

**WESTMINSTER CITY COUNCIL****SCHOOLS' FORUM 20TH MARCH 2023****REPORT BY THE ASSISTANT DIRECTOR, SPECIAL EDUCATIONAL NEEDS  
AND EDUCATIONAL PSYCHOLOGY AND LEAD STRATEGIC FINANCE  
MANAGER – BI-BOROUGH CHILDREN'S SERVICES****RECOMMENDATIONS FROM THE HIGH NEEDS BLOCK REFERENCE GROUP  
REGARDING THE ALLOCATION OF THE 2023/24 ADDITIONAL BUDGETS AND  
PROPOSALS RE CLAWBACK**

This report provides feedback from the High Needs Block Reference Group and proposals regarding the allocation of the additional funding available in the 2023/24 High Needs Block Budget, the EBT banding clawback and top ups for SRPs and Special Schools.

**FOR DECISION**

**1. INTRODUCTION**

- 1.1 Schools' Forum (Paper A3 High Needs Budgets) on 18<sup>th</sup> January 2023 agreed the high needs block budgets for 2023/24 including £1.470m of available high needs funding to be discussed with the HNBRG. The views of the HNBRG are reflected in the proposals in this paper regarding the allocation of this funding.
- 1.2 The Schools' Forum is requested to note the views of the High Needs Block Reference Group (HNBRG) which met on 8th February 2023 and the resulting recommendations detailed in this report.
- 1.3 As detailed in the DSG monitor paper elsewhere on the agenda, the high needs block is forecast to underspend by £2.626m in 2022/23 mainly as a result of post 16 placements which we have discovered had ended during the covid 19 pandemic. The High Needs Budget in 2022/23 included a transfer from the Schools Block of £617,691.

**2. BACKGROUND**

- 2.1 The High Needs Budget Review Group (HNBRG), established to provide termly meetings for officers and headteachers from all ages, phases and provision schools/settings continues to meet termly to jointly monitor HNB funding.
- 2.2 During 2022 the DfE reported that the proportion of all pupils subject to an EHCP had reached 4%, up from 3.7% the previous year. Although the figure for

Westminster schools (including pupils' resident outside of the area) had increased to 3.6%, it remained below national and London (4.1%) averages. The total number of Westminster Education Health and Care Plans (EHCPs) reached 1338, a rise of 6% (below forecast and national rises). Full year data for 2022 is current being validated.

- 2.3 NHS commissioners have highlighted an unprecedented increase in some mental health needs and in line with the continuing national trend for growth we are forecast an increase in EHCPs maintained by Westminster, albeit below national. It is likely that Westminster will see 6% growth; 450 additional EHCPs by 2026.

### 3 Top Up funding

- 3.1 Since April 2022, top up funding has been allocated using the recalibrated EBT ensuring an affordable level of funding. Moderation by headteachers has validated that the tool is now working effectively. Funding for bands 8-10 has been capped although it is recommended that the cap is increased to £22,364 to reflect the 2022/23 support staff pay award (an increase of 10.4%) from April 2023. The total cost of increasing the cap is estimated at £150,000 a year.
- 3.2 Through the work of the HNBRG, modelling to address overpayments of top up in 2021/22 has been considered and proposals are set out further in this paper.
- 3.3 It is recognised that any net increase in the number of **EHCPs** will increase pressure on the high needs block. **Although** statutory assessments in 2021 were 20% higher than the previous year, Jan to November 2022 were in line with 2020. A small number of declined referrals were from parents of children educated in the independent sector. We offered a 'next steps' meeting to explain the support ordinarily available in maintained schools aimed at reducing the demand for EHCPs.
- 3.4 It is proposed that non capped band 1 – 7 are also amended from September 2023 to reflect the pay award and over provision re planned 1.25% NI increase that did not materialise (net 10.4% increase). This is estimated to cost £385,000 in 2023/24 and £660,000 in a full year. The proposed mainstream and early years band values are shown below:

Band	Existing Early Years (15 hours) * £	Existing Mainstream £	From Sept 23 Early Years (15 hours)* £	From Sep 23 Mainstream £
1	3,550	1,100	3,607	1,214
2	4,250	2,500	4,380	2,760
3	4,975	3,950	5,180	4,360
4	5,700	5,400	5,981	5,961
5	7,500	9,000	7,968	9,935
6	9,750	13,500	10,451	14,903

<b>Band</b>	<b>Existing Early Years (15 hours) * £</b>	<b>Existing Mainstream £</b>	<b>From Sept 23 Early Years (15 hours)* £</b>	<b>From Sep 23 Mainstream £</b>
7	11,500	17,000	12,383	18,766
8 (capped)	13,130	20,259	14,182	22,364
9 (capped)	13,130	20,259	14,182	22,364
10 (capped)	13,130	20,259	14,182	22,364

\* Note Whilst schools are required by DfE to meet the first £6,000, Early years settings do not receive notional funding and top up includes £3,000 (pro-rate).

- 3.5 No changes were made to targeted funding; the safety net mechanism that provides additional funding (£6,000 for each EHCP) once schools 'first £6,000' contribution to existing EHCPs reaches 50% of their notional funding.

#### 4 **Clawback Proposals**

- 4.1 Following a detailed discussion at HNBRG, it is recommended not to proceed with any financial clawback of top up funding erroneously paid prior to EBT recalibration. Para 4.3 sets out an alternative proposal in relation to the HNB cumulative deficit.

- 4.2 HNBRG considered analysis showing the indicative impact of banding recalibration ([Appendix A](#)) and actual funding received ([Appendix B](#)) indicating the potential scale of overpayment. It was recognised that some pupils have since transitioned between schools and the review was unable to take account of individual annual reviews of provision which will have taken place and resulted in other changes to the banding and funding. The HNBRG recognised that neither methodology offered schools a high degree of confidence in a clawback calculation being transparent and equitable.

- 4.3 Capping bands of 8-10 has reduced forecast spend by £195,823. The full academic year effect of capping would have led to a reduction of £594,296. Given the improved in-year position, HNBRG endorsed a recommendation to extend capping of bands 8-10 indefinitely giving schools confidence that this was a transparent and more equitable way forward.

#### 5 **Funding for SRPs and Special Schools**

- 5.1 In response to demand for specialist provision in mainstream and with existing provision at capacity, we increased the number of commissioned places in SRPs supporting pupils in local schools. They remain better value for money than independent sector provision.

- 5.2 Top up rates for places in SRPs remain at the same level as three years ago although service level agreements have been reviewed. Host schools have identified that cost of living pressures mean the top up and place funding is no

longer fully funding provision and schools budget cannot be expected to subsidise the specialist provision. Schools (including special schools) were asked to provide details of their staffing structures and actual expenditure for review at the HNBRG. Supporting pupils in a local school offers better value for money than more expensive non maintained or independent sector provision. Proposals regarding SRP and special school top ups are included in [Appendix C](#) and total £552,489 additional funding in 2023/24.

- 5.3 The above proposals meet the DfE requirements that the LA, in deciding on top-up funding rates for pupils in special schools (including special academies and special free schools) located in its area, must increase the budget of any special school such that it would be at least 3% higher in financial year 2023/24 than in financial year 2021/22. The resulting special school top ups are shown below:

<b>Band</b>	<b>Existing Special Primary £</b>	<b>Existing Special Secondary / Post 16 £</b>	<b>Proposed Special Primary £</b>	<b>Proposed Special Secondary / Post 16 £</b>
1	1,100	1,210	1,162	1,278
2	2,500	2,750	2,640	2,904
3	3,950	4,345	4,171	4,588
4	5,400	5,940	5,702	6,273
5	9,000	9,900	9,504	10,454
6	13,500	14,850	14,256	15,682
7	17,000	18,700	17,952	19,747
8	22,500	24,750	23,760	26,136
9	28,000	30,800	29,568	32,525
10	32,000	32,500	33,792	37,171

- 5.4 Additional DSG funding will also be provided to special schools, AP academies and hospital schools from the additional DSG funding of £1.669m included in high needs block in 2023/24. This allocation is subject to additional DSG conditions of grant and will be allocated separately to special free schools, maintained special schools and hospital schools on the basis of 3.4% per place and average top up funding for 2022/23. AP academies increase will be based on the 2020/21 academic year. The estimated allocations are shown below and the allocations for special schools are included in [Appendix C](#).

#### **Estimated Additional DSG Funding**

<b>School</b>	<b>Estimate £k</b>
College Park School	126
Queen Elizabeth II Jubilee School	75
St Marylebone Church of England Bridge School	57
Ormiston Beachcroft Academy	39
<b>Estimated Total</b>	<b>297</b>

## 6 High Needs Pupil Developments

- 6.1 We have forecast that Westminster will be maintaining over 450 additional EHCPs by 2026, and at least 33% will require specialist provision. Our SEN Commissioning plan sets out 60 new places in SRPs (13% of the growth) and 148 in special schools (33% of the growth), profiled annually. We will provide an update on the commissioning plan at the HNBRG in the summer term.

SRPs	Total Planned	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26
Milbank Primary School	12	4	4	4		
Edward Wilson Primary	16		4	4	4	4
Primary autism provision	8		4	4		
Extension of foundation places into KS1	6		4	2		
Secondary (MBS)	18	8	6	4		
<b>Total</b>	<b>60</b>	<b>12</b>	<b>22</b>	<b>18</b>	<b>4</b>	<b>4</b>

Special	Total Planned	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26
College Park (satellite)	18	12	6	0		
College Park (South)	32		10	10	12	
College Park (Bayswater)	8		4	4		
College Park (secondary)	72					72
QEII Jubilee	8	2	4	2		
St Marylebone Bridge	10	5	5			
<b>Total</b>	<b>148</b>	<b>19</b>	<b>29</b>	<b>16</b>	<b>12</b>	<b>72</b>

Nursery	Planned	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26
PMLD	6		3	3		

- 6.2 To meet the cost of this additional need in the financial year 2023/24 a budget of £243,000 is proposed.

## 7 Delivering Better Value in Westminster

- 7.1 DBV is an intensive improvement programme commissioned by the DfE to identify the highest impact changes to better support children with SEND. Whilst Westminster is not eligible, it is proposed to use the experience Bi-Borough officers from SEN and Finance, who have been working with consultants for the DfE (Newton Europe and CIPFA) to review areas of fastest growth in SEN, identify root causes and consider developing pilot workstreams in Westminster Schools funded from the high needs block. This review and recommendations will be presented to the HNBRG. It is anticipated that Westminster could benefit from dovetailing with DBV work in RBKC where the investment is £1m. It is recommended that £545,000 (£140,000 from 2023/24 DSG and £405,000 from 2022/23 transfer to high needs block) resources be

set aside to support this work. The detailed proposals will be reviewed at the May HNBRG.

## 8 PROPOSED ADDITIONAL BUDGETS FOR 2023/2024

8.1 Based on the above the proposed allocation of the additional budgets for 2023/24 are as set out below.

Budget Area	Proposed additional budgets 2023/24	Paragraph
	<b>£'000</b>	
Capping Top-Up for bands 8 – 10 increase to £22,364 from April 2023	150	3.1
Top-Up for bands 1 to 7 - increase from September 2023	385	3.4
Special Schools and SRP top ups	552	5.2
High Needs developments	243	6.1 – 6.2
Delivering Better Value – for review by May HNBRG	140	7.1
<b>Total Additional Allocation Proposals</b>	<b>1,470</b>	

## 9 TRANSFER FROM THE SCHOOLS BLOCK TO THE HIGH NEEDS BLOCK IN 2022/23

9.1 The High Needs Budget in 2022/23 included a transfer from the Schools Block of £617,691. As a result of the high needs block forecast underspend of £2.404m in 2022/23, the DSG has a forecast underspend of £2.212m. This will eliminate the DSG cumulative deficit of £1.167m at the end of 2021/22 and result in a balance of £1.045m by the end of 2022/23. The DSG balance therefore includes the transfer from the schools block that is no longer required in the high needs block. Schools Forum requested that the allocation of this transfer be reviewed. Schools Forum (18<sup>th</sup> January 2023) agreed allocations from the DSG balance of £133,000 for falling rolls in 2023/24 and £80,000 re fair access funding for secondary schools. These allocations are funded from the £617,291 transfer from the schools block rather than reducing the schools block in 2023/24 and it is proposed that the balance is used as a contribution to delivering better value in Westminster. The above is summarised in the table below:

<b>Funding transferred from the Schools Block in 2022/23</b>	<b>£617,691</b>
<b>Allocations</b>	
Agreed allocation from DSG balance - falling rolls in 2023/24	£133,000
Agreed allocation from DSG balance - fair access funding for secondary schools	£80,000
Proposed contribution to the DBV (paragraph 7.1)	£404,691

## 10 HIGH NEEDS PRESSURES AND ACTION TO ADDRESS

10.1 We have forecast that Westminster will be maintaining over 452 additional EHCPs by 2027 and plans are in place to develop 148 additional special school places and 60 additional SRP places, along with a reduction in the use of private sector providers offering tuition for those who need alternative provision. It is likely that at least 70 of the additional **special school places will be needed** at College Park for secondary aged pupils although this longer term expansion requires relocation from Bayswater and will call for capital investment.

## 11 FORWARD PLAN FOR HNBRG

11.1 The forward plan for the HNBRG is proposed as follows:

Meeting	Forward plan
May	Commissioning plan priorities Considering DBV
October	Impact of the DfE's Improvement Plan EBT update

## 12 RECOMMENDATIONS

12.1 Schools Forum is asked to:

- 12.1.1 Approve the proposals regarding increases to the capped bandings 8 – 10 and bandings 1 - 7 (section 3):
- 12.1.2 approve the proposals regarding the clawback (section 4);
- 12.1.3 approve the proposed top ups for the SRPs and Special Schools (Section 5)
- 12.1.4 approve the £243,000 budget for high needs pupil developments (section 6):
- 12.1.5 approve the £545,000 budget for delivering better value in Westminster with details proposals to be discussed at the May HNBRG (section 7);
- 12.1.6 note the allocation of the additional budget if the above are approved (section 8);
- 12.1.7 agree the proposal regarding the transfer from the schools block to the high needs block in 2022/23 (section 9); and
- 12.1.8 note the forward plan for the HNBRG (section 11).

**Julie Ely**  
**Assistant Director, SEN and EPS - Bi-Borough Children's Services**

**Anita Stokes**  
**Lead Strategic Finance Manager – Bi-Borough Children’s Services**

**Sarah Newman**  
**Bi-Borough Executive Director of Children’s Services**

**Contact officers:**

Julie Ely

**Tel:** 07850 882871

**E-mail:** [Julie.ely@rbkc.gov.uk](mailto:Julie.ely@rbkc.gov.uk)

Andrew McKerchar, Finance Manager – SEND

**Tel:** 07857 696790

**E-mail:** [Andrew.mcKerchar@rbkc.gov.uk](mailto:Andrew.mcKerchar@rbkc.gov.uk)

**Background papers:**

EFSA – DSG Allocations 2022-23 and 2023-24 (Provisional)

Budget Monitoring Reports 2022-23

Commissioning plan