

WESTMINSTER CITY COUNCIL

SCHOOLS' FORUM – 20 JANUARY 2022

**REPORT BY THE ASSISTANT DIRECTOR, SPECIAL EDUCATIONAL NEEDS
AND EDUCATIONAL PSYCHOLOGY AND LEAD STRATEGIC FINANCE
MANAGER – BI-BOROUGH CHILDREN'S SERVICES**

HIGH NEEDS BUDGET UPDATE AND 2022/23 PROPOSED BUDGETS

This report provides an update on the work of the High Needs Block Reference Group, the High Needs budget forecast and recommendations about 2022/23 arrangements and Budget.

FOR INFORMATION AND DECISION

1. INTRODUCTION

- 1.1 The Schools' Forum is requested to note the High Needs Budget Review Group update and approve the recommended budgets for 2022/2023 financial year.
- 1.2 As detailed in DSG monitor paper elsewhere on the agenda, the high needs block is forecast to overspend by £2.382m in 2021/22

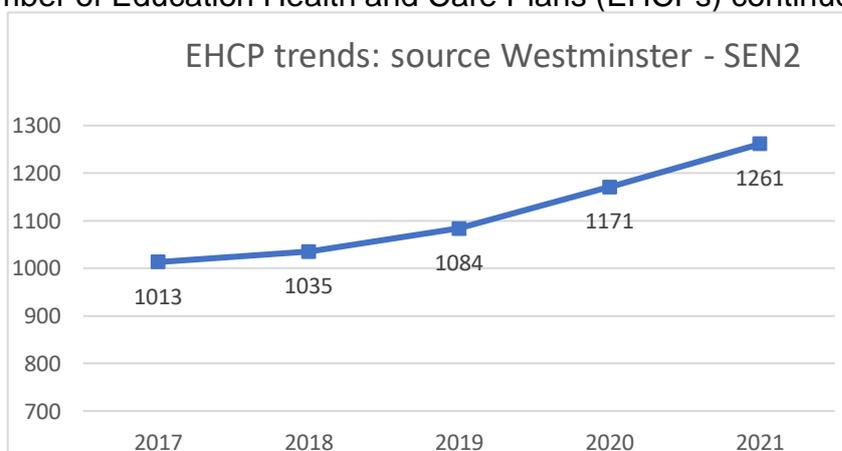
2. BACKGROUND

- 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 HNB funding and any new developments. Due to Covid-19, the autumn term 2021 meeting did not take place. It is proposed to rotate representatives after the scheduled spring and summer term 2022 meetings.
- 2.2 A separate, further education (FE) review group established to review FE funding and ensure processes are consistent has met monthly.
- 2.3 The predicted spend for 2021/2022 is set out below.

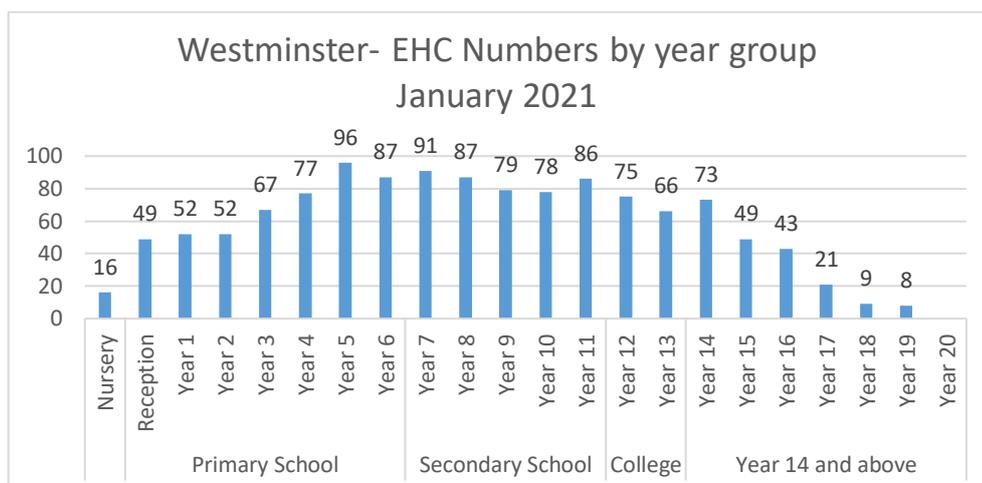
Budget Area	Revised Budget	Forecast Dec 21	Projected Variance
	£'000	£'000	£'000
Top-Up Maintained Pre-16	4,458	6,093	1,635
Top-Up Academies, Free, College Pre-16	2,542	3,042	500
Top-Up Out of Borough	5,453	5,619	166
Top-Up Independents Pre-16	3,157	3,206	49
Top-Up Post 16 Academies, Colleges	4,310	4,083	(227)

Budget Area	Revised Budget	Forecast Dec 21	Projected Variance
Top-Up Post 16 Independents	1,018	1,951	933
Top-Up Post 16 Maintained	400	355	(45)
Targeted Support	250	250	0
Special Schools and Units Places	2,406	2,352	(54)
Alternative Provision Commissioning	1,293	1,199	(93)
Hospital Education	340	340	0
Looked After Children Belongings Regulations	830	563	(267)
SEN Outreach	759	775	16
SEN Commissioning ABA	0	0	0
SEN Services	523	523	0
Occupational Therapy	451	507	56
Portage	195	135	(60)
Other Support & Therapies	160	160	0
Speech & Language Therapy (SALT)	1,172	1,188	16
Equipment	50	50	0
Earmarked for High Needs pupils development	583	340	(243)
Total High Needs Block	30,349	32,731	2,382

2.4 The number of Education Health and Care Plans (EHCPs) continues to rise:



2.5 The largest year group entered Y6 in September 2022



2.6 With effective SEN Support in schools, workforce development and outreach, the increase is more likely to be contained below national growth of 10% year.

3. PROPOSALS

3.1 Independent special school fees

It is recommended that this budget is adjusted for the 2022/23 financial year in order to reflect the current spend and an allowance for anticipated fee increases. It needs to be borne in mind that this expenditure can fluctuate mid-year particularly when families move in and out of the borough.

The spring term meeting of the HNBRG will be considering the revised Commissioning Plan prepared by officers with details of plans for additional local capacity. This is likely to have a positive impact on reducing the need for children to be educated out of area in the independent sector so new placements are likely to reduce.

3.2 Commissioned places

The number of places required in specialist settings is reviewed on an annual basis, during the Autumn term. The updated place numbers are set out below. This is based on the data within the Commissioning Plan which has been considered by the HNBRG. These places are funded on the basis of the nationally agreed £10k per place (which includes £4,000 via AWPU funding 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 increases in Academy places from September 2022 are shown below.

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.

Specialist Resource Bases and Special Schools				
Setting	Primary Need	Age Range	Commissioned places Sept 2021	Commissioned places Sept 2022
Churchill Gardens	SLCN	5 – 11	24	24
Edward Wilson	VI	4 – 11	9	8
St. Augustine's	HI	11 – 16	10	10
Millbank	Autism	5 – 11	16	16
Pimlico Academy	SLCN	11 – 16	13	13
College Park	Autism & LD	5 – 19	113	113
QE11	SLD/PM LD	5 -19	75	75
All Soul's	ASD	5 – 11	10	10
St. Marylebone Bridge	SLCN	11 – 16	60	65
Beachcroft AP Academy	SEMH places	5 – 16	10	10
St Marylebone CE School		16+	10	7
United College Group		16+	160	287
Portman	Autism	Early Years	11	14
Hallfield	Autism	Early Years	8	8
Marylebone Boys School	Autism	11-16	0	6
Dorothy Gardner	Autism	Early Years	0	12

3.3 Top up funding

Top up funding is provided for children, usually with EHCPs, where the provision required to meet their needs costs in excess of the national threshold. This is currently £6,000 p.a. Top up funding is allocated for individual children and applies to early years settings, mainstream schools, resource bases, special schools and alternative provision. This includes top up funding for children attending schools in different local authority areas. Independent schools do not generally attract top up funding as they charge fees which cover the whole cost of provision.

Following approval by Schools Forum, phased implementation (over three years) of a new approach to top up funding, known as the new Education Banding Tool (EBT) for children with Education, Health and Care Plans (EHCPs) commenced in January 2020. Since that date all new EHCPs and those requiring amendment following an annual review.

An initial review of implementation during 2021 drew positive feedback from SENCOs and led to better targeting of top up for special school pupils.

It was anticipated that the EBT would identify any over provision within the system and drive some reduction in expenditure over time however the level of top up funding which has been put in place is much higher than originally

forecast and a more in depth comparison of a sample of cases is underway to ascertain the affordability of continued roll out and whether values approved by Schools Forum remain unchanged during the roll out transition.

It is proposed to increase the current budgets to reflect up to 10% potential volume in EHCP numbers during 2022/23. It also is proposed to keep the top up values which were approved by Schools Forum in January 2020 unchanged during the transition period while the banding tool is implemented and assessed. The resulting proposed 2022/2023 budget for top up funding is £14.936m excluding those paid to other boroughs.

3.4 Speech and language therapy

The LA has continued to work in partnership with the provider of speech and language therapy services to try to reduce reliance on children having an Education, Health and Care Plan (EHCP) in order to access provision in school and to implement the pilot previously agreed. It should be noted that this work relates to schools and not early years settings as the early years' service is commissioned, and funded, by the Clinical Commissioning Group (CCG). The budget for 2022/23 has been increased to reflect current costs and by 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.5 Other therapy and support

This covers Fair Access payments to primary schools for children who have special educational needs and ad-hoc support or therapy which is not covered within the usual commissioning arrangements. Although the number of Fair Access payments is relatively small, it is vitally important that these remain in place to support schools when they admit pupils with special educational needs who meet the threshold for a Fair Access placement, who are, in the main, new arrivals to the area from abroad.

It is recommended that the budget for ad-hoc therapy/support and Fair Access payments for children who have special educational needs is increased by 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.6 Occupational therapy (OT)

The arrangements for OT were fragmented and the HNBRG and Schools' Forum agreed proposals to introduce greater integration with less reliance on agency staffing. The targeted offer has been created (2 year pilot phase) to enable mainstream settings with resource bases to have access to support with sensory integration / processing. This will support local placements to be successful and reduce the number of children needing to attend more specialist settings which are often in the independent sector, more costly and further away from home. In accordance with DfE funding regulations the charge to the high needs block has increased by £151,000 to reflect costs that were previously picked up by the Council (the net effect of this and other adjustments to the DSG is £0).

3.7 Equipment

It is recommended that the current budget remains unchanged at £50k p.a. The threshold for schools to fund prior to making an application should also

remain unchanged at £2k, with a maximum contribution of £15k p.a. from a special school. This threshold will not apply to early years settings as they do not receive the same base funding for children with SEN.

3.8 Alternative provision and behavioural support services

Beachcroft AP Academy transferred from TBAP to Ormiston Academy Trust (OAT) in September 2021. The delivery of Alternative Provision and Behaviour Outreach is now covered via a formal contract rather than an SLA as in previous years. The move to a contract provides more robust legal assurances and protections.

The contract for Alternative Provision runs for an initial 12 months with the option to extend for a further three years and the contract for Behaviour Outreach runs for an initial 12 months with the option to extend for a further 12 months, subject to performance and potential variation and negotiation if necessary.

The level of place funding via the ESFA is reviewed on an annual basis in line with occupancy at Beachcroft AP Academy. The level of place funding for Beachcroft will remain unchanged from September 2022 at 63 (this excludes the 10 SEN places detailed elsewhere) places. This means the place funding will remain at £730k p.a. on an academic year basis.

The current top-up rate for primary and secondary AP places is £12,500 for 28 statutory places (e.g. permanent exclusions and FAP) and is £6,500 for 39 non-statutory placements into AP (e.g. via a managed move). OAT have negotiated a contribution directly from schools in order to cover the remainder of the non-statutory place costs. Further negotiation is required with OAT to agree final top up rates for statutory and non-statutory places for the academic year 22/23, however it is expected that the level of funding from the HNB will not exceed £619,191. In Further discussion is required via the HNBRG to agree the volume and rate of top up funding across the placement types and an update will be brought to the next Schools Forum.

It is expected that the level of investment on Behaviour Outreach will remain at £244,000 p/a into 2022/23 plus 1.25% to reflect the increase in NI contributions for health and social care levy. The local authority anticipates running a competitive procurement for the contract to deliver of Behaviour Outreach from September 2023.

3.9 Outreach and support services including sensory impairment

These services are commissioned from Queen Elizabeth II Jubilee School and early Autism Outreach. In accordance with DfE funding regulations the charge to the high needs block has increased by £34,000 to reflect costs that were previously picked up by the Council (the net effect of this and other adjustments to the DSG is £0).

The budget for 2022/23 has been increased to reflect current costs and by 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.10 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). Due to Covid infection control, CCHS has had to relocate. It is now operating from a non-medical setting in Bayswater and since the last 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. CCHS have agreed to participate in a review of their structure and costs which will be carried out via a DfE School Resource Management Adviser (SRMA); and

It is proposed that for 2022/23 the budget is increased 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.11 Portage

Portage is a home-visiting educational service for pre-school children with SEN and their families. The budget for 2022/23 has been increased by 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.12 Contingency funding for schools

No change is proposed to the small fund of £30k 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 from abroad. If they receive Fair Access funding, they will not be eligible to receive contingency funding. This £30k budget is part of the top up funding budget line.

3.13 Contribution to SEN Service

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. No change is recommended to this contribution. The budget for 2022/23 has been increased by 1.25% to reflect the increase in NI contributions for the health and social care levy.

3.14 Contribution to the Educational Psychology Service

The HNB has contributed to the Educational Psychology Service costs for a number of years, as is often the case in other boroughs. Although it is recommended that the current level of service remains unchanged, DfE funding regulations require this service to be charged to the Council, rather than the DSG. Only the costs of direct work with individual children who are looked after and support for families focussed on challenging behaviour will continue to be charged to the high needs block. This has resulted in the high needs block budget decreasing by £185,000 to reflect costs that will now be picked up by the Council (the net effect of this and other adjustments to the DSG is £0).

3.15 Targeted funding

Targeted funding offers some protection to schools that admit relatively high numbers of children with EHCPs but which have relatively low notional SEN budgets. This is automatic protection based on individual school factors and is refreshed twice a year. This has not been further reviewed during the 2021/22

financial year but 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 remains unchanged and that the budget remains unchanged.

3.16 Teachers' pay and pension contribution grant funding

As in 2021/22 the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) for AP (including hospital education) have been included within the high needs block of the DSG. In accordance with the DfE requirements, as this funding is for historic costs the funding is the same as for the final 2021/22 allocations. This would mean the funding is allocated as shown below.

High Needs Teachers Pay and Pension Grants

Establishment Name	Teachers Pay Grant	Teachers Pension Grant	SEN Outreach	Total
College Park School	£21,859	£60,576		£82,435
Queen Elizabeth II Jubilee School	£17,062	£43,269	£30,167	£90,498
The St Marylebone Church of England Bridge School	£12,491	£34,615		£47,106
Beachcroft AP Academy	£16,585	£45,961		£62,546
Totals	£67,997	£184,421	£30,167	£282,585

4 PROPOSED BUDGET FOR 2022/2023

- 4.1 Based on the above proposals the proposed budgets for 2022/23 and predicted spend for 2021/2022 are as set out below. These include additional allowances for growth in EHCP numbers and increases in independent an out of borough fees as well as commissioned places in specialist resource bases and special schools. Based on the required budgets, a transfer from the Schools Block is needed.

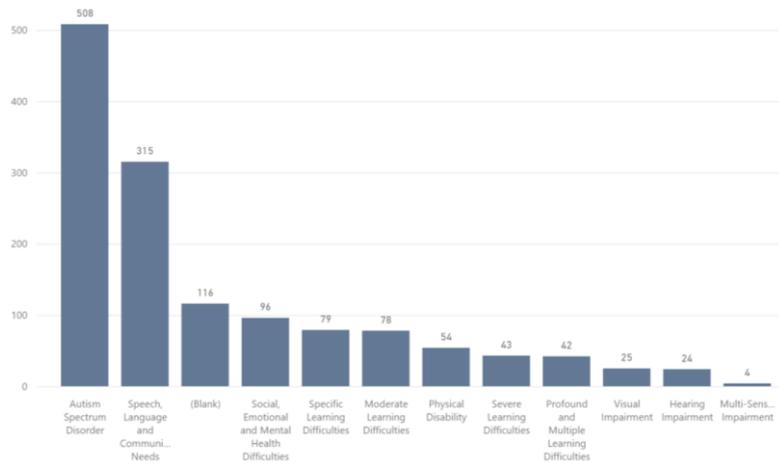
Budget Area	21/22 Budget	21/22 Forecast	Proposed budget 2022/23	Changes since 2021/22
	£'000	£'000	£'000	£'000
Top-Up Maintained Pre-16	4,458	6,093	7,567	+3,109
Top-Up Academies, Free, College Pre-16	2,542	3,042	3,611	+1,069
Top-Up Out of Borough	5,453	5,407	6,375	+922
Top-Up Independents Pre-16	3,157	3,206	3,365	+208
Top-Up Post 16 Academies, Colleges	4,310	4,083	3,429	(881)
Top-Up Post 16 Independents	1,018	1,951	2,008	+990
Top-Up Post 16 Maintained	400	355	329	(71)
Targeted Support	250	250	250	0
Special Schools and Units Places	2,406	2,352	2,728	+322

Budget Area	21/22 Budget	21/22 Forecast	Proposed budget 2022/23	Changes since 2021/22
Estimated deduction to high needs block for increases in Academy places from September 2022	0		788	+788
Estimated increase in import adjustment for college places from September 2022.			(741)	(741)
Alternative Provision Commissioning	1,293	1,199	922	(371)
Hospital Education	340	340	344	+4
Looked After Children Belongings Regulations	830	563	830	0
SEN Outreach	759	775	784	+25
SEN Commissioning ABA	0		0	0
SEN Services	523	523	530	+7
Occupational Therapy	451	507	513	+62
Portage	195	135	197	+5
Other Support & Therapies	160	160	162	+2
Speech & Language Therapy (SALT)	1,172	1,188	1,203	+31
Equipment	50	50	50	0
Earmarked for High Needs pupils development / 21/22 in year DSG increase	583	340	0	(583)
Total High Needs Block	30,349	32,731	35,245	4,896

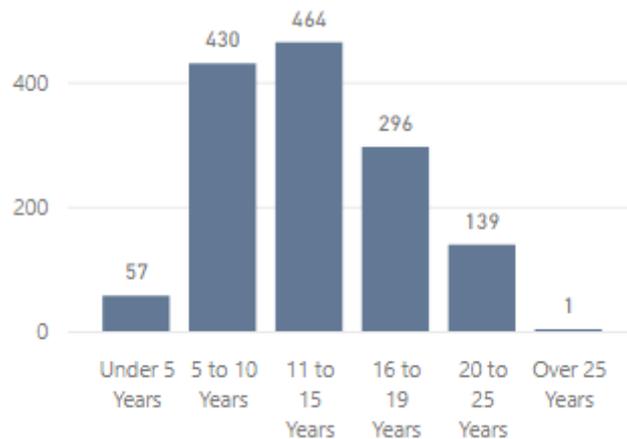
4.2 The provisional HNB budget shows an increase of £4.896m in 2021/22, including an estimated £0.283m for teachers' pay and pension contribution grant funding. This results in an estimated total budget of £35.245m.

5 HIGH NEEDS PRESSURES AND ACTION TO ADDRESS

5.1 At the end of December 2021 there were 1387 children and young people with an EHCP or under assessment. The most prevalent need type continues to be autism.



5.2 Analysis by age phase highlights a significant increase in pre-school children with EHCP, contrast with January 2021 SEN2 total of 16 EHCPs for nursery aged (or below)



5.3 Benchmarking of schools' SEN registers has commenced with draft data being shared through the Heads Executive during the autumn term. It is anticipated that this will raise awareness of those with high and low levels of pupils with SEN, with EHCPs and making referrals for assessment. We want to create wider capacity in schools through outreach and training and to place more children with EHCPs in mainstream, where this is parental preference and where schools support it as suitable and compatible with other pupils.

5.4 We are maximising spare physical capacity in primary schools to provide much-needed specialist provision for children with SEN via resource bases, satellite special school provision. This is a feature of our commissioning intentions.

6 Progress to date

6.1 We are increasing the number of commissioned specialist nursery places at Portman to 14 with effect from September 2022. New nursery provision for 8

children with autism has been established at Hallfield and we are piloting a specialist teaching arrangement for Nursery aged children with autism at Dorothy Gardner for up to 12. Expressions of interest have been received for autism provision in primary and secondary schools.

6.2 The forward plan for the HNBRG is as follows:

7 Meeting	Forward plan
February	EBT review Top up for out of borough schools Revised Commissioning Plan
April	Links with FE Colleges Post 16 working group progress Independent school fees

7. RECOMMENDATIONS

Schools Forum is asked to approve:

- the HNB budget for 2022/2023 as set out in 4 above;

Schools Forum is asked to note:

- the high needs block forecast and DSG deficit position;
- the forward plan for the HNBRG; and
- the funding for teachers pay and pensions for AP and special schools will be the same as the amount received in 2021/22 (section 3.15).

Julie Ely

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Background papers:

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