

Research Briefing: Protect Special Educational Needs

Petitions Committee | 13 December 2016

Petition number: P-05-722

Petition title: **Protect Special Educational Needs**

Text of petition:

We call upon the National Assembly for Wales to urge the Welsh Government to ensure that spending on the provision of special educational needs is ringfenced, recognising that this is an investment in the children of Wales, and that local authorities should be directed to ensure that adequate levels of funding are available so that those children who require such services are able to go on and live happy and fulfilled lives, while their families are not left to contend with the fear of competing with one another for placements.

1. Funding for local authorities from the Welsh Government

Local authorities in Wales use money they receive within the **Revenue Support Grant (RSG)** from the Welsh Government to fund education for pupils with SEN. The amount of RSG each local authority receives to provide services across all of their areas of responsibility is announced annually in the Local Government Settlement.

In 2016-17, the Welsh Government has given local authorities a total of **£4.102 billion** through the RSG to deliver **all of their services**. This is a 1.3% decrease (£54 million) from 2015-16, after adjusting for transfers into the settlement.

1.1 Principle of un-hypothecation

The RSG is **un-hypothecated**, which means that local authorities decide themselves how much money to spend on a particular service area such as education, and subsequently on SEN provision for example. For local government and its umbrella representative, the Welsh Local Government Association (WLGA), this is a **cornerstone principle of local, accountable and democratic decision-making**. However, the RSG settlement does include an Indicator-Based Assessment (IBA) for each service area, which is a notional calculation of what each Council needs to spend to provide a standard level of service.¹ This is not a spending target and local authorities can decide how much they spend on SEN provision for example, as long as they meet any statutory requirements on them.

In 2016-17, the **notional IBA** for 'Special Education' is £215 million, which is similar to 2015-16. In addition, some funding that is intended for use on SEN provision will also have been included in the 'Nursery and Primary' and 'Secondary' teaching IBAs. Indeed, the total budgeted gross expenditure on SEN provision in 2016-17 is **£362 million**.²

Although the vast majority of local government resource funding is un-hypothecated, there remain some specific grants³ which the Welsh Government pays to local authorities for a specific purpose. These have reduced in number over recent years as part of an agreed approach between the Welsh Government and

¹ The notional IBAs for 2016-17 are listed in table 4d of the Local Government Settlement Excel tables available on the Welsh Government's website.

² Welsh Government, Statistical First Release: Budgeted expenditure on Special Educational Needs (SEN) provision: 2016-17, 30 June 2016, p1

³ Specific grants are listed in Table 9 of the Local Government Settlement Excel tables available on the Welsh Government's website.



WLGA of a **general move towards less hypothecation** and greater local decision-making over use of resources. There are currently **no specific grants relating to SEN**.

Further, more general, information on how schools in Wales are funded is available in the Research Service's publication, *A quick guide to school funding* (July 2016).

2. Arrangements between local authorities and schools

Local authorities fund SEN provision through the following means:

- The **delegated budgets** they provide to schools. This means delegated budgets to special schools where all expenditure is assumed to be on SEN and **notional allocations for SEN** within the delegated budgets for mainstream schools (notional because it is for each school to determine how much they actually spend on SEN). Delegated funding makes up **73%** of total budgeted SEN expenditure in 2016-17.
- Through funds they **retain centrally** within the Local Authority Education Budget or the Schools Budget. **27%** of SEN expenditure is retained centrally by local authorities in 2016-17. This would be because some services, for example specialist interventions, may be **more efficiently and effectively** provided or commissioned at a local authority rather than a school-level.

2.1 Setting of school budgets

Under the provisions of the *School Standards and Framework Act 1998*, the Welsh Government sets the legal framework within which local authorities allocate their education expenditure to schools. The framework is set out in the *School Funding (Wales) Regulations 2010*. The regulations require local authorities to allocate expenditure to three budgets, the Local Authority Budget, the Schools Budget and the Individual Schools Budget (ISB).

The 2010 regulations specify that the ISB must be allocated amongst schools maintained by the authority in the form of budget shares, using a locally determined funding formula. **70% of the funding must be distributed on the basis of pupil numbers**. In their formula, local authorities may weight pupil numbers according to a number of **factors including SEN**.

3. Statistics on funding

The two tables below provide information on SEN funding and may be relevant to the Committee's consideration of this petition.

- **Table 1** shows how much **in total was budgeted by local authorities for SEN provision** and the amount **budgeted per pupil** (calculated per total pupils on roll not just those with SEN). It also shows the **delegation rate**, ie how much of local authorities' SEN budgets was passed directly to schools.
- **Table 2** breaks this data down by local authority, for the latest year, 2016-17.

Table 1: Gross budgeted expenditure on SEN provision by local authorities in Wales



| | <u>£ Million Budgeted gross expenditure on SEN provision</u> | <u>£ Per pupil budgeted gross expenditure on SEN provision</u> | <u>% delegated to individual schools' budgets</u> |
|----------------|--|--|---|
| 2016-17 | 361.737 | 800 | 73% |
| 2015-16 | 356.306 | 789 | 72% |
| 2014-15 | 357.099 | 792 | 70% |
| 2013-14 | (r) 359.217 | 796 | 69% |
| 2012-13 | 346.862 | 769 | 67% |
| 2011-12 | (r) 347.100 | 770 | 60% |
| 2010-11 | 341.755 | 754 | 55% |

(Source and notes overleaf, below Table 2)

Table 2: Local authorities' gross budgeted expenditure on SEN provision, 2016-17

| | <u>£ Million Budgeted gross expenditure on SEN provision</u> | <u>£ Per pupil budgeted gross expenditure on SEN provision</u> | <u>% delegated to individual schools' budgets</u> |
|-------------------|--|--|---|
| Isle of Anglesey | 9.059 | 975 | 64% |
| Gwynedd | 13.663 | 830 | 76% |
| Conwy | 12.436 | 804 | 84% |
| Denbighshire | 11.748 | 773 | 91% |
| Flintshire | 19.607 | 858 | 65% |
| Wrexham | 16.580 | 881 | 76% |
| Powys | 15.390 | 870 | 73% |
| Ceredigion | 7.618 | 812 | 69% |
| Pembrokeshire | 15.231 | 886 | 77% |
| Carmarthenshire | 20.431 | 759 | 78% |
| Swansea | 32.493 | 944 | 67% |
| Neath Port Talbot | 15.696 | 796 | 72% |
| Bridgend | 19.236 | 838 | 72% |
| Vale of Glamorgan | 12.904 | 597 | 83% |
| Cardiff | 46.416 | 902 | 83% |
| Rhondda Cynon Taf | 24.233 | 629 | 65% |
| Merthyr Tydfil | 7.648 | 896 | 74% |
| Caerphilly | 18.407 | 674 | 54% |
| Blaenau Gwent | 8.770 | 1,004 | 72% |
| Torfaen | 8.758 | 610 | 78% |
| Monmouthshire | 8.329 | 736 | 71% |
| New port | 17.083 | 711 | 68% |
| Wales | 361.737 | 800 | 73% |

Source: Welsh Government, Statistical First Releases: [Budgeted expenditure on SEN provision](#) (several editions)

Notes



- a) Tables 1-2: Includes notional allocations to schools for SEN provision as part of local authorities' formulae for distributing funds to schools. As it is for each school to determine how much of its delegated budget to spend on SEN, the actual expenditure within schools may vary from these notional allocations.
- b) Tables 1-2: The £ per pupil expenditure is based on the whole cohort of pupils on roll rather than only pupils with SEN.
- r) Table 1: These are the revised 2013-14 and 2011-12 budgeted gross expenditure figures that were published in the subsequent year's release. Updated £ per pupil and delegation rates were not published, hence some caution is advised in comparing these two fields with gross budgets for these years.

4. Legislative reform

In December 2016, the Welsh Government will introduce the **Additional Learning Needs and Education Tribunal Wales Bill** into the Assembly's legislative process. The anticipated Bill will replace the current Special Educational Needs (SEN) framework with a reformed system based on Additional Learning Needs (ALN). However, it is **not expected to propose hypothecating or ring-fencing funding** and will maintain the current arrangements for giving local authorities resources through the RSG to fund ALN provision.

The Research Service has recently published a briefing paper, *Additional Learning Needs (ALN) in Wales*, to inform preparations for, and scrutiny of, the Bill.

For some years now, the Welsh Government has recognised that the current system is 'no longer fit for purpose'.⁴ It believes that a 'model introduced more than 30 years ago' should therefore be replaced with a 'more modern approach to multi-agency working to the benefit of the child or young person, which will support them in the journey through education and their life choices'.⁵

As set out during its consultation on a *draft Bill in 2015*, the Welsh Government has **three overarching objectives** for the proposed new system:

- A **unified legislative framework** to support children and young people aged **0-25** with **ALN** in schools and further education;
- An **integrated, collaborative process** of assessment, planning and monitoring with **early, timely and effective** interventions;
- A **fair and transparent system** for providing information and advice, and for resolving concerns and appeals.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

⁴ Welsh Government, *Legislative proposals for additional learning needs*, Ministerial Foreword (Huw Lewis, Minister for Education and Skills), May 2014, p2

⁵ Welsh Government, *Forward in partnership for children and young people with additional needs: Proposals for reform of the legislative framework for special educational needs*, June 2012, p4

