

School budgeting for Additional Learning Needs (ALN)

Y Pwyllgor Deisebau | 03 Rhagfyr 2019
Petitions Committee | 03 December 2019

Reference: RS19/11038-3

Petition number: [P-05-920](#)

Petition title: School budgeting for ALN

Text of petition: We call on the National Assembly for Wales to urge Welsh Government to allocate an additional budget for schools across Wales, to be able to provide the additional learning needed for pupils with additional learning needs (ALN) and achieve the objectives of the Additional Learning Needs and Education Tribunal (Wales) Act 2018.

Additional Information: Schools lack resources for supporting pupils with additional learning needs to ensure they achieve their potential.

The Additional Learning Needs and Education Tribunal (Wales) Act 2018 states:

"A person has additional learning needs if he or she has a learning difficulty or disability (whether the learning difficulty or disability arises from a medical condition or otherwise) which calls for additional learning provision."

Schools do not currently have sufficient resources to be able to offer the additional learning provision that their pupils need.



1. The Welsh Government's funding for schools via local government

As the Minister for Education's letter to the Committee highlights, funding to support pupils' Additional Learning Needs (ALN) is **not ring-fenced** and is contained within general funding for schools.

The Welsh Government provides each local authority with its **un-hypothecated** Revenue Support Grant, which together with its redistributed Non-domestic rates allocation, makes up the local authority's Aggregate External Finance (AEF). Local authorities use this money, along with locally raised revenue from council tax and other fees and charges, to finance all of the services they provide. **Local authorities therefore decide themselves** how much to spend on education, and within that how much to allocate to schools' budgets, from the overall resources they have available.

The arrangements for funding schools is complex and is explained further in the Assembly Research Service's blog article, *[How are schools in Wales funded and what are the main issues?](#)* (October 2019).

2. Funding for ALN / SEN within education and school budgets

Approximately **22%** of pupils in schools across Wales are identified as having ALN, or Special Educational Needs (SEN) as is the current legal term.¹ These pupils'

¹ The [Additional Learning Needs and Education Tribunal \(Wales\) Act 2018](#) replaces the current 'SEN' system with one based on 'ALN'. The Welsh Government plans to introduce the new system from September 2021. This briefing refers to SEN in the context of current arrangements and ALN in the context of the new arrangement to be brought in under the 2018 Act. However, the two terms are used relatively interchangeably and ALN is already commonly used in practice.

needs vary considerably from requiring relatively minor additional support in the classroom to complex and specialist provision in a special school or even a residential setting.

Under the School Funding (Wales) Regulations 2010, local authorities are required to allocate education funding to three tiers of budgets.

- The **Local Authority Education Budget** is for a local authority's central functions relating to education. This includes certain types of SEN provision.
- The **Schools Budget** covers expenditure which is also administered by the local authority but is directly aimed at supporting schools. It includes other centrally provided/funded SEN provision.
- The amount of expenditure on schools retained centrally by the local authority is deducted from the Schools Budget and the remainder makes up the **Individual Schools Budget (ISB)**, i.e. funding delegated to schools. This includes funding to support the majority of learners with SEN, within a school setting. Each mainstream school's delegated budget includes a **notional allocation for its SEN provision** (notional because it is for each school to determine how much they actually spend on SEN). For special schools, the whole of its delegated budget is regarded as SEN expenditure.

3. Statistics on ALN/SEN expenditure

The Welsh Government publishes [annual statistics on budgeted expenditure on SEN provision](#). These are based on the **notional allocations within schools' delegated budgets for SEN** provision and do not necessarily represent how much is actually spent by schools on SEN.

Table 1 below 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, i.e. how much of local authorities' SEN budgets was passed directly to schools. From Table 1, it can be observed:

- Total budgeted expenditure on SEN in **2019-20** across Wales is **£404.664 million**. This is a **6% rise on 2018-19**.
- Expenditure has risen by £63 million **since 2010-11**. This is a 18% rise in cash terms and a **1.3% rise in real terms** (at 2019-20 prices, using [HM Treasury GDP deflators](#), September 2019).

- Expenditure **per pupil** has risen from £754 in **2010-11** to £892 in 2019-20. This is a 18% rise in cash terms and a **1.2% rise in real terms** (at 2019-20 prices, using HM Treasury GDP deflators, September 2019).

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>
2019-20	(r1) 404.664	(r) 892	(r) 72%
2018-19	381.479	844	73%
2017-18	372.706	825	73%
2016-17	361.737	800	73%
2015-16	356.306	789	72%
2014-15	357.099	792	70%
2013-14	(r2) 359.217	796	69%
2012-13	346.862	769	67%
2011-12	(r2) 347.100	770	60%
2010-11	341.755	754	55%

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

Notes:

a) 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) The £ per pupil expenditure is based on the whole cohort of pupils on roll rather than only pupils with SEN.

r1) Figures for 2019-20 were released on 27 June 2019 and subsequently revised on 5 July 2019 due to errors in the original version.

r2) Figures for 2013-14 and 2011-12 are the revised 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. Changes in overall school funding

Listed below are changes in overall school funding between the same time period, 2010-11 to 2019-20, in order to place the changes in SEN funding in some context.

- In 2019-20, £2.654 billion is budgeted for expenditure on schools, **3.4% higher than 2018-19**.
- Between **2010-11 and 2019-20**, gross budgeted expenditure on schools increased by 8.0% in cash terms (£196 million), a **7.6% decrease in real terms** (at 2019-20 prices, using [HM Treasury GDP deflators](#), September 2019).
- The **per pupil** amount budgeted in 2019-20 is 8.1% higher in cash terms (£440) than in 2010-11, a **7.5% decrease in real terms** (at 2019-20 prices, using [HM Treasury GDP deflators](#), September 2019).

5. Funding for ALN Transformation

The [Additional Learning Needs and Education Tribunal \(Wales\) Act 2018](#) brings about a substantial overhaul of the current SEN system. Further information is provided in our [summary of the 2018 Act](#) and [blog article on the draft ALN Code](#). One of the main changes is that **all learners with ALN will have a statutory Individual Development Plan (IDP)**, whereas at present only those with statements of SEN have a legal entitlement to specified provision (the remainder are supposed to have a non-statutory plan). This increases the number of learners, for which statutory plans must be prepared from around 13,000 to 104,000 ([StatsWales data](#)).

The changes to the statutory framework for supporting pupils' ALN, which will be implemented from September 2021², are part of the Welsh Government's wider [ALN Transformation programme](#). The Welsh Government has allocated **£20 million to ALN Transformation over the four-year period 2017-18 to 2020-21**. The Minister's

² In September 2019, the [Minister for Education announced](#) a delay in implementing the 2018 Act from September 2020 to September 2021.

letter to the Committee regarding this petition states that her officials are considering whether this needs to be re-profiled to reflect the new time period.

6. Previous concerns

The Children, Young People and Education Committee published the report of its [inquiry into School Funding](#) in July 2019. This concluded that there is not enough money going into the education system in Wales and not enough is finding its way to schools. However, the Committee acknowledged that there is no simple solution and that arrangements for funding schools are hugely complex, multi-layered and dependent on many factors.

The Committee recommended that the Welsh Government commission an **urgent review of how much funding is required to fund schools** sufficiently in Wales, particularly at a time of substantial reform. The Welsh Government has accepted this recommendation and [appointed education economist Luke Sibieta to undertake this review](#).

The Committee's School Funding report identified the implementation of the **new ALN system** as an example of a policy area which some stakeholders perceive to be at **risk from insufficient funding**.

The [Finance Committee's consultation](#) ahead of the Welsh Government's draft budget 2020-21 had highlighted financial pressures on schools and local authorities resulting from the ALN reforms (see responses from Neath Port Talbot County Borough Council and the teaching union, UCAC).

The CYPE Committee also expressed concerns in its [response to the Welsh Government's consultation on the Draft ALN Code](#) in March 2019, commenting:

We are extremely concerned that there is a risk that insufficient resources (whether that is funding or staff) threatens the successful implementation of the Act and delivery against the Code.

The Committee was also concerned that **insufficient funding could affect the way schools apply the definition of ALN**, having heard from some stakeholders that resource pressures will mean pupils have to exhibit a higher level of need to be judged as having ALN and qualify for support. The Committee called on the Welsh Government to make it explicitly clear that this must not be the case as the definition of ALN under the 2018 Act is essentially the same as the definition of SEN under the current system.

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.