

Written statement of a key decision
Cabinet member young people and children's wellbeing

| Title | High Needs Budget 2018/19 | | | | | | |
|--|---|--------------------|----------------------|--------------------|--|--|--|
| Decision maker | Cabinet member young people and children's wellbeing Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251 | | | | | | |
| Date of decision | 10 April 2018 | | | | | | |
| Report exemption class | Open | | | | | | |
| Reason for being a key decision | This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant. | | | | | | |
| A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. | | | | | | | |
| General exception or special urgency (as defined in the constitution) | No | | | | | | |
| Purpose | The report sets out the expected financial position for Herefordshire's high needs budgets for three years from 2018/19. If current trends were to continue high needs expenditure, particularly high needs top-ups paid to schools, is forecast to overspend by £1m in 2018/19, £1.5m in 2019/20 and £2m in 2020/21. This report recommends actions for 2018/19 and 2019/20 to ensure expenditure remains within budget for the next two financial years whilst a fundamental review of high needs services and costs is undertaken. During this period the high needs expenditure will be reviewed regularly to ensure the savings are delivered and further action will be taken if necessary | | | | | | |
| Decision | <p>That:</p> <p>(a) the High needs tariffs to mainstream and special schools be revised to a five point range (Option B) from 1st April 2018 (Post-16 providers from 1st September 2018) to save approx. £300k as follows</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Revised Tariff</th> <th style="text-align: center;">Assessment Points</th> <th style="text-align: center;">Funding 2018/19</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </tbody> </table> | Revised Tariff | Assessment Points | Funding 2018/19 | | | |
| Revised Tariff | Assessment Points | Funding 2018/19 | | | | | |
| | | | | | | | |

| Local Offer | | £ |
|--------------------|---------|----------|
| Offer | 0-9 | 0 |
| A1 | 10-14 | 680 |
| A2 | 15-19 | 1,360 |
| B1 | 20-24 | 2,355 |
| B2 | 25-29 | 3,349 |
| C1 | 30-34 | 3,937 |
| C2 | 35-39 | 4,525 |
| C3 | 40-44 | 5,113 |
| C4 | 45-49 | 5,700 |
| D1 | 50-54 | 6,568 |
| D2 | 55-59 | 7,435 |
| D3 | 60-64 | 8,303 |
| D4 | 65-69 | 9,170 |
| E1 | 70-74 | 10,115 |
| E2 | 75-79 | 11,060 |
| E3 | 80-84 | 12,005 |
| E4 | 85-89 | 12,950 |
| F1 | 90-94 | 14,028 |
| F2 | 95-99 | 15,105 |
| F3 | 100-104 | 16,183 |
| F4 | 105-109 | 17,260 |

- (b) Tariffs for the pupil referral service remain fixed until the end of the current contract with the Herefordshire Integrated Behaviour Outreach Service (HIBOS) at which point the tariff allocations are revised with the purpose of reducing the current cost of the service by £50k pa;
- (c) Charges to schools be increased for Pupil Referral Unit services as follows
- (i) Key Stage 4 placement one-off charge increased to £7k from September 2018
 - (ii) Increased charges for Key Stage 3 and primary intervention be agreed with HIBOS for implementation from April 2018 to save £25k pa;
- (d) Budget reductions for the SEN Support services of £50k pa for SEN support and £15k pa for the equalities team be approved from April 2018;
- (e) The cost of a place at the resource units at Hampton Dene and Bishop's schools be decreased to £6k pa as required by the operational guidance received from the DfE for 2018/19 to save £160k pa;
- (f) The surplus funding of £324k retained in the schools block be transferred to the high needs block for 2018/19;
- (g) Further work to review the high needs services and costs be commissioned in conjunction with the School Forum's Budget Working Group (BWG) and

| | |
|-------------------------|--|
| | <p>secondary and primary Headteachers to ensure that high needs expenditure is within the available funding from April 2020 onwards and the working group reports progress regularly to schools forum</p> <p>(h) the short term action plan set out in the schools consultation paper be amended as follows</p> <p>i)the proposal that the SEN protection scheme be funded from a top-slice in school budgets from April 2019 be withdrawn; and</p> <p>ii) the cap on the SEN protection scheme be gradually raised from £120 x number on roll in 2017/18 to £130 x number on roll in 2018/19 and £140 x number on roll in 2019/20 and potentially subject to further consultation £150 x number on roll in 2020/21</p> <p>iii) the SEN protection scheme be restricted to primary schools only</p> <p>iv) that an economies of scale reduction to all new and amended tariff payments to mainstream schools be withdrawn for 2018/19 and the Budget Working Group consider alternative options for inclusion in the autumn 2018 consultation as necessary</p> <p>(i) Further consultation with schools be agreed for the autumn term 2018 setting out further proposals for the high needs services for 2019/20</p> <p>(j) The high needs budget including the savings as above be approved as set out in Appendix 2.</p> |
| Reason for the decision | <p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50025179</p> |
| Options considered | <ol style="list-style-type: none"> 1. Options are limited for implementation from April 2018 but will include a modest reduction in expenditure in the SEN protection scheme and further price increases for the services identified in the consultation paper. These have been discussed with the Budget Working Group (BWG) and Schools Forum in March. Additional options will be developed by the BWG for further consideration in autumn 2018 and implementation in 2019/20 as necessary. 2. The options included in this report are those options that deliver immediate cost savings in 2018/19 and have been discussed fully with the BWG and Schools Forum. The following options have been discounted as either infeasible or delivering an unacceptable reduction in service with insufficient notice for implementation in 2018/19 (i) more |

radical changes to the tariff structure such as funding each tariff point value separately (ii) implementing the economies of scale model for all existing tariffs, (iii) abolishing the SEN protection scheme.

3. The BWG considered two options for the existing tariff bands A to F to be split. Option A would split each band into two and was projected to save £200k a year. Option B would split the current bands into smaller bands each spanning 5 assessment points. This was projected to save £300k a year.
4. Following discussion the BWG preferred option B as it would deliver greater savings and allow more cover in the event that demand was greater than projected. It was cautioned that there would be more complex administration and as the tariff bands would be narrow there might be incentive for schools to push for an additional couple of points on an assessment in order to move a child up a band. On a vote the BWG supported implementation from April 2018 rather than September 2018 by six votes to two.
5. BWG discounted the alternative recommendation for revised tariffs (Option A) i.e.
6. The High needs tariffs to mainstream and special schools be revised to include a lower and upper band from 1st April 2018 Post-16 providers from 1st September 2018) to save approx. £200k as follows

| Revised Tariff | Assessment Points | Funding 2018/19 |
|--------------------|-------------------|-----------------|
| Local Offer | | £ |
| A1 | 0-9 | 0 |
| A2 | 10-14 | 680 |
| B1 | 15-19 | 1,360 |
| B2 | 20-24 | 2,355 |
| C1 | 25-29 | 3,349 |
| C2 | 30-39 | 4,525 |
| D1 | 40-49 | 5,700 |
| D2 | 50-59 | 7,435 |
| E1 | 60-69 | 9,170 |
| E2 | 70-79 | 11,060 |
| F1 | 80-89 | 12,950 |
| F2 | 90-99 | 15,105 |
| | 99+ | 17,260 |

7. At this stage the financial strategy is to ensure the high needs budget remains in surplus until April 2020 and actions are identified to reduce the expenditure from 2020/21 onwards when the forecast expenditure begins to exceed income.

Declarations of interest (see below)

| | |
|---|---------------|
| Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply) | 16 April 2018 |
|---|---------------|

| | |
|---|--------------------|
| Councillor: | Date 10 April 2018 |
| Cabinet member young people and children's wellbeing (Councillor EJ Swinglehurst) | |

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.