

SEN FUNDING IN MAINSTREAM SCHOOLS

Report By: Manager of SEN & Disability

Wards Affected

County-wide

Purpose

1. To consider information concerning the provision of additional funding to mainstream schools for the purposes of making appropriate SEN arrangements under the 2001 SEN Code of Practice for children and young people identified as having special educational needs as defined in the code.
2. This report and background information was requested to enable a full scrutiny of additional funding arrangements in mainstream schools with and without statements of SEN.

Financial Implications

3. Funding for additional educational support where a child has been identified with special educational needs under the 2001 SEN Code of Practice is provided from the Dedicated Schools Grant (DSG).
4. Staff providing administrative and casework services for statutory assessment and the maintenance of statements of SEN are funded through Local Authority Budgets.
5. Schools base budgets include a notional 6% for additional needs.
6. Further funding for SEN is currently retained centrally from the DSG and provided to mainstream schools on a needs basis through the Banded Funding levels with and without statements of SEN. There are currently 4 Band Levels of funding for individual needs ranging from £1830 per annum (Level 1) to £10930 per annum (Level 4).
7. The band level is determined on the basis of evidence about a child's needs gathered as a result of assessment and purposeful interventions as described in the 2001 SEN Code of Practice. There are published criteria to assist in this determination of need, provision and funding level.
8. It is proposed to delegate funding associated with Band Levels 1 and 2 through a formula into schools base budgets. This has been subject to a recent 8-week consultation. The results of the consultation have not been analysed at the time of writing.

Background

9. The expectations for the discharge of duties associated with children with special educational needs are set out in the 2001 SEN Code of Practice (DfES) (Appendix 1).
10. Herefordshire introduced a new system of funding for additional needs in mainstream schools in late 2003. Since that time the capacity to analyse data associated with SEN and the SEN funding system has increased through the purchase and development of an SEN database. Monitoring of SEN trends and funding implications has improved as a result.
11. Work on monitoring outcomes of SEN funding in terms of reasonable pupils progress continues to develop.

Benefits of current funding system without statements of SEN

12. The banded funding available to schools without a statement of SEN being necessary has had benefits in terms of encouraging and enabling schools to make early provision for children identified at School Action and School Action Plus of the SEN Code of Practice and has assisted in schools effectiveness in managing inclusion.
13. Schools involvement in the funding process, and particularly in providing representatives to sit on the decision-making Panel, has raised schools awareness of funding demands and good practice in designing effective provision for a range of special educational needs.
14. It has promoted debate about good practice and raised awareness of the importance of provision that achieves measurable outcomes for children.
15. It has reduced the reliance of schools on obtaining Statements of SEN without disadvantaging those children and young people who require some additional support in respect of their special educational needs. This has enabled the Authority to focus on efficient management of statutory processes and more effective oversight of children with more significant SEN, where a statement of SEN is essential.
16. Moving to a common funding system has provided a more transparent and consistent method of funding linked to published criteria. By September 2009 all additional funding for SEN will be decided by matching evidence about a child against criteria. This is an improvement on a system that involved several different funding arrangements some of which had no published criteria.

Issues concerning the current funding system without statements of SEN

17. The money to fund continued increases in SEN can only be found from other areas of the Schools Budget. This can either be achieved by reducing the core funding allocated to schools through the Age Weighted Pupil Unit funding or other budget savings. The continued growth of SEN funding will reduce core school budgets and the flexibility of local decision making by Headteachers and Governors.

18. Expenditure on banded funding in primary school shows a real terms increase of 28% on expenditure compared with a 10% fall in pupil numbers over the same 6-year period.
19. Expenditure on banded funding in secondary school shows a real terms increase of 22% compared to a 4% rise in pupil numbers.
20. The percentage SEN spend of the overall Education budget for high schools remains broadly constant however the % for primary schools reduced initially but is now rising. In total, the percentage spend has risen from 2.99% in 2003/04 to a budgeted 3.58% in 07/08 and a budgeted spend of 4.2% in 08/09
21. £3m was spent on all levels of banded funding with and without statements of SEN in 2007/08 and £3.7m budgeted in 2008/09. This was despite a budgeted reduction of 5% in the value of funding levels for Bands 1 & 2 in 2008/09.
22. The increase is against a background of reductions in pupil numbers of around -1.5% annually. Falling pupil numbers results in a proportionate reduction in Dedicated Schools Grant.
23. Schools Forum considered a report on this trend in October 2007 and judged that at "all other things being equal" the need for SEN expenditure should reduce in line with falling pupil numbers. However Schools Forum members noted that the trend evidence from 2001 indicates the opposite effect, namely of rising costs.
24. Despite access to additional funding without a statement of SEN schools have had continuing reservations about this aspect of funding, particularly in relation to high incidence needs likely to attract Band Levels 1 & 2. This is against a background of rising demand and deployment of funding for without statements of SEN who have low lever, high incidence special educational needs.
25. One of the key trends has been in the increase in allocations of lower levels of funding under the criteria of specific literacy difficulties (SPLD) and that of social, emotional and behavioural difficulties (BESD). Full details of the background data concerning Statutory Assessment and Statement of SEN are included in Appendix 2.
26. The table below shows the substantial increase in specific learning difficulties (SPLD) and the shift from Level 1 to Level 2 over the last 3 full financial years.

		April 05-March 06	April 06-March 07	April 07-March 08
GLDD	Level 1	48	30	4
	Level 2	51	62	28
SPLD	Level 1	29	46	76
	Level 2	26	46	114
BESD	Level 1	25	29	22
	Level 2	32	37	56

27. There are difficulties in formulating criteria based on standardised measures that schools can reliably access and use, as opposed to 'closed' assessment materials or

techniques only able to be used by certain professionals. This is more problematic in some areas of SEN than others.

28. There is no detailed standardised test available to schools in the area of BESD for instance and the Banded Funding Panels find it very difficult to determine the actual level of relatively low-level behavioural difficulties from the results of the available screening tool. The significance of lower level BESD is also highly subjective and its effect on children's learning is often dependant on the management of behaviour within a school.
29. Standardised test materials for reading attainment able to be used by schools give inadequate information about the literacy skills of children who are chronologically aged at or near the threshold of the test.
30. The apparent reduction in the incidence of General Learning Difficulties (GLDD) suggests that the scheme may be encouraging schools to apply for funding under the category of specific learning difficulties (SPLD) by simply assessing poor reading scores as a measure of need.
31. The extent of the increases in funding under the category of specific learning difficulties suggests that the scheme may result in misidentification of children's actual special educational needs. This would benefit from investment in a research project.
32. The growth in the number of applications for banded funding generally and in particular the increasing numbers applying for Level 2 funding in the area of limited literacy attainments and low level behavioural difficulties contributes significantly to the increasing cost of funding special educational needs.
33. The types and levels of need generating the majority of Band 1 & 2 applications should be capable of responding to good early intervention and successful academic and pastoral arrangements made by schools for its more vulnerable learners.
34. There is also trend evidence to suggest that some schools have not achieved the confidence of parents in their arrangements despite additional funding being in place or accessible to schools for different levels of need.
35. This is resulting in an increase in parental requests for statutory assessment and a statement of SEN despite additional funding being available without this being necessary.
36. There is a very significant cost associated with conducting statutory assessments and maintaining statements of SEN. Where children's needs are low level or relatively short term and able to be met through other arrangements this is an unnecessary cost.
37. Parents have extensive rights of appeal concerning statutory assessment and statements of SEN. Appeals to the SEN and Disability Tribunal take around 4 months to come to a hearing and cause some parents great anxiety.
38. Managing such appeals is time-consuming and costly and high levels of Tribunal appeals are a reputational risk to the Authority.
39. Parental confidence in schools' SEN arrangements is fundamental whatever the funding mechanism. There is a currently increasing trend for parents to seek

statutory assessment despite having Level 1 or 2 allocations in place without a statement of SEN.

40. There is also a cost to both schools and the authority in managing the demand for Band Levels without statements of SEN. The demand is primarily focussed on the heavy demand for low level, and generally short term funding allocations at bands 1 & 2.
41. The systems for obtaining lower funding levels may be diverting SENCOs from their proper focus of SEN co-ordination and school improvement in the area of SEN.
42. The money to fund continued increases in SEN funding can only be found from other areas of the Schools Budget. This can either be achieved by reducing the core funding allocated to schools through the Age Weighted Pupil Unit funding or other budget savings.
43. A continued growth of SEN funding will reduce the core school budgets and the flexibility of local decision-making by Head Teachers and Governing Bodies.
44. A return to very high levels of statutory assessment and statements of SEN for low level needs will have a similar effect on the Dedicated Schools Grant but in addition would require increased staffing for the central teams providing associated administrative and casework services. These services are paid for through the Local Authority Budgets.

Current Action

45. In October 2007 Schools Forum tasked a working group, involving extensive school representation, to examine the possibility of delegating some DSG funding currently held back from distribution through schools base budgets. The focus for possible delegation to schools budgets via a formula from April 2009, was identified as the funding for Band Levels 1 and 2 together with associated high incidence SEN service funding.
46. A report recommending a formal consultation with schools on proposals to delegate identified monies using a formula, was considered by Schools Forum in June 2008. There was an agreement to such a consultation.
47. An 8-week consultation proposing delegation of funding currently retained centrally for Band Levels 1 and 2 has recently finished. The outcome will be reported to Schools Forum in December 2008.

RECOMMENDATION

THAT;

- (a) Scrutiny Committee members note the relative responsibilities of schools and the Authority under the 2001 SEN Code of Practice and the way in which these are discharged.**
- (b) Scrutiny Committee considers the complex inter-relationship between the proper identification and assessment of children's special educational needs under the 2001 SEN Code of Practice**

and the way in which schools are assisted to make effective provision with and without statements of SEN.

- (c) **Scrutinise Committee notes the distribution of funding with and without statements of SEN across Herefordshire mainstream schools.**

BACKGROUND PAPERS

Herefordshire Criteria for Statutory Assessment 2005

Banded Funding Documentation revised September 2007

Draft Annual Report on SEN Funding to Funding for Inclusion Group April 2006- March 2007

Summary Annual Report April 2006- March 2007

Banded Funding Process Analysis 06-07

Draft Annual Report on SEN Funding to Funding for Inclusion Group April 2007- March 2008
April 2008

Summary Annual Report April 2007- March 2008

Banded Funding Process Analysis 07-08

The Monitoring of Individual Progress within the Additional funding process (banded funding)
January 2007

Schools Forum Report October 2007

Schools Forum Report June 2008

Consultation September 2008 – 14 November 2008

- Background Information Document
- Consultation Reply Document
- Consultation Financial Spreadsheet