

Review of EHCP Top-Up Funding – Key Principles

Purpose of the Report

1. As part of the High Needs Block (HNB) Sustainability plan, we have identified a need to look at the top up funding that schools receive for pupils with Education Health and Care Plans (EHCPs). This review will ensure that it is sufficient to meet need, predictable for both the school and the LA, and affordable within the budget envelope.
2. The purpose of this paper is to outline the principles to be applied to this review and to seek the views of Schools Forum on those principles.

Background

3. The [High needs funding: 2024 to 2025 operational guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118212/high_needs_funding_2024_to_2025_operational_guide.pdf) defines top-up funding as *“the funding required over and above the core funding (sometimes referred to as elements 1 and 2) a school or college receives to enable a pupil or student with high needs to participate in education and learning.”* The guidance states that top up funding *“can also reflect the costs that relate to the facilities required to support a pupil or student’s education and training needs”* and that local authorities should *“work constructively with schools and colleges, with the aim of reaching agreement on the overall levels of top up funding required.”*
4. The national guidance recognises that many local authorities have “banded funding systems” in place that indicate the range of top-up funding that is provided for children and young people with a particular complexity of need. The guidance states that banded funding systems can be *“helpful in providing clear and transparent funding arrangements for many types of need that may be met in a range of different schools and colleges”* and that local authorities should keep top-up funding levels under review at regular intervals.
5. In Wiltshire, top-up funding is derived through a banding system, introduced in 2016. These bands were designed to provide a needs led system which would allocate funding based on need. However, the values have not been reviewed in some time, and funding values for both core funding (nationally agreed) and top-ups have not kept pace with inflationary pressures.
6. Top-up funding values across all schools have been uplifted by 4% in 2024/25. Agreed band values in place for Wiltshire schools in 2024-25 are:

Band	Special Schools					Mainstream Schools		
	Downlands	Exeter House	Silverwood	SAIL	Springfield	ELP	Resource Base	Mainstream NPA
	£	£	£	£	£	£	£	£
L1	2,639	2,667	2,667	2,712	2,712	2,188	2,188	2,146
U1	5,279	5,425	5,425	5,424	5,424	4,399	4,399	4,314
L2	7,227	7,424	7,424	7,740	7,740	6,024	6,024	5,907
U2	9,637	9,966	9,966	10,283	10,283	7,986	7,986	7,833
3	14,048	15,981	15,981	14,520	14,520	11,705	11,705	11,480
4	20,516	23,402	23,402	21,074	21,074	17,085	17,085	16,756

7. As part of the High Needs Block Sustainability Plan, we said that we would review top-up funding for two key reasons:
- a. If our maintained and academy special schools are not financially stable, we will struggle to reduce Independent and Non-maintained special school (INMSS) placements which cost significantly more.
 - b. If our mainstream schools do not feel able to meet need with the funding available, then there will be more requests for banding uplifts, Alternative Provision, and ad-hoc payments. All of this contributes to an upward pressure and will lead to INMSS placements.
8. It is also expected that an outcome of this work would be a reduction in the need for bespoke/ad hoc funding agreements outside of process

Key Principles

9. There are a number of key principles that will need to be applied to a review of EHCP top-up funding.
- a. Engagement and co-design with schools – understanding of the costs of provision to meet need in different settings.
 - b. Financial alignment with SEND need – ensure that financial allocations are matched to the actual needs of students requiring SEND support and the provision required to meet need.
 - c. Equity and simplicity in funding – develop a funding scheme that is fair and transparent, ensuring that all schools receive appropriate funding based on clear and consistent criteria. It is expected that a banded funding mechanism will remain as a key component of this.
 - d. Simplification of decision-making processes – speeding up this part of the process, based on clear and consistent funding criteria.
 - e. Financial sustainability of our specialist provision – providing a funding allocation that delivers stability and predictability of funding.
 - f. Engagement with parent carers throughout the process
 - g. Engagement with stakeholders throughout the process - ensuring that any issues and unintended consequences of changes can be captured and mitigated.
 - h. That any review needs to be carried out at a pace that allows implementation in the 2025/26 financial year.

Next Steps

10. In order to deliver a review of top-up funding in line with the principles detailed above, the next steps are:
 - a. Conduct Needs Assessment - By 20th September, complete an evidence-led analysis of the needs of students with EHCPs across all schools, utilising both qualitative and quantitative data.
 - b. Evaluate Current Financial Allocations – work with schools to review the costs of provision to meet need
 - c. Develop a New Funding Framework - In time for October Schools Forum, design a new scheme for allocating SEND funds that reflects the assessed needs and financial realities of schools. This will enable consultation through the autumn term.
 - d. Engage and Communicate with Stakeholders - Implement an engagement strategy involving at least 4 consultation sessions with parent carers, teachers, and other stakeholders, and provide bi-monthly updates on the project's goals, progress, and outcomes through multiple communication channels to ensure transparency and alleviate concerns.
 - e. Bring updated information and example financial values - December Schools Forum
 - f. Confirm proposed financial values – January Schools Forum

Proposal

11. Schools Forum is asked to confirm agreement with the key principles with a further paper to be brought to the October Schools Forum meeting detailing proposals for consultation.

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