

## **Title of report: High Needs Budget 2021/22**

**Decision maker: Cabinet Member for Children and Families**

**Decision date: Wednesday, 31 March 2021**

**Report by: Schools Finance Manager**

### **Classification**

Open

### **Decision type**

Key

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

### **Wards affected**

(All Wards)

### **Purpose**

To approve the Dedicated Schools Grant (DSG) high needs budget for 2021/22 and the implementation plan for the improvements to the high needs matrix as recommended by Schools Forum.

### **Recommendation(s)**

**That:**

- 1. a balanced high needs budget for 2021/22 having regard to the views of Schools Forum be approved as follows;**
  - (a) Complex needs funding £2,285,745;**
  - (b) Independent special schools £1,650,000;**
  - (c) Special school top-up funding £3,549,650;**
  - (d) Special school commissioned places £1,643,000;**
  - (e) Post-16 top-up funding £1,500,000**

- (f) High needs contingency £0;**
- (g) Mainstream school top-up funding £2,147,525;**
- (h) Nurture provision, from September 2021 £116,667;**
- (i) SEN protection scheme for primary and secondary schools £435,000;**
- (j) H3 Home, Hospital and Hub £432,500;**
- (k) Autism and Language units top-up funding £362,432;**
- (l) Pupil Referral Unit support fund £100,000;**
- (m) Early years top-up funding £175,000;**
- (n) Autism and Language Units commissioned places £336,000;**
- (o) Pupil Referral Service top-up funding 65 pupils at £6,700 for the summer term and 40 pupils at £9,048 for autumn and spring terms i.e. total top-up funding £392,578**
- (p) Pupil Referral Service commissioned places at 65 summer term and 50 autumn and spring £562,500;**
- (q) SEN support services**
  - (i) Additional Needs Management £203,750;**
  - (ii) Complex Learning Communications £111,550;**
  - (iii) Equalities team –inclusion £263,937;**
  - (iv) Hearing Impaired Team £407,500;**
  - (v) Managed moves £5,000;**
  - (vi) Business support £73,000;**
  - (vii) DSG Services £125,900;**
- (r) Charges and income**
  - (i) Excluded pupils (AWPU)/ Hospital -£176,000;**
  - (ii) Local authority recoupment -£200,000;**
  - (iii) Transfer from schools block -£300,000;**
  - (iv) Transfer from Central services block -£75,000.**
- (s) Teachers Pay and Pension Grant allocations £367,000**
- (t) Beacon College top-up funding for 13 new pupils £101,400**
- (u) funding for a maximum 20 places for Beacon College be provided at a cost of £200,000 as agreed with the Department for Education;**
- (v) and the remaining £70,000 provisionally reserved for Beacon College place funding be allocated for out-county independent special school places**

**2. the school financial contribution to the SEN threshold costs within the SEN protection scheme be limited to £150 x the number on roll as at the October 2020 census for the financial year 2021/22**

3. The implementation timetable for the new high needs matrix be approved as follows;
  - The revised high needs matrix be adopted from April 2021
  - All new Education Health Care (EHC) Plans will have funding allocated using the updated tariff levels, including those for children and young people attending specialist settings.
  - All children and young people reaching ‘phase transfer’ points of Reception, Year 6 and Year 11 will be moved to the revised HNM with the appropriate tariff levels applied.
  - All EHC Plans will be moved to the new funding matrix within five years.
  - All non EHC Plan Top up Funding applications will be allocated funding using revised HNM.
4. The new tariff values be applied to post-16 contracts for the new academic year with effect from 1<sup>st</sup> August 2021
5. The new tariff values be approved as below from April 2021:

Assessment Points	Tariff	Funding as at April 2020	Including inflation increase in April 2021 and the 3% uplift recommended by Schools Forum 19 March	Percentage increase
		£	£	%
0 -9	Local Offer	0	0	0%
10-14	A1	696	708	1.0%
15 - 19	A2	1,392	1,404	1.0%
20 - 24	B1	2,400	2,424	1.0%
25 - 29	B2	3,420	3,456	1.1%
30 - 34	C1	4,020	4,056	1.0%
35 - 39	C2	4,620	4,668	1.0%
40 - 44	C3	5,220	5,268	1.0%
45 - 49	C4	5,820	5,988	2.9%

Assessment Points	Tariff	Funding as at April 2020	Including inflation increase in April 2021 and the 3% uplift recommended by Schools Forum 19 March	Percentage increase
50 - 54	D1	6,900	8,040	16.5%
55 - 59	D2	7,812	9,324	19.4%
60 - 64	D3	8,724	10,608	21.6%
65 - 69	D4	9,624	11,892	23.6%
70 - 74	E1	10,620	13,188	24.2%
74 - 79	E2	11,616	14,472	24.6%
80 - 84	E3	12,600	15,756	25.0%
85 - 89	E4	13,596	17,052	25.4%
90 - 94	F1	14,724	18,336	24.5%
95 - 99	F2	15,864	19,620	23.7%
100 - 104	F3	16,992	20,904	23.0%
105 - 109	F4	18,120	22,200	22.5%

6. As presented to the Schools Forum on 19<sup>th</sup> March, the funding originally identified to provide for the Minimum Funding Guarantee for special schools (£100k) and to smooth the introduction of the new tariff funding proposals (£52k) is better allocated as follows;
- to avoid the minimum funding guarantee for special schools by adding 3% on the tariffs D-F as included in recommendation 5 above at a cost of £80,000;
  - that additional funding of £11,000 be allocated for PRU top-ups to ensure that the PRU is fully funded for top-up D2 at £9,324 per pupil;
  - That the new tariff C4 be confirmed at £ 5,988 which includes an additional £108 at a cost of £11,000 to reduce the funding differential between tariff C4 and tariff D1;
  - that the remaining £50,000 of funding be added to the out county special school.

## Alternative options

- Schools Forum chose not to make any amendments to the proposed high needs budget at their meeting on 19<sup>th</sup> March and supported the budget proposals and new tariffs set out in the consultation paper. In addition Schools Forum accepted the proposals presented to the Budget Working Group to add an additional 3% onto tariffs D-F to avoid having to implement the Minimum Funding guarantee for special schools. Any amendments would need to have regard to available funding, relevant regulations and the local authority's statutory duties in supporting children and

young people with high needs. It should be noted that the Budget Working Group has considered the proposals set out in this report and not suggested any improvements.

## Key considerations

2. The report sets out the forecast overspend of £0.5m on high needs in 2020/21 due in its entirety to an overspend of £0.5m on the independent out of county schools budget; the resulting reduction in DSG reserves is from £0.6m to £0.1m. The Department for Education (DfE) has allocated £17.019m which is a £1.82m increase in the high needs block compared with the final 2020/21 high needs allocation, which was reduced in year to take account of place adjustments for Herefordshire & Ludlow FE College.
3. The high needs budget for 2021/22 ensures that grant income and expenditure are matched. Maintaining a surplus in the high needs budget will depend very much on containing expenditure at or near budget for the complex needs funding and out county independent special schools expenditure streams. The Budget Working Group will monitor the financial position closely throughout the year.
4. This report proposes a high needs budget for 2021/22 to ensure that the high needs funding allocation is spent as effectively as possible whilst recognising the absolute duty to ensure that pupils needs are met as required by Section 42 of the Children and Families Act 2014. The views of Schools Forum are sought on the proposed budget plan prior to seeking cabinet member approval. The high needs budget for 2021/22 will be set at £17.319m after the transfer of £0.3m from the schools block and deductions passported directly to academies and post-16 providers by the Education and Skills Funding Agency.

## High needs budget

5. The schools consultation paper set out the known high needs cost pressures for the high needs block for 2021/22 and was based on an increase of £2m in the net high needs allocation. Schools Forum agreed a transfer £0.3m from the schools block and £0.75m from the central services block in order to continue sufficient funding for the SEN protection scheme.
6. The consultation with schools included growth in the complex needs budget of £1.05m. However, an updated forecast for 2021/21 indicates that spend will be less than the current budget due to a reduced number of pupils. It is proposed to vary the initial proposals by re-allocating as follows;
  - Special school TPG 360 places at £660 each £0.24m
  - PRU/H3 TPG 90 places (65+25) at £660 each x5/12 £0.025m
  - PRU /H3 TPG 75 places (50+25) at £660 each x7/12 £0.030m
  - Support services –central teachers/indep schools TPG £0.05m
  - Extra SEN protection costs to keep cap at £150 x NOR £0.075m
  - MFG for special schools as per new tariffs £0.1m
  - Growth at Hampton Dene 8 places at £6k+£6k top up £0.1m
  - Beacon College – 13 new top ups at £8k £0.1m
  - Beacon College 27 new places at x £10k £0.27m

• <u>Allocate balance of £30k to help implement new tariffs</u>	<u>£0.03m</u>
Total new expenditure	£1.02m

7. Advice has been received that the maximum number of places within the PRU should be limited to 50 due to building limitations. It is proposed to limit the PRU budget to 50 places from September 2021.
8. Provision has been made for the potential full year costs at the new Beacon College which will open in September 2021. However we still await confirmation from DfE regarding funding arrangements.
9. A further £0.075m has been allocated to the SEN protection scheme that will permit the cap to continue to be set at £150 x number on roll and will ensure that qualifying schools continue to receive the same support as in 2020/21.
10. The scheme was extended to secondary schools in 2020/21 supported by a transfer of £0.2m from the schools block. The budget set for 2020/21 is £385,000 and current expenditure is “on budget” but expected to grow in 2021/22 due to increases in the number of pupils with top-up funding (there was a 10% increase in 2019/20). The scheme is hugely supported by schools and the funding transfer from the schools block and the additional £0.075m will allow the continuation of the existing funding cap of £150 x number on roll to apply in 2021/22.
11. The existing protection scheme provides a cap on the number of £6,000 high needs thresholds that any school must fund from within its own budget. The cap is currently set at £150 x the number on roll so that additional funding is provided from the high needs block to help schools where their threshold costs are in excess of the cap.
12. The SEN protection scheme acts as an “insurance” scheme to ensure that those schools with higher than average numbers of high needs pupils are fairly funded for their threshold costs. The SEN notional budget is part of each school’s delegated budget and is paid from the Schools Block of the DSG.

### High Needs Matrix

13. The High Needs Matrix (HNM) is the method used to calculate funding to support:
  - a. Children and young people with Education, Health and Care Plans (EHCPs) in Herefordshire.
  - b. Some children and young people without EHCPs who have a similar level of need, but have not been assessed for an EHCP.
14. Usually, funding for the second group is time-limited and in the first instance, an EHCP might not be necessary.
15. It was intended the HNM would be reviewed following its introduction in 2014.
16. Herefordshire Council has worked with a broad range of colleagues, parents and schools to review the HNM so that it accurately reflects the needs of the vast majority of children and young people with SEND in Herefordshire.
17. The HNM is used to calculate funding by professionals, who look at the descriptions of a range of special educational needs and disabilities, and select the one that best describes the child’s difficulties. Each of these descriptors is awarded a score which can be seen in the left hand

column of the HNM. The scores are added and the total corresponds to an amount of funding to be allocated.

18. Areas for improvement were identified by the working group, which included:

- Behaviours associated with autism and social, emotional and mental health were 'counted' twice as they appeared in two columns of the matrix
- There wasn't a clear distinction between some descriptions of specific and general learning difficulties.
- The description of some severe medical and physical needs were not clear or detailed enough to recognise how complex the needs might be. This meant that the matrix could not be used to calculate funding for too many children and young people and decision were being made on an individual basis.
- The descriptions of need weren't detailed and were too ambiguous which meant people using the HNM were not clear how to score the needs of a child.
- The funding levels (known as tariff boundaries) were not spread out consistently.

19. The revised HNM addresses these issues. It has been tested both by the Special Educational Needs (SEN) Team and a number of schools (including special schools), for its usability, robustness and to ensure that it represents each child's needs and therefore the funding required to meet those needs. Comparison of the revised HNM alongside the original version was undertaken to ensure it gave a similar funding and that it reflected the level of need.

20. Financial testing indicates that the total expenditure using the revised HNM is broadly comparable to the existing arrangements; it is expected to be largely cost neutral. An additional sample of a further 28 pupils from the Brookfield school has analysed and indicates that based on the whole sample of 47 pupils, which is now much more representative of the 90 pupils at Brookfield, when the new tariff values are applied the school will overall gain a small amount and as such there is no need to adjust the tariff values from the consultation paper.

21. The new tariff values for bands D1-F4 will apply to very few students in the post-16 further education sector. These students are generally assessed within bands A-C or are in need of more specialist provision at an Independent Specialist Provider. Funding is contracted with Independent Specialist Providers on an individual basis according to need. Given that the payments to post-16 providers have been contractually agreed for the current academic year, the new tariffs will be applied in the new academic year from 1st August 2021. Any small increase in cost will be contained within the post-16 high needs budget.

22. The consultation paper is set out in Appendix 2 and the new improved high needs tariff matrix is set out in Appendix 3. The current funding levels and tariff boundaries applicable for financial year 2021/22 are set out in Appendix 4 and the consultation questionnaire is Appendix 5.

23. The Budget Working Group (BWG) received a presentation on the 5 March 2021 summarising the current budget position, the proposed high needs budget for 2021/22 and the final proposals for the high needs matrix. The presentation is set out in Appendix 1.

24. Key points highlighted included:

- An expected overspend for 2020/21 of approximately £0.5m, mainly due to overspends on out county independent special school places;
- A consequent reduction in uncommitted balances from £0.6m to £0.1m which leaves an increasingly small reserve;

- Budget proposals were much as consulted on in the Autumn, but updated for the reallocation of the £1m provisionally put aside for complex needs growth;
- The proposed budget was balanced, but vulnerable to unexpected additional costs such as growth in out county independent special school places.
- Adjustments to tariffs D-F following the inclusion of additional pupils in the sample from Brookfield and in particular to avoid the special schools MFG
- Adjustments to the Beacon College place budget following funding agreement with the DfE for Herefordshire Council to underwrite up to 20 places at the college if these places were unfilled.
- Nine primary schools will benefit from the DfE's consultation proposals to use road distance in the sparsity calculation rather than the previous straight line distance. All schools receiving sparsity payments will benefit from the DfE's consultation proposal to increase the sparsity allocation by £10,000 from April 2022

25. In discussion of the presentation and proposed budget, the BWG noted that

- Concerns had previously been expressed about the balance of provision in the current PRU model and coverage of the curriculum, it was proposed to pull back to a centre-based offer with less offsite provision;
- The covid pandemic had resulted in a smaller number of pupils in year 10 at the PRU, this provided an opportunity to recalibrate the offer;
- The proposals for high needs tariffs would be discussed with special school heads at a forthcoming meeting, the proposals had been carefully considered so that no school would lose out;
- Creating additional special school places was a medium term project as at present demand was growing faster than additional places could be brought online, as a result there was a risk that demand for out of county independent and non-maintained school places could grow;
- It was hoped that the cost differences for the Language and Communication Centre at Hampton Dene Primary School would reduce once modelling work was complete but in any case the minimum funding guarantee would apply to existing pupils to ensure that the school continued to receive the same level of funding;
- There was concern that the significant gap in funding between tariffs C4 and D1 might encourage schools to press for a D1 tariff to secure extra funding and it was a principle set out at the start of this work not to have large gaps between the tariffs;
- The new tariffs would apply from April 2021 under the existing points, the new matrix would be rolled out over a 5 year period as new plans were put in place and at points of transition;
- The council had agreed with the DfE to underwrite 20 places at the new Beacon College at a cost of £200,000, demand for places was expected to be well above this and the remaining £70,000 allocated to out county independent special school places
- The contingency now sat at zero which was a significant reduction from previous years.

26. The BWG were advised that the funding originally identified in the consultation to provide for the Minimum Funding Guarantee for special schools (£100k) and to smooth the introduction of the new tariff funding proposals (£52k) would be better re-allocated to:

- add 3% on the tariffs D-F at a cost of £80,000 to avoid the minimum funding guarantee for special schools;
- provide additional funding for PRU top-ups to ensure that the PRU was fully funded for top-up D2 at a cost of £11,000;
- add £108 to tariff C4 at a cost of £11,000, to reduce the funding differential between tariff C4 and tariff D1;
- the remaining £50,000 to be added to budget for out county special school places.

27. In discussion of the revised proposals, the budget working group supported the re-allocation as proposed by the council but queried how much of a difference £108 would make in closing the gap between tariffs C4 and D1. It was explained that it was intended to close the gap further in future years but at present this was all that could be allocated.
28. It was noted that the high needs budget involved a lot of complex detail and was under stress due to the pandemic and the unknowns arising from the DfE SEND review, the outcome of which was expected shortly.
29. The BWG supported the proposals set out in the draft paper to schools forum with the amendments set out above and were content for the budget proposals to be considered at the next meeting of the schools forum on 19 March.

## **Community impact**

30. The recommendations will provide a high needs budget for 2021/22 that continues to meet the needs of pupils within the DSG funding allocated to the council. The proposals for nurture provision will improve the service for those schools and vulnerable pupils that participate in the initial scheme. Subject to review and impact, it is intended that nurture provision will be expanded in future years as funding permits in order to improve the services offered to vulnerable pupils.
31. These services contribute to delivery of the following ambitions in the adopted County Plan for 2020-2024:

### Community

- a. Ensure all children are healthy, safe and inspired to achieve;
  - b. Protect and improve the lives of vulnerable people.
32. These services also support the pledges set out in the Children and Young Peoples Plan 2019-2024 in:
    - c. Keeping children and young people safe;
    - d. Improving children and young people's health and wellbeing;
    - e. Helping ALL children and young people succeed.

## **Environmental Impact**

33. This is a consultation with Schools Forum on school and high needs funding and will have no direct environmental impacts. School governing bodies and trustees are responsible for deciding on expenditure and they will be encouraged to minimise waste and resource use in line with the Council's Environmental Policy.

## **Equality duty**

34. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

35. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relations to any of the nine "protected characteristics" (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes, for example the provision of nurture provision to meet pupil needs.

## **Resource implications**

36. The recommended high needs budget for 2021/22 has been constructed so that income and expenditure are balanced. The forecast overspend of £0.5m in 2020/21 will reduce DSG balances from an uncommitted £0.6m to £0.1m which allows no flexibility to meet additional unexpected costs without Dedicated Schools Grant slipping into a deficit.

37. High needs budgets for future years will depend on the DSG funding allocated by the DfE.

## **Legal implications**

38. This is a key decision which can be taken by the Cabinet Member under the provisions set out in section 3.3.15 (i) of section 3 of the council's constitution. Schools Forum is consulted in an advisory capacity.

39. The council must consult the schools forum annually regarding a number of schools budget functions including the following:-

- Amendments to the school funding formula
- Arrangements for the education of pupils with SEN, in particular the places to be commissioned by the council and schools and the arrangements for top-up funding
- Arrangements for the use of PRUs and places to be commissioned by the council and schools and arrangements for paying the top-up funding
- Administrative arrangements for the allocation of central government grants paid to schools via the council.

It is also good practice for the council to inform schools forum of proposals for central spend on the high needs block provision.

40. The council has statutory duties to deliver provision for children and young people with high needs which includes special educational needs and disabilities from early years to age 25.

41. The DSG is a ring fenced grant from the DfE, the majority of which is used to fund individual school budgets in maintained schools, academies and free schools. This includes the provision for pupils with high needs in both special and maintained schools
42. Changes to the high needs funding provision could leave the council open to legal challenge, through ombudsman complaint, appeal to the Special Education Needs and Disability Tribunal, or Judicial Review if children, young people or their families feel that specialist provision is not being met. The risk of Judicial Review is reduced due to the increase in tariffs.
43. Section 42 Children and Families Act 2014 provides that where a council maintains an EHC plan for a child or young person, the council must secure the specified education provision. Therefore the council must comply with this statutory duty.

## **Risk management**

44. The BWG reviews all proposals in detail prior to making recommendations to the Schools Forum. This two stage process helps ensure greater scrutiny of budget proposals and mitigate against any risks that may be identified. Any identified risks will be monitored and managed by the Childrens and Families directorate jointly with Schools Forum. Specifically financial risk will be managed throughout the year with the BWG.
45. The government has changed the conditions of grant for the Dedicated Schools Grant so that the council would be required to seek permission from the Secretary of State should it wish to fund a DSG deficit from the council's general funds. Effectively this change in regulations transfers responsibility for DSG deficits to the Department for Education (DfE) and absolves the council of any contribution. Further information on the new deficit recovery process is expected from the DfE in due course, possibly included as part of the forthcoming SEND review report. Although local authorities will continue to have to seek approval for DSG recovery plans from the DfE, it is not at all clear how a deficit might be recovered if it is not from increased high needs block grant from DfE.
46. The investment in nurture provision is a longer term preventative measure which attempts to mitigate demand for higher cost provision and keep the high needs costs within the available budget. The use of such preventative measures was supported by the BWG and also by schools as set out in Q2 (g) in the responses below.

## **Consultees**

47. All schools have been consulted on the proposals as part of the autumn schools budget consultation and the responses were reported to Schools Forum in January 2021. For convenience, the following table sets out the responses to the high needs questions. The Budget Working Group were consulted on 5 March 2021 and their comments are included in paragraphs 24-29 above.
48. Table of responses received from 9 primaries, 7 secondary and 2 special schools as follows

Question number	Question Topic	Yes	No																																																							
Q2	<p>It is estimated that Herefordshire will receive an additional £2.0m grant for high needs.</p> <p>Placements in independent schools are forecast to overspend by £0.1m possibly rising to £0.2m if further placements are necessary. Further growth of £0.3m for 2021/22 will require a budget of £1.6m i.e. an increase of £0.5m for 2021/22. Investment in local provision for autism places will be investigated to help reduce future cost pressure.</p> <p>The remaining £0.5m can be used to meet cost pressures in post-16 placements, top-up tariffs, full year costs of the nurture groups and inflation on mostly tariffs D-F and potential growth in post-16 places and loss of income due to COVID in particular will impact on the PRU and hospitals services.)</p> <table border="0" data-bbox="276 952 1241 1863"> <tr> <td>a)</td> <td>Growth in complex needs places</td> <td>£1.05m</td> <td>17</td> <td></td> </tr> <tr> <td>b)</td> <td>Growth in out-county independent school places</td> <td>£0.5m</td> <td>13</td> <td></td> </tr> <tr> <td>c)</td> <td>Growth in special school and unit places</td> <td>£0.175m</td> <td>17</td> <td></td> </tr> <tr> <td>d)</td> <td>Full year cost of nurture groups</td> <td>£0.1m</td> <td>16</td> <td></td> </tr> <tr> <td>e)</td> <td>Increases in tariffs A-C (+1%) and D-F (+2.5%)</td> <td>£0.125m</td> <td>17</td> <td></td> </tr> <tr> <td>f)</td> <td>Additional 15 intervention places for the PRU</td> <td>£0.15m</td> <td>16</td> <td></td> </tr> <tr> <td>g)</td> <td>Additional post-16 places</td> <td>£0.1m</td> <td>17</td> <td></td> </tr> <tr> <td>h)</td> <td>Growth in SEN protection scheme</td> <td>£0.05m</td> <td>16</td> <td>1</td> </tr> <tr> <td>i)</td> <td>Growth in hospital places at £5k for 0.5 place</td> <td>£0.05m</td> <td>15</td> <td>1</td> </tr> <tr> <td>j)</td> <td>Less contribution from growth fund schools block</td> <td>-£0.3m</td> <td></td> <td></td> </tr> <tr> <td>k)</td> <td>Balance high needs budget with additional income</td> <td>£2.0m</td> <td></td> <td></td> </tr> </table>	a)	Growth in complex needs places	£1.05m	17		b)	Growth in out-county independent school places	£0.5m	13		c)	Growth in special school and unit places	£0.175m	17		d)	Full year cost of nurture groups	£0.1m	16		e)	Increases in tariffs A-C (+1%) and D-F (+2.5%)	£0.125m	17		f)	Additional 15 intervention places for the PRU	£0.15m	16		g)	Additional post-16 places	£0.1m	17		h)	Growth in SEN protection scheme	£0.05m	16	1	i)	Growth in hospital places at £5k for 0.5 place	£0.05m	15	1	j)	Less contribution from growth fund schools block	-£0.3m			k)	Balance high needs budget with additional income	£2.0m				
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k)	Balance high needs budget with additional income	£2.0m																																																								

<p>HNM Q1</p>	<p><b>Do you agree that the fundamental principles will continue to be applied to the new matrix? The principles are:</b></p> <ul style="list-style-type: none"> <li>• All pupils should be funded at the same level irrespective of the setting they attend (e.g., mainstream or specialist).</li> <li>• We seek to minimise the impact of funding changes for individual settings; transitional arrangements will be applied.</li> <li>• Funding levels should be split as evenly as is possible across the tariffs to avoid substantial jumps between levels where there is only a small change in need.</li> </ul> <p>Tariff levels should be sustainable within the High Needs Grant provided by Central Government.</p>		
<p>HNM Q2</p>	<p><b>Do you support the improvements to the high needs matrix as follows</b></p> <ul style="list-style-type: none"> <li>• Behaviours and difficulties associated with autism are recognised in the social, emotional and mental health and language and communication columns of the matrix</li> <li>• Clearer distinction of learning difficulties as either specific or general.</li> <li>• Fewer decisions will need to be made as exceptions about levels of funding needed as there is improved recognition of medical and physical needs at the severe end of need.</li> <li>• Improved descriptions of need will allow the user to be clear as to how the needs of a child should be scored.</li> </ul> <p>It provides more consistent increments/steps between tariff boundaries</p>		
<p>HNMQ3</p>	<p><b>Do you agree with the timescale to introduce these proposals from 1<sup>st</sup> April 2021:</b></p> <ul style="list-style-type: none"> <li>• All new Education Health Care (EHC) Plans will have funding allocated using the updated tariff levels, including those for children and young people attending specialist settings.</li> <li>• All children and young people reaching ‘phase transfer’ points of Reception, Year 6 and Year 11 will be moved to the revised HNM with the appropriate tariff levels applied.</li> <li>• All EHC Plans will be moved to the new funding matrix within five years.</li> <li>• All non EHC Plan Top up Funding applications will be allocated funding using revised HNM.</li> </ul>		

HNMQ4	<b>Do you agree with the inflation increases applied to Tariffs A-F i.e. 1% for tariffs A-C and 2.5% for tariffs D - F</b>		
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49. The high needs budget was universally supported mostly in its entirety with some “NO”s against additional spend on out-county special school placements. However given that Herefordshire special schools are full and the statutory requirement to meet need there is simply no alternative.
50. Following an extension of the closing date to 18<sup>th</sup> March, two responses were received from schools supporting the new matrix and a question about why different inflation rates were applied to tariffs A-C and D-F, which is due to the fact that 50% of special school budgets is determined by the DfE based on the fixed £10,000 place value. Applying a different inflation value for tariffs D-F is the only option the council has to provide inflation funding for special schools. The Head of Additional Needs discussed the consultation with parent/carer groups and will explain how the matrix is used to determine funding for high needs with parents in due course.

## Appendices

Appendix 1 High Needs Budget presentation to Budget Working Group 5<sup>th</sup> March 2021

Appendix 2 High Needs matrix consultation paper

Appendix 3 New improved High Needs matrix

Appendix 4 Proposed High Needs tariff values from April 2021

Appendix 5 High Needs consultation response paper

Appendix 6 High Needs Budget and amendments to consultation paper to improve the tariff funding for April 2021

## Background papers

None identified

## Glossary of terms, abbreviations and acronyms used in this report.

BWG	Budget Working Group (of Schools Forum)
CAMHS	Children and Adolescent Mental Health Service
DSG	Dedicated Schools Grant
DfE	Department for Education
EHCP	Education Health Care Plan
ESFA	Education and Skills Funding Agency
PRU	Pupil Referral Unit

H3 Home and Hospital Teaching Team (Hub, Home, Hospital)

SEN Special Education Needs

SEND Special Education Needs and Disability