

WESTMINSTER CITY COUNCIL**SCHOOLS' FORUM – 17TH JANUARY 2024****REPORT BY THE ASSISTANT DIRECTOR EDUCATION, SEN AND
ADMISSIONS, AND LEAD STRATEGIC FINANCE MANAGER – BI-BOROUGH
CHILDREN'S SERVICES****HIGH NEEDS BUDGET UPDATE AND 2024/25 PROPOSED BUDGETS**

This report provides an update on the work of the High Needs Block Reference Group, the High Needs forecast and recommendations about 2024/25 arrangements and budgets.

FOR INFORMATION AND DECISION**1. INTRODUCTION**

- 1.1 The Schools' Forum is requested to note the work of the High Needs Block Review Group (HNBRG) and approve the recommended budgets for the 2024/2025 financial year.
- 1.2 As detailed in DSG monitor paper elsewhere on the agenda, the high needs block is forecast to underspend by £0.370m in 2023/24.

2. BACKGROUND

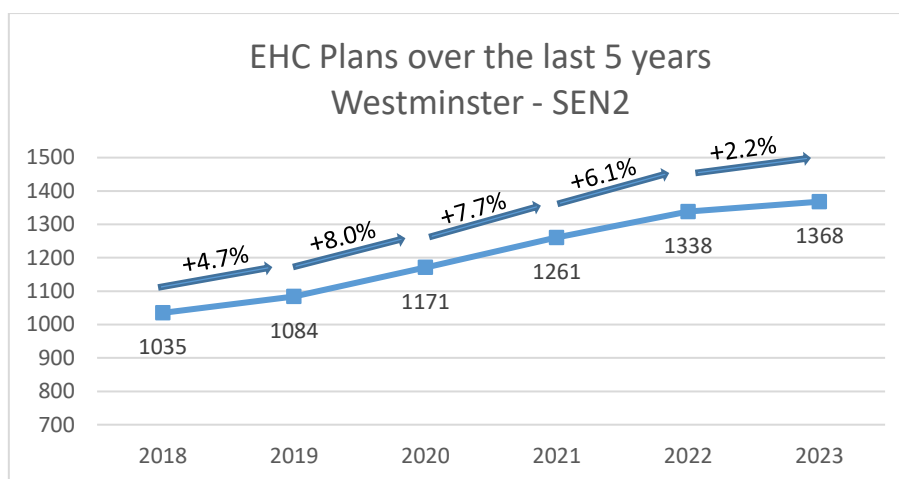
- 2.1 The High Needs Budget Review Group (HNBRG) was established to provide an opportunity for officers and schools/settings to consider the ongoing use of High Needs Block funding and any new developments. Terms of Reference ensure schools are represented by headteachers from all ages, phase and types of provision.

3 HIGH NEEDS FORECAST

- 3.1 The 2023/24 High Needs block is forecast to underspend by £370,000 as shown in the table below. This reflects underspends in the independent sector and pupil developments with overspends on AP provision and the provision of therapies.
- 3.2 The forecast top up figures are subject to change, as validation is taking place regarding new starters and costs for individual young people, particularly those in the FE colleges, to ensure that all additional costs are included.

Budget Area	Revised Budget	Forecast Dec 23	Projected Variance
	£'000	£'000	£'000
Top-Up Maintained Pre-16	8,022	7,315	(707)
Top-Up Academies, Free, College Pre-16	3,883	3,516	(367)
Top-Up Out of Borough	6,383	6,201	(182)
Top-Up Independents Pre-16	3,705	3,527	(178)
Top-Up Post 16 Academies, Colleges	2,947	4,144	1,197
Top-Up Post 16 Independents	2,539	2,593	54
Top-Up Post 16 Maintained	203	149	-54
Targeted Support	250	250	0
Special Schools and Units Places	3,439	3,539	100
Alternative Provision Commissioning	1,033	1,233	200
Hospital Education	379	379	0
Looked After Children High Needs Placement Costs	700	700	0
SEN Outreach	845	880	35
SEN Commissioning ABA	0	0	0
SEN Services	567	567	0
Occupational Therapy	687	737	50
Portage	211	211	0
Other Support & Therapies	173	173	0
Speech & Language Therapy (SALT)	1,420	1,470	50
Equipment	50	50	0
2022/23 costs variance to accruals estimate in accounts	0	0	0
Earmarked for High Needs pupil development	755	456	(299)
Additional DSG allocation	269	0	(269)
Total High Needs Block	38,460	38,090	(370)

3.3 The forecast for 2023 assumed 6% continued growth in EHCP. The actual number at census day in January 2023 was 1338, net growth of only 2.2%. significantly below London (8.6%) and national which has averaged 10% per annum since 2014



- 3.4 Growth in the number of new EHC plans was considerably offset by 44 ceased plans (was 36 the previous year) following review of high needs post 16.
- 3.5 The proportion of all pupils in Westminster schools (includes non-residents) subject to an EHCP has reached 4.5% and is above national (4.3%) which represents a risk of continued demand. In light of this and the underlying level of growth, the forecast remains at 6% for future increase.
- 3.6 Age profile analysis of EHCPs in January 2023 shows WCC more closely resembles the national breakdown than in previous years:

City of Westminster	Number of EHCPs (SEN2)					Age Percentage split 2023		
	2019	2020	2021	2022	2023	WCC	London	England
Under Aged 5	45	58	64	64	65	4.8%	4.4%	4.1%
Aged 5 to 10	417	422	427	438	444	32.5%	35.0%	32.6%
Aged 11 to 15	357	389	420	434	481	35.2%	33.7%	36.0%
Aged 16 to 19	228	250	269	288	272	19.9%	19.1%	20.5%
Aged 20 to 25	37	52	81	114	106	7.7%	7.8%	6.8%
Total	1084	1171	1261	1338	1368	100%	100%	100%

- 3.7 Nationally, 30% of those with EHCPs have autism as their primary need. In WCC the figure is significantly higher, at 42%.

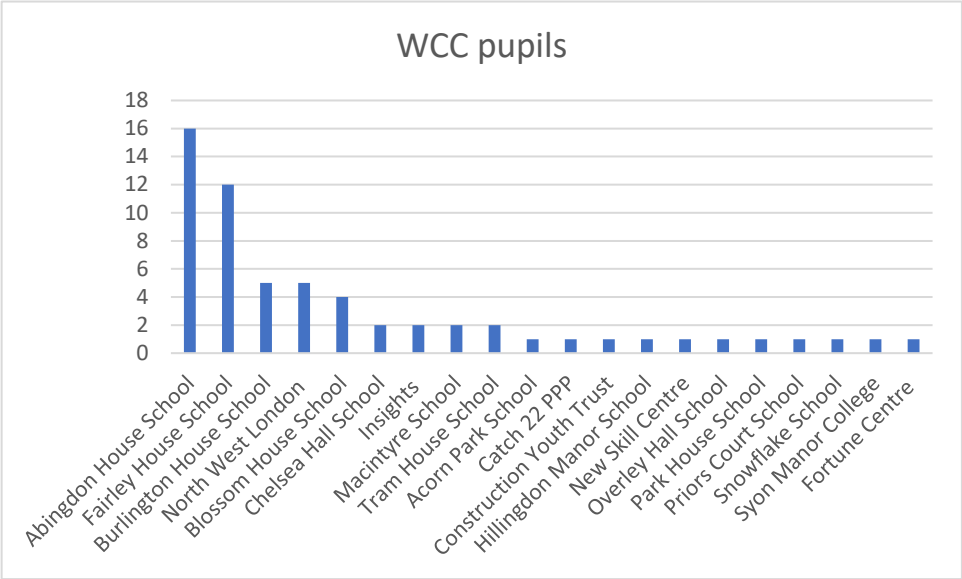
4 PROPOSALS

4.1 Independent special school fees

Section 9 of the Education Act 1996 facilitates parental representations for schools in the non-maintained and independent sector. Provision can be more expensive and there can be 'hidden' extra cost, such as therapies. During 2023 we have seen significant fee increase requests from the proprietors, up to 10% in some cases. Regional working to challenge unreasonable increases has

seen negotiated reductions in the increases proposed resulting in cost avoidance of £39,000 during 2023.

Current placements are shown below:



Fees for Abingdon House are typically £46k per annum, Fairley House £37k p.a, and Blossom House £56k p.a. Burlington House charges for therapy at £60 per 30mins in addition to £31k p.a. fees (£41k in Y12).

4.2 Commissioned places

The number of places required in maintained specialist settings is reviewed on an annual basis during the autumn term. The updated place numbers are set out below. These places are funded on the basis of the nationally agreed £10,000 per place (effectively AWPU plus £6,000 in mainstream schools). Top up funding is reported separately. Funding for places in Academies and Free Schools is deducted from the High Needs Block and the changes in places from September 2024 are shown below are estimated to result in a further reduction to the high needs block of £66,000 in 2024/25.

The SEN Commissioning Plan sets out current needs and predicted longer term need for specialist provision. It is refreshed twice a year. Findings are regularly considered by the HNBRG, and heads of host schools and special schools.

Post 16 SEN funding for *element 2* (which like nursery pupils is not funded within budgets) has also been reviewed for post 16 SEN provision and has been commissioned. With effect from 2024, the ESFA has agreed to commission United Colleges Group on a regional basis recognising the burden this has historically placed on WCC. This will lead to an additional deduction to the DSG in 2024/25.

Specialist Resource Bases and Special Schools				
Setting	Primary Need	Age Range	Commissioned places Sept 2023	Commissioned places Sept 2024
Churchill Gardens	SLCN	5 – 11	24	24
Edward Wilson	VI	4 – 11	8	8
St. Augustine's	HI	11 – 16	10	10
Millbank	Autism	5 – 11	16	20
Pimlico Academy	SLCN	11 – 16	13	13
College Park	Autism/LD	5 – 19	132	146
QE11	SLD/PMLD	5 -19	85	85
All Soul's	Autism	5 – 11	10	10
St. Marylebone Bridge	SLCN	11 – 16	70	70
Beachcroft AP Academy	SEMH	5 – 16	10	10
<i>St Marylebone CE School</i>		16+	6	6
United College Group		16+	276	0
Portman	Autism	Early Years	20	20
Hallfield	Autism	Early Years	20	20
Marylebone Boys School	Autism	11-16	12	18
Dorothy Gardner	Autism	Early Years	20	20

4.3 Top up funding

Following approval by Schools Forum, a new approach to top up funding known as the Education Banding Tool (EBT) was implemented in January 2020. Although initial feedback was positive, the forecast outturn prompted an urgent review which found the system required recalibration and measures to address inconsistencies resulting from multiple system users. Since April 2022, the recalibrated EBT, moderated twice by headteachers is now working effectively. Funding for bands 8-10 has been capped (since April 2023) at £22,364. Temporary arrangements for a dedicated system user continue to ensure the tool's rigorous and consistent application. Top up values and capping will be reviewed at the next HNBRG.

Top up rates for places in SRPs were increased in 2023/24. Host schools had 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 provided details of their staffing structures and actual expenditure to evidence the increases. Supporting pupils in a local school offers better value for money than more expensive non maintained or independent sector provision. A further review of top up values will be undertaken with proposals taken to the next HNBRG and Schools Forum.

4.4 Contingency funding for schools

No change is proposed to the small fund of £30,000 p.a. remains in place for mid-year admissions of children with complex needs but without an EHCP in place. These are likely to be children arriving unexpectedly from abroad. If they receive Fair Access funding, they will not be eligible to receive contingency funding. This £30,000 budget is part of the top up funding budget line.

4.5 Targeted Funding

Targeted funding offers some protection to schools (£6,000 for each EHCP) that admit relatively high numbers of children with EHCPs but which have relatively low notional SEN budgets. This is the safety net mechanism that provides additional funding once schools 'first £6,000' contribution to existing EHCPs reaches 50% of their notional funding. This is automatic protection based on individual school factors and is refreshed twice a year. It continues to provide protection to schools to ensure notional SEN budgets can be used to support all children with SEN and isn't used solely for those with EHCPs. It is recommended that the current protection and budget remain unchanged.

4.6 Speech and language therapy

Speech and language therapy costs are largely those related to the contracting arrangements with NHS providers CLCH. The budget also meets the cost of S< recharges relating to pupils in specialist placements in other authority schools e.g. Hammersmith and Fulham special schools. It is proposed to increase the budget by 2.5%.

4.7 Other therapy and support

This covers ad-hoc support or therapy outside of the usual commissioning arrangements for SEN and payments to primary schools for children who meet the Fair Access threshold; in the main, new arrivals to the area from abroad. Cost of living increases are likely to impact on this budget as it is used to 'spot' purchase therapy provision outside of the main CLCH contracts. The budget for 2024/25 has been increased to reflect expected increases in demand and cost.

4.8 Occupational therapy (OT)

Cost of living increases and 2023 pay awards are likely to impact on this budget which provides a targeted offer for children in specialist resource bases to have access to support for sensory integration/processing. This prevents the need for placement in the independent sector which is more costly and further away from home. The budget for 2024/25 has been increased by 2.5% to reflect expected increases in costs.

4.9 Equipment

It is recommended that the current budget remains unchanged at £50,000. The threshold for schools to fund prior to making an application should also remain unchanged at £2,000, with a maximum contribution of £15,000 p.a. from a special school. The threshold for any individual school's contribution prior to seeking high needs funding should remain at £2,000 per pupil per annum (it does not apply to early years settings as they do not receive the same base funding for children with SEN) with the introduction of an overall maximum annum contribution of £4,000 total per annum from a school (£2,000 for a nursery).

4.10 Outreach and support services including sensory impairment

These services are commissioned from Queen Elizabeth II Jubilee School and early Autism Outreach. The budget for 2024/25 has been increased to reflect expected increases in costs including recruitment and training of specialists holding mandatory qualifications (QTVI/QTOD).

4.11 Alternative provision and behavioural support services

Place funding for Beachcroft AP Academy, part of Ormiston Academies Trust (OAT), is reviewed on an annual basis. 73 places are commissioned at a rate of £10,000 per place. Whilst the level of top-up funding for Beachcroft remains unchanged at £469,275 on an academic year basis, it is recognised that the current service is at capacity. The budget for 2024/25 has been increased to ensure statutory duties to provide alternative provision can be fulfilled. £195,000 is also included for provision via SLA with Pears Family School. It is expected that the level of investment on OAT Behaviour Outreach will remain at £244,000 p/a into 2024/25.

4.12 Hospital education

The HNB funding covers the cost of the education for the children who are unable to attend school due to medical reasons, where this has been confirmed by a medical practitioner, and this provision is currently arranged through the Chelsea Community Hospital School (CCHS), which recently relocated to accommodation in North Kensington.

4.13 Looked After Children Placement Costs

This budget area, which meets the cost of top ups for looked after children with EHCPs attending schools outside of WCC is forecast to breakeven based on estimates and no change is proposed for the 2024/25 budget.

4.14 Contribution to the LA SEN Services

As in most areas, the HNB contributes to the running of the SEN Service. The cost of the service is largely made up of staff costs. An increase to reflect pay and price changes is recommended.

4.15 Portage

Portage is a home-visiting educational service for pre-school children with SEN and their families. The budget for 2024/25 has been increased by 2.5% to reflect expected increases in costs.

4.16 High needs pupil developments

Through the HNBRG we will be presenting proposals for the allocation of the earmarked funding for high needs pupil developments. Proposals will focus on future cost avoidance and support for inclusion.

5 Historic Teachers' pay and pension contribution funding

There will be a separate teachers' pay additional grant (TPAG) for 2024/25 which reflects the 2023 teachers' pay award. Further information on the TPAG can be found at teachers' pay additional grant for 2024 to 2025. There will also be a new teachers' pensions grant for 2024/25. These separate grants should not be confused with the historic teachers' pay and pensions funding covered in this section, which is part of the DSG high needs funding block.

As in 2022/23 and 2023/24 the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) for AP (including hospital education) are

incorporated within the high needs block of the DSG. In 2024/25 The LA must pass on:

- the 12 month equivalent of teachers' pay grant and teachers' pension employer contribution grant allocated per place by the LA for the period September 2020 to March 2021, using the place numbers funded by the LA in the period April 2023 to March 2024, subject to a minimum of 40 places per school.
- the 12 month equivalent of the teachers pensions supplementary fund allocated by the LA to those settings for the period September 2020 to March 2021
- This additional high needs funding is separate from both place and top-up funding.

This would mean the funding is allocated as shown below. These are included within the relevant lines of the proposed 2024/25 budget.

High Needs Teachers Pay and Pension Grants

Establishment Name	Allocation
College Park School	£100,215
Queen Elizabeth II Jubilee School	£95,163
The St Marylebone Church of England Bridge School	£50,911
Beachcroft AP Academy	£62,546
Total	£308,835

6 ADDITIONAL DSG FUNDING

In 2023/24 local authorities were required to allocate additional high needs funding included within high needs block allocations to special academies (and free schools), AP academies and hospital special schools. As that overall high needs funding increase is included in the 2023/24 baseline used to calculate 2024/25 high needs funding allocations, the DSG conditions of grant for 2024/25 require local authorities to pass on the same level of additional funding to these schools. The allocations will be as follows and are included within the relevant lines of the proposed 2024/25 budget:

Additional DSG Funding

Establishment Name	Allocation
College Park School	£140,473
Queen Elizabeth II Jubilee School	£78,735
The St Marylebone Church of England Bridge School	£58,995
Beachcroft AP Academy	£51,747
Total	£329,950

7 PROPOSED BUDGET FOR 2024/2025

7.1 The High Needs Block for 2024/25 once the provisional academies/colleges recoupment is taken account of this shows the following is available for 2024/24.

HN Block Funding and Adjustment	£000s
High Needs Block DSG Allocation 2024/25	43,471
Academy / College recoupment	(3,562)
Remaining DSG for allocation	39,909

7.2 Based on the above proposals the proposed budgets for 2024/25 and predicted spend for 2023/2024 are as set out below.

High Needs Block - Area of Spend	2023/24 Budget	2023/24 Forecast Outturn	2024/25 Proposed Budget	Change in budget
	£'000	£'000	£'000	£'000
Top-Up Maintained Pre-16	8,022	7,315	7,535	-487
Top-Up Academies, Free, College Pre-16	3,883	3,516	3,621	-261
Top-Up Out of Borough	6,383	6,201	6,387	4
Independents Pre-16	3,705	3,527	3,632	-73
Top-Up Academies, Free schools, Colleges - Post 16	2,947	4,144	4,268	1,321
Independent Post 16	2,539	2,593	2,921	382
Top-Up Post 16 Maintained	203	149	154	-50
Targeted 'Element 2'	250	250	250	0
Special Schools and Units Places	3,305	3,405	3,606	302
Estimated deduction to high needs block for increases in Academy places from September 2024	134	134	66	-68
Estimated increase in import adjustment for college places from 2024	0	0	292	292
Alternative Provision Commissioning	1,033	1,233	1,385	352
Hospital School and Hospital Education (includes ex TPG and TPECG allocations)	379	379	379	0
Looked After Children High Needs Placement Costs	700	700	700	0
SEN Outreach / Support Services	845	880	970	125
SEN Commissioning ABA	0	0	0	0
SEN Services	567	567	581	14
Occupational Therapy	687	737	755	68
Portage	211	211	216	5
Other Support & Therapies	173	173	278	104
Speech & Language Therapy (SALT)	1,420	1,470	1,507	87
Equipment	50	50	50	0

High Needs Block - Area of Spend	2023/24 Budget	2023/24 Forecast Outturn	2024/25 Proposed Budget	Change in budget
Earmarked for High Needs pupil development	755	456	356	-399
Additional DSG allocation	269	0	0	-269
Total	38,460	38,090	39,909	1,449

8 HIGH NEEDS PRESSURES AND ACTION TO ADDRESS

- 8.1** It is recognised that any net increase in the **number of EHCPs** will increase pressure on the high needs block. Local NHS commissioners have highlighted an unprecedented increase in some mental health needs and combined with continued growth nationally and in London, we remain cautious about the level of future growth in Westminster. We are therefore continuing to forecast a net increase in EHCPs of 5%, below levels in London, reflecting falling rolls through small year on year reductions thereafter.
- 8.2** Recalibration of the EBT has reduced the overall cost of **top up in mainstream** schools so it aligned with anticipated levels prior to implementation. Forum agreed to maintain a cap on funding for bands 8-10 and no changes to this are proposed. Through the work of the HNBRG we will continue to keep the level of funding attached to each band under review, presenting recommendations to Forum.
- 8.3** Recommendations on affordable top up funding for 2024/25 to reflect inflationary pressures will be presented to the Forum in March 2024 after discussion with the HNBRG in January 2024. This will include a review of mainstream banding levels (including the ceiling at which a cap is set) and top up rates for places in SRPs. Schools will be invited to provide details of their staffing structures and actual expenditure. Supporting pupils in a local school offers better value for money than more expensive non maintained or independent sector provision.
- 8.4** We have forecast that WCC will be maintaining 1,670 EHCPs by the end of 2027, an increase of 220. Whilst most pupils will access support in mainstream, up to 33% will require specialist. It is likely that at least 70 additional **special school places will be needed:**

	2023/24	2024/25	2025/26	2026/27	2027/28
Specialist	480	535	570	661	670
Mainstream	970	988	1013	970	994
Total EHCPs	1450	1523	1583	1631	1664

- 8.5** The prevalence of autism must be factored into planning. Expansion of College Park Special school, previously limited by the Bayswater site has seen satellite provision successfully created at Hallfield Primary School for primary aged

pupils. Closure of a school in the south of the borough is enabling plans for a second site which will see 16 additional primary places in 2024. Satellite provision for secondary aged young people to create an additional 72 secondary places by 2027. However, expansion is more urgently needed to admit 14 pupils into Y7 in Sept 2024. To address this, proposals for site sharing with a community primary school are being discussed with the governing body of each school.

8.6 4% of pupils with an EHCP are placed in **AP and Hospital** provision. Although we are forecasting similar levels of demand, local NHS commissioners have highlighted an unprecedented increase in some mental health needs and some schools are reporting a shift in emotional and social needs. The commissioning intentions are to increase the breadth of provision and subject to an increase in OAT’s capacity, offset an increase in places in future with reductions in the independent sector commissioning.

9 The forward plan for the HNBRG is as follows:

Meeting	Forward plan
February	Top up for SRPs and the FWSS Proposals for earmarked funding for High Needs pupil development with recommendations to March Schools Forum for decision
May	Independent school fees

10 RECOMMENDATIONS

Schools Forum is asked to approve:

- the HNB budget for 2024/2025 as set out in 7 above;

Schools Forum is asked to note:

- the high needs block forecast (paragraphs 3.1 – 3.2);
- the 2024/25 funding for historic teachers pay and pensions contribution for special schools, AP and hospital providers will total £308,835 (section 5) and 2024/25 additional DSG funding allocations will total £329,950 (section 6);
- the top ups for mainstream schools including capping of bands 8 – 10 and top ups for the SRPs will be reviewed (paragraph 8.3) and
- the forward plan for the HNBRG (section 9).

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Background papers:

EFSA – DSG Allocations 2023-24 and 2024-25 (Provisional)
[Dedicated schools grant \(DSG\) 2024 to 2025 \(skillsfunding.service.gov.uk\)](https://skillsfunding.service.gov.uk)

Budget Monitoring Reports 2023-24
Commissioning plan

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