

WESTMINSTER CITY COUNCIL**SCHOOLS' FORUM – 13TH JANUARY 2025****REPORT BY THE ASSISTANT DIRECTOR EDUCATION, SEN AND
ADMISSIONS, AND LEAD STRATEGIC FINANCE MANAGER – BI-BOROUGH
CHILDREN'S SERVICES****HIGH NEEDS BUDGET UPDATE AND 2025/26 PROPOSED BUDGETS**

This report provides the High Needs forecast and recommendations about 2025/26 arrangements and budgets.

FOR INFORMATION AND DECISION**1. INTRODUCTION**

- 1.1 The Schools' Forum is requested to note the high needs forecast and approve the recommended budgets for the 2025/2026 financial year.
- 1.2 As detailed in DSG monitor paper elsewhere on the agenda, the high needs block is forecast to overspend by £0.304m in 2024/25.

2. BACKGROUND

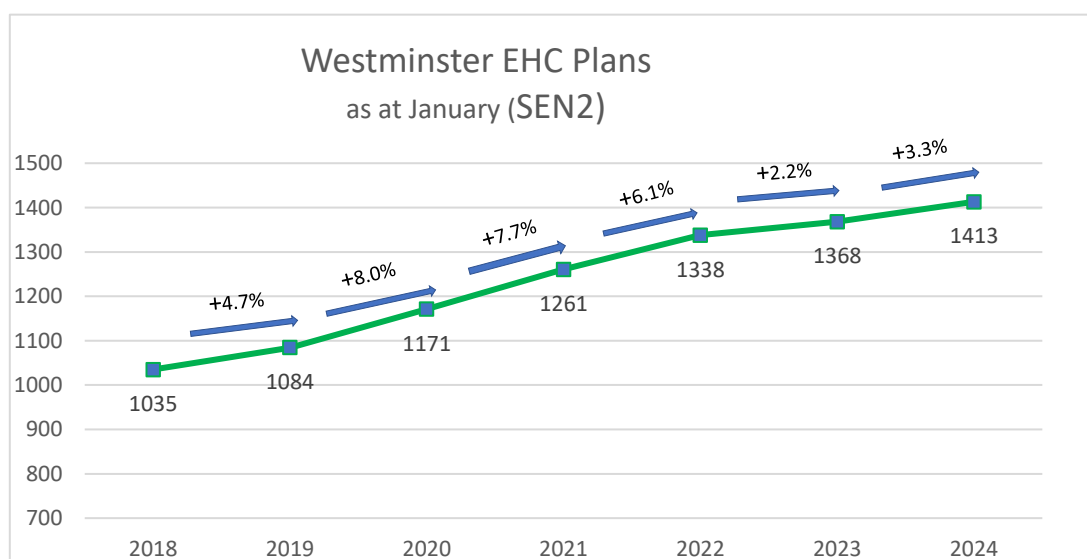
- 2.1 The High Needs Budget Review Group (HNBRG) was established to provide an opportunity for officers and schools/settings to consider the ongoing use of High Needs Block funding and any new developments. Terms of Reference ensure schools are represented by headteachers from all ages, phase and types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

3 HIGH NEEDS FORECAST

- 3.1 The 2024/25 High Needs block is forecast to overspend by £304,000 as shown in the table below. This reflects overspends in the pre 16 top ups and a one off underspend on post 16 placements as a result of a full review of costs relating to 2023/24 (which were lower than estimated).
- 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 to ensure that all additional costs are included.

Budget Area	Revised Budget	Forecast Dec 24	Projected Variance
	£'000	£'000	£'000
Top-Up Maintained Pre-16	7,534	10,063	2,529
Top-Up Academies, Free, College Pre-16	3,621	4,306	685
Top-Up Out of Borough	6,387	5,884	(503)
Top-Up Independents Pre-16	3,632	4,077	445
Top-Up Post 16 Academies, Colleges	3,971	347	(3,624)
Top-Up Post 16 Independents	2,671	2,838	167
Top-Up Post 16 Maintained	153	214	61
Targeted Support	250	250	0
Special Schools and Units Places	3,611	3,758	147
Alternative Provision Commissioning	1,465	1,535	70
Hospital Education	379	379	0
Looked After Children High Needs Placement Costs	700	630	(70)
SEN Outreach	1,236	1,461	225
SEN Commissioning ABA	10	10	0
SEN Services	581	581	0
Occupational Therapy	755	754	(1)
Portage	216	296	80
Other Support & Therapies	278	306	28
Speech & Language Therapy (SALT)	1,507	1,571	64
Equipment	50	51	1
DSG Correction re College transfer	594	594	0
Total High Needs Block	39,601	39,905	304

3.3 By January 2024, Westminster was maintaining 1413 EHC plans having issued 184 new plans in 2023, equivalent to 13% gross increase. However net growth was 3.3% (+0.8% on forecast) as Westminster had ceased 90 plans and 42 were transferred to other LAs for pupils who moved out of the area.



3.4 We remain cautious about longer term demand. London’s 3 year increase in EHCPs (29.5%) outweighs the GLA’s forecast 6.6% population drop. Continued falling rolls across London mean we have adjusted our forecast to 3% growth in EHCPs year on year, giving a net increase of 147 additional EHCPs by 2028

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. As provision in this sector is more expensive and there can be ‘hidden’ extra cost, such as therapies, placements are only made in this sector after applying a statutory test to determine the efficient use of public resources. We continue to see fee increase requests from this sector that are significantly above inflation and are mindful of this in reviewing placements. There are currently 54 in this sector.

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 2025 are shown below are estimated to result in a further reduction to the high needs block of £31,520 in 2025/26.

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 agreed to commission United Colleges Group on a regional basis recognising the burden this has historically placed on WCC.

Specialist Resource Bases and Special Schools				
Setting	Primary Need	Age Range	Commissioned places Sept 2024	Commissioned places Sept 2025
Pimlico Primary (previously Churchill Gardens)	SLCN	5 – 11	24	24
Edward Wilson	VI	4 – 11	8	8
Edward Wilson	Autism	4 -11	0	10
St. Augustine’s	HI	11 – 16	10	10
Millbank Gardens	Autism	5 – 11	20	20

Specialist Resource Bases and Special Schools				
Setting	Primary Need	Age Range	Commissioned places Sept 2024	Commissioned places Sept 2025
Pimlico Academy	SLCN	11 – 16	13	13
College Park	Autism/LD	5 – 19	152	172
QE11	SLD/PMLD	5 -19	85	92
All Soul's	Autism	5 – 11	10	10
St. Marylebone Bridge	SLCN	11 – 16	70	72
Beachcroft AP Academy	SEMH	5 – 16	10	10
<i>St Marylebone CE School</i>		16+	6	6
United College Group		16+	0	0
Portman	Autism	Early Years	24	24
Hallfield	Autism	Early Years	21	20
Marylebone Boys School	Autism	11-16	18	18
Dorothy Gardner	Autism	Early Years	20	24
Queens Park	LD/SLCN	5-11	16	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 and subsequently recalibrated in April 2022. A dedicated system user ensures the tool's rigorous and consistent application. Top up values for the EBT were increased in April 2024. Funding for bands 8-10 is capped (currently at £24,198).

Top up rates for places in SRPs and special schools were also increased in 2024. Recommendations on top up rates for places in SRPs and special schools will be presented to the Forum in March 2025 after discussion with the HNBRG in February 2025. 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.

As a result of the 2024/25 DSG increase to reflect the correct treatment of the college moving under the DfE it is proposed that schools top up banding rates increase by 5%, for the non-teaching pay award, backdated to April 2024. Band values are shown below. The funding for bands 8-10 remains capped at an updated £25,408:

Band	Existing Early Years (15 hours) * £	Proposed Early Years backdated to April 2024 (15 hours)* £	Existing Mainstream £	Proposed Mainstream backdated to April 2024 £
1	3,657	3,690	1,314	1,379
2	4,493	4,568	2,986	3,136
3	5,359	5,477	4,718	4,953

Band	Existing Early Years (15 hours) * £	Proposed Early Years backdated to April 2024 (15 hours)* £	Existing Mainstream £	Proposed Mainstream backdated to April 2024 £
4	6,225	6,386	6,450	6,772
5	8,375	8,644	10,750	11,287
6	11,063	11,466	16,125	16,931
7	13,152	13,660	20,305	21,320
8 (capped)	15,099	15,704	24,198	25,408
9 (capped)	15,099	15,704	24,198	25,408
10 (capped)	15,099	15,704	24,198	25,408

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 2.8% to reflect expected increases in costs.

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 2025/26 has been increased to reflect expected increases in demand and cost.

4.8 Occupational therapy (OT)

2025 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 2025/26 has been increased

4.9 Equipment

It is recommended that the current budget remains unchanged at £50,000. The threshold for any individual school's contribution prior to seeking high needs funding should remain at £2,000 per pupil per annum, (excludes early years settings as they do not receive the same base funding) with the introduction of an overall maximum annum contribution of £4,000 per school per annum or £15,000 p.a. from a special school. High needs capital funding bids from schools do not require a contribution from the school and are to cover the cost of significant equipment, building and physical environment adaptations.

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 2025/26 has been increased by 2.8% to reflect expected increases in costs.

4.11 Alternative provision and behavioural support services

The current contract arrangements for Ormiston alternative provision come to an end in August 2025 and a new funding agreement is proposed for 2025/26 and 2026/27. Place and top-up funding at Beachcroft have remained stable since 2022/23. An additional £104,521 has been included to cover an increase in top-up funding in 2025/26 from £469,275 (£7,954 per place) to £573,796 (£9,725 per place). This will provide increased funding stability to support delivery, whilst remaining below local benchmarked top-up of circa £14,000. Additionally, as all 10 SEN places at the school were filled last year, it is proposed that SEN top-up is paid as a block of £330,000 going forwards. Westminster HNB will also fund top-up for Westminster residents placed at the new bi-borough Freston Junction provision for children with SEMH and EHCPs at £175,000 per year. At £35,000 per place, Freston Junction caters for pupils who would otherwise require placement in the independent sector, saving circa £18,000 per place per year.

The level of investment in the Ormiston Managed Intervention Centres will remain at £144,000 and funding for primary behaviour outreach will remain at £180,000 as agreed this academic year.

£210,000 is also included for the funding agreement with Pears Family School to deliver 10 places for alternative provision.

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. The budget for 2025/26 has been increased by 2.8% to reflect expected increases in costs.

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 have an underspend in 2024/25 and the proposed 2025/26 budget is reduced to reflect that underspend.

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 2025/26 has been increased by 2.8% to reflect expected increases in costs.

4.16 High needs pupil developments

At the Forum in November, schools agreed to establish £250,000 high needs development budget in 2025/26 for pilot work meeting complex needs of neurodiverse pupils and challenging behaviour in early years to include training for staff, behaviour champions and establishing nurture provision across schools. This budget will be funded within the DSG surplus reserve rather than the 2025/26 DSG. Forum asked officers to put in place a process to invite bids, and bring further details to the Schools' Forum meeting in March 2025. Through the HNBRG we will continue to discuss proposals for future cost avoidance and support for inclusion.

5 HISTORIC TEACHERS' PAY AND PENSION CONTRIBUTION FUNDING AND ADDITIONAL DSG FUNDING

5.1 There will be a separate core schools budget grant (CSBG) in 2025/26 which will include the 2024/25 teachers' pay and pensions grants (TPAG and TPECG) as well as the full year effect of the CSBG paid in 2024/25. This grant will be paid as a single CSBG for special schools and alternative provision for 2025/26, rather than (as they are for mainstream schools) being rolled into the DSG. This separate grant should not be confused with the historic teachers' pay and pensions funding and additional DSG funding covered in this section, which is part of the DSG high needs funding block. Further information on the CSBG for 2025/26 can be found in the [core schools budget grant \(CSBG\) 2025 to 2026 for special schools and alternative provision](#).

5.2 As in the last three years the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) for special schools, AP (including hospital education) and Additional DSG funding are incorporated within the high needs block of the DSG. In 2025/26 The LA must pass on:

- (a) an allocation of high needs funding based on the full-year amount of historic teachers' pay and pension (employer contribution) funding allocated per place to each school by the local authority in the period April 2024 to March 2025, multiplied by the place numbers used for funding maintained schools by the local authority, and for funding academies and free schools as published by the department, in the period April 2025 to March 2026, subject to a minimum of 40 places per school
- (b) any historic teachers pensions supplementary fund also allocated by the local authority in the period April 2024 to March 2025
- (c) an allocation of additional DSG funding pursuant to the 2022 autumn statement based on either:
- the full-year amount per place for each special school, academy and free school that was used for the period April 2024 to March 2025, or
 - the full-year amount allocated to each pupil referral unit, AP academy and free school for the period April 2024 to March 2025, converted into an amount per place using the place numbers for that period multiplied by the place numbers used for funding maintained schools by the local authority, and for funding academies and free schools as published by the department, in the period April 2025 to March 2026

5.3 This additional high needs funding is separate from both place and top-up funding.

5.4 This funding is allocated as shown below. These are included within the relevant lines of the proposed 2025/26 budget.

Establishment Name	High Needs Teachers Pay and Pension Grants Allocation	Additional DSG Allocation
College Park School	£115,230	£164,253
Queen Elizabeth II Jubilee School	£99,734	£82,518
The St Marylebone Church of England Bridge School	£51,760	£68,298
Beachcroft AP Academy	£62,546	£51,747
Total	£329,270	£366,816

6 PROPOSED BUDGET FOR 2025/26

6.1 The High Needs Block for 2025/26 once the provisional academies/colleges recoupment and import / export adjustment is taken account of shows the following is available for 2025/26.

HN Block Funding and Adjustment	£000s
High Needs Block DSG Allocation 2025/26	45,420
Academy / College recoupment	(1,822)
Import / Export Adjustment	(837)
Remaining DSG for allocation	42,761

6.2 Based on the above proposals the proposed budgets for 2025/26 and predicted spend for 2024/25 are as set out below.

High Needs Block - Area of Spend	2024/25 Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	Change in budget
	£'000	£'000	£'000	£'000
Top-Up Maintained Pre-16	7,534	10,063	11,251	3,717
Top-Up Academies, Free, College Pre-16	3,621	4,306	4,117	496
Top-Up Out of Borough	6,387	5,884	6,225	-162
Independents Pre-16	3,632	4,077	4,134	502
Top-Up Academies, Free schools, Colleges - Post 16	3,972	347	1,360	-2,612
Independent Post 16	2,671	2,838	2,876	205
Top-Up Post 16 Maintained	153	214	221	68
Targeted 'Element 2'	250	250	250	0
Special Schools and Units Places	3,611	3,758	4,243	632
Estimated deduction to high needs block for increases in Academy places from September 2025	0	0	32	32
Alternative Provision Commissioning	1,465	1,535	1,671	206
Hospital School and Hospital Education (includes ex TPG and TPECG allocations)	379	379	390	11
Looked After Children High Needs Placement Costs	700	630	630	-70
SEN Outreach / Support Services	1,236	1,321	1,358	122
SEN Commissioning ABA	10	10	10	0
SEN Services	581	581	597	16
Occupational Therapy	755	894	906	151
Portage	216	296	305	89
Other Support & Therapies	278	306	520	242
Speech & Language Therapy (SALT)	1,507	1,571	1,615	108
Equipment	50	51	50	0
Earmarked for High Needs pupil development	0	0	0	0
DSG correction re Import/ Export	594	594	0	-594
Total	39,602	39,905	42,761	3,159

7 HIGH NEEDS PRESSURES AND ACTION TO ADDRESS

7.1 In October 2024 the National Audit Office reported that DfE funding per EHC plan has fallen by 35% in real-terms and criticised DfE for not having a clear understanding of future demand and not focussing on root causes related to

autism, speech & language and social, emotional and mental health. The NAO pointed to the lack of physical space and capital investment which it believes to be drivers of Independent sector placements, illustrating this with their findings that nationally these have cost £61,000 per place per year compared with £24,000 for typical LA maintained places. The report cautioned the DfE to ensure future funding is sufficient to tackle council deficits.

- 7.2 The NAO report was preceded by ‘Towards an effective and financially sustainable approach to SEND’ from ISOS identifying pressures from an ever-increasing volume of children being identified with SEN, demand for specialist provision and the challenges arising from the statutory framework and tribunals. ISOS proposed a new national framework of inclusion, creating capacity for inclusion in mainstream. They suggested addressing the independent sector market and investment in workforce/training.
- 7.3 In Westminster we are forecasting continued net growth in EHCPs at 3% year on year, to 2028, giving an additional 147 additional EHCPs. The forecast assumes only a modest increase in the proportion of those who are placed in mainstream schools reflecting falling rolls. It assumes that up to 39% of the additional EHCPs will be pupils who require specialist provision; special school places and mainstream SRPs.
- 7.4 Schools Forum in November 2024 acknowledged that Westminster’s maintained special schools are at capacity and it would be necessary to meet the demand for additional provision by expansion of College Park School, (80 places in secondary and 36 in primary), additional places at QE2 (12) and establishing 22 special school places for learning and communication needs. This will avoid the need for high-cost independent sector placements.
- 7.5 Recognising the pressure to put in place affordability of post 16 provision, the council temporarily strengthened SEN casework capacity to ensure timely and robust review. This has helped to validate payment schedules and continues to identify savings where pupils have moved from the area or are no longer in education and their EHC plans have been ceased.
- 7.6 We are making good progress with the review of specialist resourced provision (SRPs) to ensure it is good value for money. Other action to mitigate high needs pressure includes creating capacity in alternative provision with a procurement framework for tuition actively being developed.

8 The forward plan for the HNBRG is as follows:

Meeting	Forward plan
February	Top ups for post 16 provision Recommendations for SRP and Special School top ups
May	SRPs

9 RECOMMENDATIONS

9.1 Schools Forum is asked to:

- 9.1.1 approve the HNB budget for 2025/26 as set out in section 6 above.
- 9.1.2 Agree the proposed increases to banding values for mainstream schools including capping of bands 8 – 10 backdated to April 2024 (section 4.3) and note that the annual review of top ups for the SRPs and special schools will take place (section 4.3)

9.2 Schools Forum is asked to note:

- 9.2.1 the high needs block forecast (paragraphs 3.1 – 3.2);
- 9.2.2 the 2025/26 funding for historic teachers pay and pensions contribution for special schools, AP and hospital providers will total £329,270 and 2025/26 additional DSG funding allocations will total £366,816 (paragraph 5.4); and
- 9.2.3 the forward plan for the HNBRG (section 8).

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Background papers:

EFSA – DSG Allocations 2024-25 and 2025-26 (Provisional)
[Westminster](#)

Budget Monitoring Reports 2024-25
Commissioning plan

<https://www.nao.org.uk/wp-content/uploads/2024/10/support-for-children-and-young-people-with-special-educational-needs.pdf>

[Towards an effective and financially sustainable approach to SEND](#)

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