-type: none"> • Is expected to occur in most circumstances • Circumstances frequently encountered – daily/weekly/monthly/annually • Imminent/near miss
4 - Likely	<ul style="list-style-type: none"> • Will probably occur in many circumstances • Circumstances occasionally encountered but not a persistent issue (e.g. once every couple/few years) • Has happened in the past or elsewhere
3 - Unlikely	<ul style="list-style-type: none"> • Not expected to happen, but is possible (once in 3 or more years) • Not known in this activity
2 - Very Unlikely	<ul style="list-style-type: none"> • May occur only in exceptional circumstances • Has rarely / never happened before • Force majeure

Capacity to Control	
Full	– all reasonable steps have been taken to mitigate the risk and are operating effectively. The cost / benefit considerations on implementing additional controls have been considered.
Substantial	– there are sound arrangements to manage the risk with some scope for improvement . Arrangements have had a demonstrable impact in reducing either the likelihood or consequence of the risk.
Moderate	– there are a number of areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
Limited	– there are significant areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
No	– there are a lack of clear arrangements in mitigation of the risk.

<u>Risk</u>	Consequence (2 to 5)	Likelihood (2 to 5)	Risk Score (CxL)	Capacity to Control
	For Definitions see Slide 17	For Definitions see Slide 17		For Definitions see Slide 17
Alternative Provision & Specialist Proposals				
Impact of Hospital School service review on offer for children in hospital	2	3	MEDIUM	Moderate
Pupil Referral Unit - Insufficient number of funded places available if exclusions increase.	2	3	MEDIUM	Substantial
Alternative Provision - If Schools do not engage with Alternative Provision framework there may be a need to reintroduce levy payment for exclusions.	2	2	LOW	Substantial
Special Schools – Increased top-ups due to schools placing children into higher funding bands.	3	5	HIGH	Moderate
Nationally imposed banded funding may be at higher levels than Manchester are already funding.	4	3	HIGH	Moderate
Increased cost of independent placements due to growth of numbers or inflationary increases from providers.	3	4	HIGH	Substantial
Lack of specialist placements for children with most complex needs increases the cost of placements.	2	4	MEDIUM	Substantial

Risk	Consequence (2 to 5)	Likelihood (2 to 5)	Risk Score (CxL)	Capacity to Control
	For Definitions see Slide 17	For Definitions see Slide 17		For Definitions see Slide 17
EHCP Proposals				
Invest to Save - Ensuring the balance is accurate between early intervention / cost of EHCP.	2	3	MEDIUM	Substantial
Funding of SEN support but EHCP requests continue to increase and place pressure on timescales / quality and funding.	4	4	HIGH	Substantial
Capacity of EHCP team to complete reviews if EHCP no.s continue to increase.	2	5	MEDIUM	Limited
Capacity of team to review funding requests and whether children should continue with provision.	2	4	MEDIUM	Limited
Pressure on Schools budgets due to inflation increase demands for SEND funding and reduce funding to graduated response.	3	4	HIGH	Substantial
Cost of living crisis place more families a risk resulting in higher cost placements or requests.	3	4	HIGH	Substantial
Time - lag in achieving savings.	5	5	EXTREME	Substantial

<u>Risk</u>	Consequence (2 to 5)	Likelihood (2 to 5)	Risk Score (CxL)	Capacity to Control
	For Definitions see Slide 17	For Definitions see Slide 17		For Definitions see Slide 17
Use of Other Funding				
Require a 0.5% top slice from Schools Block - High impact , low probability. (It is recognised that risk at school level would differ than the risk rating to the local authority.)	4	3	MEDIUM	Full
Manchester City Councils overall financial position impacts capacity to deliver draft recovery plan.	5	3	HIGH	Substantial
Over reliance on grant funding for services provides a lack of stability if grant ends.	3	3	MEDIUM	Substantial
Reduction in spend from HNB on services may move funding pressures elsewhere or create additional demand.	4	4	HIGH	Substantial