

WESTMINSTER CITY COUNCIL**SCHOOLS' FORUM – 28TH MARCH 2022****REPORT BY THE ASSISTANT DIRECTOR, SPECIAL EDUCATIONAL NEEDS
AND EDUCATIONAL PSYCHOLOGY AND LEAD STRATEGIC FINANCE
MANAGER – BI-BOROUGH CHILDREN'S SERVICES****HIGH NEEDS EDUCATION BANDING TOOL REVIEW AND FORECAST UPDATE**

This report makes recommendations as a result of the Education Banding Tool (EBT) review and provides an update of the High Needs budget forecast

FOR INFORMATION AND DECISION**1. INTRODUCTION**

- 1.1 Schools' Forum at their meeting on 20th January 2022 noted the high needs block forecast overspend and DSG deficit position, the main cause of which was the increase in Education, Health and Care Plans (EHCPs) and the significant increase in funding allocated via the new Education Banding Tool (EBT).
- 1.2 The Forum also agreed to transfer £618,000 from the schools block to the high needs block in 2022/23 as a ringfenced budget which would be allocated to schools if it is not required after the review of the EBT and update to the budget required for 2022/23.
- 1.3 As summarised in the DSG monitor paper elsewhere on the agenda, the high needs block is forecast to overspend by £2.621m in 2021/22
- 1.4 The High Needs Budget Review Group (HNBRG) was established to provide an opportunity for officers and schools/settings to consider the ongoing use of HNB funding and any new developments. The Group met on 1st February 2022 and considered the initial information regarding the EBT review.

2 EDUCATION BANDING TOOL (EBT)

- 2.1 Top up funding is provided for pupils with EHCPs where the cost of special educational provision to meet their needs exceeds the national mandatory threshold, currently £6,000 p.a. Prior to January 2020 top up funding was based on hourly rates but these were felt to have become too historic and therefore underfunding. It was felt that a resource allocation system (RAS) could improve targeting of resources. Imosphere was in use by adult social care and their Education Banding Tool (EBT) was available at reduced cost

(£8.5k). It was anticipated that the EBT could also drive a reduction in total expenditure over time by identifying over provision.

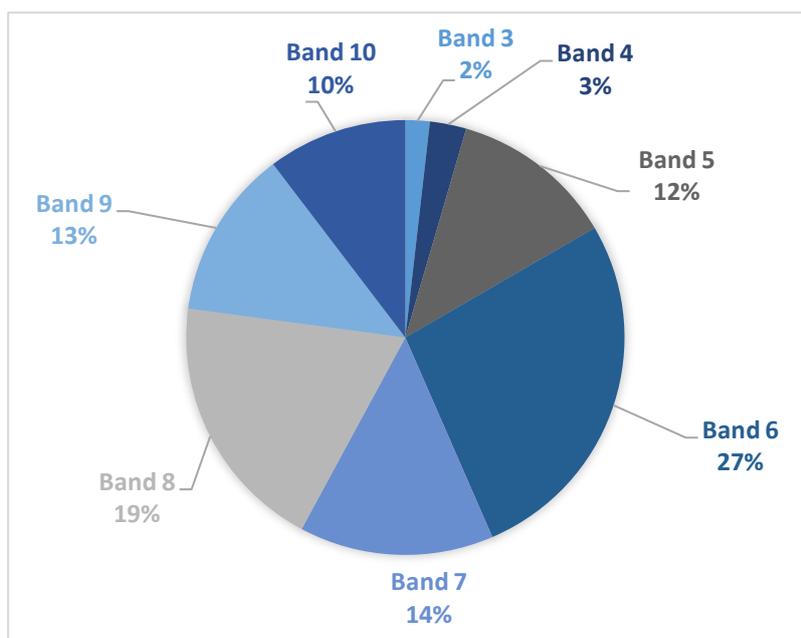
- 2.2 Following approval by the Schools Forum, phased implementation of the EBT commenced in January 2020. Although initial feedback was positive, during the first year per pupil costs rose from £6,973 to £10,091 as the EBT was providing an average of £18,734 per pupil (compared to the hourly rate average £6,596).
- 2.3 It was agreed to carry out an urgent and detailed review of the EBT. At a meeting on 1st February 2022, the High Needs Budget Review Group (HNBRG) considered the affordability of continued roll out and whether band values should be adjusted during the phased roll out. The HNBRG noted that whilst the EBT has enabled some improvements, top-up of £19,700 a year exceeds the cost of a full-time teaching assistant, is an unsustainable rate for such a large percentage of pupils as well as contrary to effective practice.

3 EBT Review and Recalibration

- 3.1 In order to establish whether the EBT is providing adequate top-up, the review compared the cost of interventions specified with EHCPs with banding funding. In the reviewed sample, the EBT generated (on average) £6.5k per pupil more than the costed provision and found only two cases where the EBT provided less.
- 3.2 The Review found 83% of EBT funding was at Band 6 and above; exceeding 5 hours 1:1 teaching assistant per day. 42% exceeded full time 1:1 (7.4 hrs pd):

WCC Band	EBT funding	1:1 TA hrs pwk	1:1 TA hrs pd
1	£7,100	9.2	1.8
2	£8,500	11.0	2.2
3	£9,950	12.9	2.6
4	£11,400	14.8	3.0
5	£15,000	19.5	3.9
6	£19,500	25.3	5.1
7	£23,000	29.8	6.0
8	£28,500	37.0	7.4
9	£34,000	44.1	8.8
10	£38,000	49.3	9.9

*Based on 32.5 hr pr wk, 190 term days £25,045



- 3.3 The HNBRG noted that whilst the EBT has enabled some improvements, top-up exceeding the cost of a full-time teaching assistant and 1:1 for a large percentage of pupils is unsustainable as well as contrary to effective practice around delivery of special educational provision, promoting independence and preparing for adulthood.
- 3.4 The Review highlighted concerns about weakness within the EBT particularly the banding of social, emotional and mental health needs and sensory seeking behaviours. This has resulted in immediate recalibration by the system developers, Imosphere and will improve the accuracy of calculations. The review also highlighted some blurring of its needs-based rationale and where it is insufficiently sensitive to pupils age and stage of development. Work with the developers is ongoing to ensure clearer and more detailed guidance for advice givers to ensure more precision in the description of barriers to learning. Developers have indicated changes will be incorporated in the next iteration of the tool which is anticipated for September 2022.
- 3.5 The review found evidence of a primary academy having lobbied SEN staff to transfer all of its EHCPs to the EBT ahead of the planned implementation. It also found multiple calculations within short timescales for individual cases. In order to understand the risk, multiple calculations were also reviewed. It became evident that there were system inconsistencies arising from language in professional reports and multiple system users. The review concluded these could be addressed through training for system users and more robust moderation of the banding tool's application and output.
- 3.6 The HNBRG considered whether to pause or maintain the phased EBT rollout noting there are no alternative systems currently available and implications of moving away from the EBT. It was noted that some improvements had already been implemented through recalibration and further development work, including reporting is in hand. It was agreed that in the absence of an alternative system, the EBT roll out should continue.

- 3.7 HNBRG also discussed whether the cash values of bands should be adjusted and whether schools who have received an erroneous band should be asked to repay. Assuming an average reduction of £2k for all mainstream and early years pupils in borough at band 6 or below this would result in annual funding reductions totalling £178,000. Similarly a reduction of 50% for band 7 in mainstream and early years pupils totals £60,000 taking account part and full year EHCPs.
- 3.8 HNBRG identified that Schools Forum may want to consider clawing back any funding paid in error during the financial year 2021/22 but also recognised that this could be a significant challenge for school in deficit or at risk of deficit. However it was noted that the total level of clawback is yet to be quantified as it will require detailed analysis and calculation on an individual pupil and school level.

4 EBT Proposals

- 4.1 It is proposed that from April 2022 all bands 8 -10 are reduced to the £19,045 to reflect the cost of a full-time teaching assistant (£6,000 is funded from school budgets). There will be a moderation process to enable schools to provide evidence that the actual cost of provision necessary is greater. Where evidence supports a higher level of funding this can then be agreed, up to the total banding value. The estimated maximum reduction in funding is £679,000 per annum before any moderation and additional funding agreed.
- 4.2 It is not proposed to make any further changes to the bands attached to individual pupils at the start of the new financial year 2022/23 e.g., summer term.
- 4.3 It is proposed that the banding allocated to individual pupils will be reviewed as part of the annual review process with effect from the new academic year 2022/23 to ensure that all schools have sufficient time to plan for the changes.
- 4.4 It is proposed that all EBT bands previously allocated will be reviewed and confirmed or corrected. Where these require correction, it is proposed that schools and early years settings will be required to make a repayment. The effective date for calculation of the repayment will be 1st September 2022 e.g., not backdated to the start of the financial year/summer term.
- 4.5 Modelling of the impact of the changes proposed above has been completed, and early estimates are shown in Appendix A. The changes in numbers and funding for EHCPs pre and post the introduction of the banding tool are shown in Appendix B.

5 Hospital education

- 5.1 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). Due to Covid infection control, CCHS has had to relocate. It is now operating from a non-medical setting in Bayswater and as reported at the January Forum, Officers have met with the DfE and a formal Business Case for additional site related funding has been submitted to the DfE for a peer moderation during January. Further information requested has been provided and the DfE decision is awaited.

6 High Needs Block Forecast

6.1 The predicted spend for 2021/2022 is set out below.

Budget Area	Revised Budget	Forecast Feb 22	Projected Variance
	£'000	£'000	£'000
High Needs Block			
Top-Up Maintained Pre-16	4,458	6,208	1,750
Top-Up Academies, Free, College Pre-16	2,542	3,168	626
Top-Up Out of Borough	5,453	5,691	238
Top-Up Independents Pre-16	3,157	3,739	582
Top-Up Post 16 Academies, Colleges	4,310	3,226	(1,084)
Top-Up Post 16 Independents	1,018	2,418	1,400
Top-Up Post 16 Maintained	400	407	7
Targeted Support	250	198	(52)
Special Schools and Units Places	2,406	2,352	(54)
Alternative Provision Commissioning	1,293	1,138	(155)
Hospital Education	340	307	(33)
Looked After Children Belongings Regulations	830	563	(267)
SEN Outreach	759	787	28
SEN Commissioning ABA	0	0	0
SEN Services	523	523	0
Occupational Therapy	451	520	69
Portage	195	135	(60)
Other Support & Therapies	160	100	(60)
Speech & Language Therapy (SALT)	1,172	1,100	(72)
Equipment	50	50	0
Earmarked for High Needs pupils development	372	340	(32)
DSG higher than anticipated when budgets were set	210	0	(210)
Total High Needs Block	30,349	32,970	2,621

6.2 An overspend of £2,621,000 is forecast on the High Needs Block. The most significant overspends relate to top ups for pre 16s in maintained schools and academies and for placements in independent settings.

- 6.3 There have been high increases in independent fees and officers will be sharing information regionally with the aim of standard agreements being developed. Officers have also met with the DfE regarding the funding for post 16 provision. Information was provided to the forum regarding independent places on 1st November 2021 and the Forum agreed that consideration should be given to establishing specialist provision for pupils with moderate learning difficulties and resources which can cater for learning and language needs.
- 6.4 As reported previously the significant overspends on top ups for pre 16s in maintained schools and academies are mainly due to increases in the number of EHCPs and the higher than expected banding allocations via the new banded approach to top up payments which has seen a significant increase in the funding for individual pupils. Whilst an increase in funding was anticipated, the scale of the increase is higher than forecast when the banding approach was evaluated before being introduced.
- 6.5 Sections 3 and 4 of this report cover the analysis completed and estimated impact of corrections to banding values and the bandings allocated to individual pupils and these reductions total a maximum £918,000 for a full year and £818,000 in 2022/23 before any moderation and additional allocations for bands 8 – 10.
- 6.6 Work continues to ensure forecasts can be based on accurate and up to date pupil and cost data and financial information can be drawn from the SEN workflow system (Eclipse).
- 6.7 The reformed high needs review group will continue to review costs and ensure value for money within the high needs block.
- 6.8 Following the January 2022 Schools Forum discussion regarding the proposed high needs budget for 2022/23 the calculation of the high needs funding compared to forecast need was shared with the HNBRG on 1st February 2022. The calculation showed that the 0.5% (£618k) transfer from the schools' block is needed. The 2022/23 forecast will change once the EBT review and recommendations are complete, however the budget is only allowing for growth in EHCP number of 6% which may not be enough. As agreed at the January Schools Forum meeting, the £618,000 transfer from the schools' block is being held as a ringfenced budget and we have therefore deducted this from the proposed mainstream top up budgets, with the revised budgets and adjustments shown in the table below.

Budget Area	22/23 budget proposed Jan 22 Forum	22/23 revised budget	Change since Jan 2022
	£'000	£'000	£'000
Top-Up Maintained Pre-16	7,567	7,149	-418
Top-Up Academies, Free, College Pre-16	3,611	3,411	-200

Budget Area	22/23 budget proposed Jan 22 Forum	22/23 revised budget	Change since Jan 2022
Ringfenced funding transferred from the schools' block	0	618	+618

6.9 It can be seen from paragraph 6.5 that the proposals in this paper will result in the high needs block moving significantly towards an in year balance (£0.055m deficit, excluding the transfer from the schools' block) in 2022/23. As noted in previous forum papers a deficit management plan will be required to be submitted to the DfE with details of how the cumulative deficit will be repaid and a transfer from the schools' block is likely to be required for a least one additional year.

7. RECOMMENDATIONS

7.1 Schools Forum is asked to:

7.1.1 Note the review and recalibration of the EBT in section 3:

7.1.2 approve the EBT proposals in section 4

7.1.3 consider at its first meeting in the autumn term 2022, whether to develop a repayment model for funding received in error during 2021/22;

7.1.4 note the revised forecast for 2021/22 and in year position for 2022/23; and

7.1.5 note the revision to the budgets in order to ring fence the transfer from the schools' block.

Background papers:

EFSA – DSG Allocations 2021-22 and 2022-23
Budget Monitoring Reports 2021-22

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