



Schools Forum

AGENDA ITEM: 6

Title: Funding Special Educational Needs in Buckinghamshire

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A. Summary

1. This report builds on a report to the previous meeting of the Forum and illustrates how money is spent in Buckinghamshire to meet the special educational needs of pupils. It illustrates the costs of provision, the number of pupils involved and raises some issues for discussion.

B. Recommendation

2. Members of the Forum are asked to note the report, comment on the issues raised and discuss areas to be developed further.

C. Resources Appraisal

3. There are no financial implications arising from the report. However, the report deals with how significant resources are used to meet the special educational needs of pupils in Buckinghamshire.

D. Supporting Information

4. At its last meeting the Forum considered how the Government allocates funding to Local Education Authorities (LEA). A formula, known as a Formula Spending Share (FSS), determines the proportion of Government funding each LEA receives.
5. The FSS for Education is split into 2 elements:
 - i) Schools Formula Spending Share
 - ii) LEA Formula Spending Share
6. The report to the last meeting identified that the Government assumed that £32.443m within the total Schools FSS was related to Special Educational Needs (SEN)/Additional Educational Needs (AEN) in Buckinghamshire.
7. Based on the Section 52 financial statement for 2003/04, the Council was funding direct provision of £32.754m. This was made up as follows:

	£m
SEN element in the Primary & Secondary School ISB*	8.814
SEN related spending outside the Primary & Secondary ISB*	23.940

	32.754

(*ISB = Individual School Budgets)

8. Although these figures are similar there are a number of issues affecting spending on SEN in Buckinghamshire and, indirectly, other spending on schools. These are considered below.
9. This report needs to be seen in the context of a wider debate on SEN arrangements which the Schools Forum has, as part of its statutory role, in advance of budget setting arrangements for 2004/05 and later years.

Spending on SEN

10. The breakdown of spending on SEN (as summarised in paragraph 7) is broken down in Appendix 1.
11. There are a number of significant areas of spending:
 - a) School Support Assistants (£2.6m)
 - b) Placements in Independent Schools (£6.7m)
 - c) Placements in Other Local Authorities (£1.4m gross, £0.9m net)
 - d) Special School budgets (£13.3m)
 - e) Special Departments in Mainstream Schools (£2.6m)

Statements of Pupils with SEN

12. In July 2003 there were 2774 pupils with SEN statements. This is broken down in Appendix 2.
13. There has been a slight increase in the number of statements each year, after allowing for seasonal variations (new statements, less leavers) – See Table 1.
14. Pupils with SEN statements are placed in a number of settings. This is illustrated in Appendix 3.

Unit Costs of Different Placements

15. The average, unit costs of different types of support/placement for pupils with SEN are as follows:

	£/Average	No. of Funded Pupils
SSA funding for pupils in mainstream school	4,657	716
SEN department place	7,221	261
Special School place	11,238	1,184
Out-County place	35,588	183

16. Costs vary either side of these average figures. For example, the fees for out-county placements range from £13,900 to over £200,000 per annum.

Increasing Spending on SEN

17. In recent years there have been large increases in the budgets for SEN. For example the budget for School Support Assistants rose by 30% between 2002/03 to 2003/04. Similarly the pressure on specialist out-county placements rose by 16% between these financial years.
18. The Council has been take measures to reduce this rate of increase. Monitoring officers are reviewing out-county placements to see if alternatives, in-County can be found. Buckinghamshire Special school headteachers are now more closely involved in reviewing pupils before an out-county placement is supported. In relation to School Support Assistants, a clearer framework has been produced which will guide the number of hours allocated in relation to each pupil's needs.
19. Nevertheless, the spending in many aspects of SEN support continues to rise, at a rate beyond 'average' inflation.

Impact of Government Policies on School Funding

- a) The County Council currently funds schools at a level slightly below the Schools FSS. It has declared its intention to increase spending to the level of Schools FSS in 2004/05.

The Schools FSS contains spending in relation to SEN, particularly out-county costs and SSA spending. If spending pressures in these areas continue to rise, this will reduce the resources otherwise available within the Schools FSS to meet other costs in Schools

- b) The Government has made a number of statements about schools' funding in 2004/05 and 2005/06. These were described in Alan Mander's letter to schools (Circular 030-03/04).

The guiding principles include:

"That every school should receive at least a guaranteed per pupil increase in its funding for each year".

20. The delivery of a minimum increase per pupil needs to be set within agreed strict definitions and parameters. Work will be required with the Schools Forum later in the Autumn on how it will operate in Buckinghamshire.
21. Much depends on how this principle is implemented. Within the total funding available for schools including SEN, increases in per pupil funding will reduce the resources available for SEN.

SEN Funding – Looking Forward

22. There are a number of issues related to the Council's overall approach to SEN which have funding implications. Many of these are interrelated.

- a) Out-County Placements

The SEN strategy includes the aim of reducing the number of out-county placements. This report identifies that these placements can be very expensive. Whilst these often provide very specialist support, there may be opportunities for making provision in-county which is better and lower cost. This may be either in the short term or by adapting our existing services in the longer term.

- b) Funding Departments

Work is in-hand to review the formula used to fund SEN departments within schools. This is in response to a number of headteachers expressing concern about the current funding levels compared with the increasing needs of pupils who use the departments.

- c) Policy on Educational Inclusion

Discussions have been taking place for some time to draft a policy on Educational Inclusion. This is now subject to a wider consultation with schools and others.

If there is to be a shift towards greater inclusion of pupils into mainstream settings we need to consider how the funding mechanisms might be changed to support this.

- d) Statementing

The Audit Commission estimates that the costs of producing an SEN statement is, on average, £2,500. The Buckinghamshire position is broadly similar.

At the moment however, schools and parents view statements as a way of ensuring that pupils receive additional funding.

Some authorities are adapting their funding arrangements so that it is made available to schools direct, based on an assessment of relative needs.

If statements are then produced they do not automatically bring with them extra resources.

e) Early Intervention and Prevention

The Government is emphasising early intervention and prevention. Further work is needed to consider how this emphasis relates to work with SEN pupils and the consequences for funding.

f) Pooling Funding for Out-County Placements

We are considering the possibility of pooling resources for out-county placements, bringing together the contributions for health, social care, education and transport.

The aim is to use this fund to find more creative forms of support for individual pupils at a lower cost.

g) Learning and Skills Council (LSC) Income

In theory the cost of post 16 special education provision is met by the LSC. Further work is needed to understand if the current LSC contribution is sufficient to cover existing spending.

h) Funding Special Schools

Currently Special Schools are funded in accordance with the number of places planned to be available in each financial year. This provides a degree of stability in funding (where pupil numbers fluctuate) and ensures schools are viable.

This mechanism may need to be reviewed to ensure we are using resources in the most effective way.