

Schools Forum – 13th July 2023

Education Banding Tool Review

Executive Summary:

- Following the implementation of the Education Banding Tool in March 2022 a review has been undertaken
- Key findings have been shared within this report (paragraphs 6 to 24)
- To date 24.2% (1,209) of pupils with an EHCP have their Element 3 top up funding calculated through the EBT
- The average 'top up' cost for placements on EBT is significantly higher at c £0.012m compared with the matrix model of c £0.007m within special schools
- An average £9.5k per child within mainstream schools which is significantly higher than the average cost of £8k for those that remain on the previous EHCP (Hourly rate) model.
- The LA must consider a reduction of EBT Band values from September 2023 due to increased cost following the implementation of the EBT, which is not linked to an increase in EHCPs
- Resolving the health funding of pupils with medical needs remains a priority for the LA and Health.
- Implementation in the FE sector to be delayed further
- Additional quality assurance to be implemented to ensure consistency

Recommendations:

That Schools Forum notes:

- The changes to the specialist and mainstream EBT band values from September 2023
- The recommendations as detailed in paragraphs 25 to 33 below

Report of Director for Children and Families

Background

1. In March 2022 the Local Authority introduced the Education Banding Tool (EBT) to calculate the High Needs Bock (HNB) top-up funding for pupils with an Education Health and Care Plan (EHCP).
2. The EBT was to be applied to any Staffordshire pupil with an EHCP attending a maintained, academy and independent mainstream and Staffordshire maintained and academy specialist and PRU provider.
3. From March 2022, the EBT was applied to:
 - i. ALL draft EHCPs following an EHC needs assessment
 - ii. ALL amended EHCPs where there was a significant change in need as identified through the annual review process
4. The EBT supports fair, equitable and consistent funding mechanisms across education providers and localities. It is a need-led tool rather than a provision

based one and it is not about reducing funding but about making it fair across the system.

5. Areas covered within the review consisted of:
 - i. Data held within CareCalc and Capita
 - ii. Power Bi
 - iii. SEND Assessment Team
 - iv. Key Staff Training and Learning Hub
 - v. Mediation and Tribunals
 - vi. SEND Finance
 - vii. EBT Override
 - viii. Parent Carer Forum
 - ix. SENDIASS
 - x. Local Offer
 - xi. Health
 - xii. Early Years
 - xiii. FE
 - xiv. Quality Assurance
 - xv. Benefits Realisation Plan
 - xvi. Imosphere Health Check/Review
 - xvii. Finance and High Needs Budget (HNB)

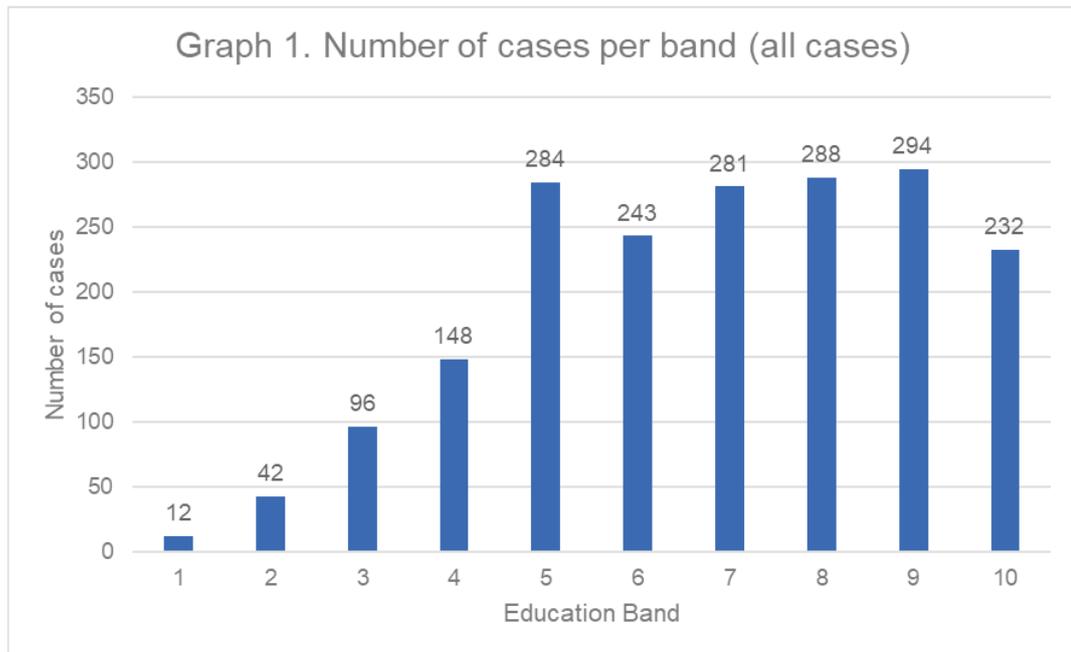
Key Findings

6. As of June 2023, 24.2% (1,209) of pupils with an EHCP, in scope of the EBT, have their Element 3 top up funding calculated through the EBT.
7. Higher than expected level of pupils at EBT Level 9 and above.
8. 11 of the 23 special schools have over 50% of their pupils who have been taken through the EBT on Levels 9 and above.
9. Previously 44% of pupils in special schools were funded at Matrix Level 3 which equates financially to EBT Level 8b. However, there are 50% of pupils now funded at EBT Levels 8b and above as a comparison.
10. There have been no SEND Mediations linked to the EBT, however there are a small number of SEND Tribunals where the provision has not been adequately specified and quantified. Plus, SEND Tribunals where funding for a pupil has been reduced from previously agreed levels, due to the application of the EBT, but the needs of the pupil have not changed. It was always acknowledged that there would be a reduction of some pupil's funding with the EBT due to the inconsistencies of funding decisions linked to the previous mechanisms across both mainstream and special.
11. There are currently 37 recorded incidents of EBT Override, a small number of which were to maintain existing funding levels. The majority of these are for pupils in mainstream schools and with provision provided by a Communication and Support Worker.
12. The EBT Local Offer advice pages remain very popular and referrals to SENDIASS represent 0.1% of their total referrals during 2022 (10,465).

13. Health funding for individual pupils with medical needs remains an issue for Staffordshire EHCPs. However, work has started with Health colleagues following the creation of the Integrated Care Board and includes special school representatives. The first meeting was held on the 28th April 2023 and further meetings will focus upon specific tasks to agree when an intervention is specifically health, education or social care.
14. The EBT does not appear to have been fully implemented for all settings in scope of the EBT e.g. PVIs, independent mainstream and other LA maintained and academy mainstream schools.
15. The agreement to implement the EBT in FE settings was delayed in March 2022. FE high needs numbers have continued to increase, and work is being undertaken to understand this increase by the Skills and Employability Team. Unfortunately, pupils placed in FE have not been routinely taken through the EBT and therefore there is limited data to enable budget modelling to proceed with implementation in this sector.
16. The 4 levels of quality assurance of EBT have not fully been undertaken.
 - i. EBT Band Level Ratification
 - ii. Monthly Audit
 - iii. Termly Moderation
 - iv. Annual Standardisation
17. The Education Survey to providers, which was live between live from Friday 14th April until 5.00pm Friday 26th May 2023, resulted in 16 responses – a 4% return rate. Many the comments within the survey related to the timeliness of EHCPs, EHCNA refusals, wider SEND Service issues, which are not directly linked to the EBT.
 - i. Mainstream schools (10 responses) generally felt that following the EBT introduction, funding was fair and equitable however schools required clarity on how a level was agreed and where the EBT funding did not cover the previous hours awarded.
 - ii. Special schools (4 responses) disagreed with each of the statements linked to fair, equitable, transparent and consistent. They felt it was not being applied consistently, that the setting considered should affect the band level and that any EBT lower than 5c would provide insufficient funding and in general the pupil's needs should be met in a mainstream setting. However, 2 of the schools felt it was an improvement to the Matrix funding, but it required further work to ensure it is successful.
 - iii. PRUs (2 responses) generally disagreed with each statement but they raised the issue that EBT funding was not being applied to their pupils with EHCPs.
18. The 4 identified areas within the Benefits Realisation Plan were revisited. The areas linked to the EBT being fair, consistent and transparent is difficult to evidence having been met as expected as they are linked to the Education Provider survey which had a very low response rate which could be interpreted as providers happy with the new methodology of funding pupils with EHCPs. There is a reduction of pupils admitted to special schools without funding levels agreed and there is not a high number of override funding agreed, which

support the improved funding agreement timescales and fair funding allocated to pupils through the EBT.

19. Imosphere undertook their annual health check based on data held within the CareCalc platform. 1,920 EBT submission of which 1,622, the majority, had a final EBT Level of Band 5 or higher. This is a higher proportion that would generally be expected across the bands, and different to the sample plans used to set the banding rates.



20. Of the 778 CYP submitted as mainstream school, 158 (20%) scored at level 9 and above. Of the 411 CYP submitted as special school 167 (41%) scored at level 9 and above. Both these figures are high and will require re-visiting at annual review stage
21. Whilst the number (FTE) of children assessed on the EBT remains relatively low at this time, the average 'top up' cost for those placements in specials is significantly higher (c £11,800) compared with the matrix model (c £7,000) and in mainstream it is c £9,500 compared to c £8,000. A key condition for the implementation of the EBT was that it was to be broadly cost neutral overall and to avoid any further additional cost to the HNB given the existing overspend.
22. Imosphere benchmarking data other LA funding values shows that for mainstream schools EBT Level 9-10 values range from £20,625-£27,093 compared to Staffordshire's £16,221-35,678; and for special school EBT Level 9-10 values range from £26,262-27,835 compared to Staffordshire's £12,061-£35,678.
23. Budget modelling has been undertaken and the most appropriate, to achieve a cost neutral impact on the HNB, will mean a reduction of 40% for each of the specialist band levels and 20% for mainstream band levels is required.

Recommendations

24. Re-modelling of Specialist band values to ensure HNB expenditure does not exceed previous spending levels of average special school pupil funding of £7,000, with the intention of a 40% reduction in Specialist EBT values from September 2023 for new pupils.
25. Re-modelling of Mainstream band values to ensure HNB expenditure does not exceed previous spending levels of average mainstream pupil funding of £8,000, with the intention of a 20% reduction in Mainstream EBT values from September 2023 for new pupils.
26. Undertake further budget modelling in Spring 2024 to ascertain affordable EBT Band Levels for both Specialist and Mainstream April 2024.
27. Pupils on EBT Level 9 and above will have their EBT level reviewed as part of the pupil's scheduled annual EHCP review process.
28. Where a pupil with an EHCP is placed as a single/main roll pupil in a PRU the Element 3 Top-up funding will be in accordance with the Specialist Education Banding Tool value and will not be the TRIG-8 value unless the Specialist Education Banding Tool level is below the TRIG-8, then the difference will be funded through the Education Banding Tool Override facility.
29. Delay the implementation of the EBT in the FE sector to embed in mainstream and special and to undertake further investigation and budget modelling as it is too high a risk to implement across FE at this point
30. Ensure the full implementation of the agreed 4 levels of quality assurance with the addition of a further level for all new pupils at EBT Band Level 9 and above. In addition, ensure the internal process are maintained and regularly reviewed e.g. training of key staff, recording of EBT levels within Capita One etc
31. Ensure the EBT is featured within the SEND Self-Evaluation Framework
32. LA Officers across Education and Social Care to progress the work with health and special school representatives linked to funding medical health needs across mainstream and special schools.

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