



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Good Practice in Special Educational Needs Funding



I have prepared and published this report in accordance with paragraph 21 of Schedule 8 of the Government of Wales Act 2006. The Wales Audit Office study team that assisted me in preparing this report comprised Julie May, Huw Lloyd Jones and Ian Mackinder.

The Auditor General appoints auditors to local government bodies in Wales, conducts and promotes value for money studies in the local government sector and inspects for compliance with best value requirements under the Wales Programme for Improvement.

He also examines and certifies the accounts of the Assembly Government and its sponsored and related public bodies, including NHS bodies in Wales. He also has the statutory power to report to the Assembly Government on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use, of their resources in discharging their functions.

The Auditor General is totally independent of Government, the National Assembly and the other bodies that he audits and inspects. Furthermore, in order to protect the constitutional position of local government, he does not report to the Assembly Government specifically on local government work.

The Auditor General and his staff together comprise the Wales Audit Office. For further information about the Wales Audit Office please write to the Auditor General at the address above, telephone 029 20260 260, email: info@wao.gov.uk , or see web site <http://www.wao.gov.uk> © Auditor General for Wales 2007

You may re-use this publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use. Any queries regarding this publication should be sent to us at infoofficer@wao.gov.uk

There is no clear link between the level of expenditure reported by local authorities and the quality of special educational needs provision. Councils are not yet able to tell whether or not their special educational needs provision is cost effective but there are good examples of initiatives that have the potential to improve the understanding of this.



1	Summary	6
	Recommendations	10

2	Detailed Report	11
	There is wide variation in the reported level of spending by councils on SEN, and in the way they plan and deploy SEN budgets. There is little correlation between these factors and the quality of provision	11
	The ability of councils to monitor how much they spend on various types of SEN provision is improving but they are unable to compare their expenditure with that in similar councils	17
	Early work is underway at a few councils to evaluate the effectiveness of some types of SEN provision but, overall, such work is hampered by the limited availability of outcome data for pupils	20

Summary

- 1 The Statistical Directorate of the National Assembly for Wales (the National Assembly) estimates that, for 2006/2007, councils in Wales set budgets of almost £288 million for Special Educational Needs (SEN) provision in schools¹, an increase of 10.4 per cent on 2005/2006. Special education needs budgets are growing much more quickly than budgets for other aspects of school provision.
- 2 Councils spend this money in a wide range of ways, but information about the types of action and provision that represent the best value for money in relation to the different types of SEN is limited.
- 3 The Welsh Assembly Government (the Assembly Government), as part of its SEN Review, is developing a guidance document on the management of SEN expenditure for Local Education Authorities (LEAs) in Wales. To support this work, the Assembly Government commissioned the Wales Audit Office to identify an evidence base of good practice throughout Wales. The Assembly Government also requested that Estyn should advise it about the evaluation of outcomes for children and young people with additional learning needs, including those with SEN.
- 4 In carrying out this work, the Wales Audit Office and Estyn have worked together closely. Estyn's work² has focused on how schools and councils monitor and evaluate the outcomes achieved by pupils. The Wales Audit Office's work has examined the extent to which councils are able to analyse, monitor and compare their deployment of funding to support the planning of SEN provision. Together, the two studies identify good practice in terms of improving the ability of local and central government to determine whether the many different forms of SEN provision and their underlying financial arrangements represent value for money. In line with the Wales Audit Office's objective to identify, evaluate and facilitate the implementation of good practice, examples of good practice are identified throughout this report and these will also be made available on the Wales Audit Office's *Good Practice Exchange*. We have not formally verified these examples but consider them to be of interest to other councils facing similar challenges.
- 5 We sought to answer and find examples of good practice in relation to the question: **'Does the way that councils deploy SEN funding support their ability to monitor and evaluate its cost effectiveness?'** In order to answer the question, we received completed questionnaires from 18 councils and visited 11 to discuss the responses with officers and, in some cases, a sample of headteachers.
- 6 We concluded that there is no clear link between the level of expenditure reported by local authorities and the quality of SEN provision. Councils are not yet able to tell whether or not

¹ SDR 80/2006, the National Assembly

² 'Evaluating outcomes for children and young people with additional learning needs', Estyn 2007
http://www.estyn.gov.uk/publications/Evaluating_outcomes_for_children_and_young_people_with_additional_learning_needs_2007.pdf

their SEN provision is cost effective but there are good examples of initiatives that have the potential to improve the understanding of this.

There is wide variation in the reported level of spending by councils on SEN, and in the way they plan and deploy SEN budgets. There is little correlation between these factors and the quality of provision

- 7 For 2006/2007, councils reported total SEN budgets that ranged between 9.7 per cent and 16.2 per cent of their gross education budgets. Reported budgets varied between £444 and £790 for each pupil in maintained schools.
- 8 The proportion of pupils with statements of SEN varies widely between councils, ranging from 14.8 to 44.8 per 1,000 pupils. Councils with higher rates of pupils with statements tend to spend more, in total, on SEN provision. However, there is weak correlation between the level of reported expenditure and the quality of provision, as determined by inspections by Estyn and the Wales Audit Office.

Generally, SEN budgets are set in order to reflect the previous year's level of spending. Expenditure is often well above the budget set and planning tends to focus on accommodating the overspend, rather than tackling its causes

- 9 Most councils tend to set SEN budgets to reflect the previous year's pattern of spending. Many councils spend in excess of their SEN budgets on a regular basis, in some cases by large sums. This contributes

to the limited reliability of the reported budget data as a basis for the comparison between councils of expenditure on SEN provision.

- 10 Overspending stems predominantly from one or both of two sources:
 - unforeseen increases in the number or cost of out-of-county placements, particularly placements in independent special schools; and
 - unplanned increases in the number of Learning Support Assistants (LSA) employed and managed centrally by the council.
- 11 The need to find a way of rectifying overspending from one year to the next tends to undermine longer-term planning that might address the underlying causes of the overspending.
- 12 Better procurement and more regional collaboration offer the potential to reduce the cost of out-of-county placements for pupils with Emotional, Social and Behavioural Difficulties (ESBD) and complex SEN. The Audit Commission's report on 'Out of authority placements for special educational needs'³ identifies examples of good practice in England in terms of regional collaboration, which Welsh councils could consider.
- 13 In a few cases there is clear evidence that councils plan more effectively for the longer term by, for example, increasing the availability of local specialist provision for pupils with low-incidence SEN who are known to be entering the school system. There are good examples of such planning in Neath Port Talbot County Borough Council and in Cardiff County Council. Improving the ability of mainstream schools to provide from their own resources for pupils with more common types of SEN is another feature of good planning, as seen in the City and County of Swansea.

³ 'Out-of-authority placements for special educational needs', Audit Commission, 2006
<http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=C0D9C7D0-B4D6-4c31-BEE9-237FEDBE05E2&SectionID=sect6#>

14 Good forward planning can lead to higher expenditure in the short term. However, higher levels of initial investment have the potential to reduce costs in the longer term by reducing the number of pupils placed in expensive out-of-county provision, and by increasing schools' capacity and confidence in catering for SEN.

Approaches to the delegation of SEN funding to schools vary widely

- 15 The amount of SEN funding that councils delegate to schools varies widely between 23 per cent and 79 per cent. There is also much variation in the criteria that govern its allocation. The budget for LSA is the largest single item contributing to the variation in the amount delegated. There is no evidence to suggest that those councils that delegate a higher proportion of their SEN budgets to schools provide more effectively for pupils.
- 16 Councils that retain central control of the LSA budget are more able to manage this workforce well, as in Conwy County Borough Council. However, they also tend to face pressure from schools throughout the year to provide additional support for pupils whose needs have become more severe, or who have transferred to the school during the year. Moderation panels ensure greater consistency and transparency in the allocation of additional resources but the panels themselves are resource-intensive, and detract from the time available to monitor and improve the quality of provision in schools.
- 17 Councils that have delegated the entire LSA budget to schools avoid the problem of overspending on this item. However, schools maintained by these councils face genuine difficulties when additional needs arise during the year. This is particularly true where schools are small.

18 Head teachers in larger schools where LSA budgets have been delegated report that they are able to make far more flexible use of support staff than formerly. However, their ability to use staff flexibly requires statements to be written in a way that, where appropriate, avoids prescribing that the subjects of the statements should have the sole attention of the LSA for a specified number of hours each week. While such flexibility is desirable on educational as well as economic grounds, it may contravene the current legal interpretation of what a statement should include.

19 Decisions about the amount that should be delegated to schools and the method by which it is allocated are best agreed locally. In the best practice, such as in Rhondda Cynon Taf County Borough Council, decisions are taken within a strong partnership between the council and its schools, leading to a common determination to use both delegated and centrally-retained resources to their maximum advantage to meet the needs of pupils.

20 A prerequisite to the effective delegation of funding is that there should be a common and clear understanding by the council, its maintained schools and parents of the range and quantity of provision that schools are expected to provide using the resources delegated to them.

The ability of councils to monitor how much they spend on various types of SEN provision is improving but they are unable to compare their expenditure with that in similar councils

21 Councils are improving their knowledge of how SEN funding is spent. As part of this, schools should be held to account for delegated SEN expenditure and the quality of its use before additional resources are made available.

- Caerphilly County Borough Council has developed an effective tool for monitoring SEN expenditure by schools on a consistent basis.
- 22** A few councils such as Conwy County Borough Council also have a well-informed and up-to-date view of the quality of provision at each school, obtained as a result of regular monitoring. Such monitoring, together with effective self-evaluation by schools, is a key component of effective decision making with regard to the allocation of resources.
- 23** However, councils' understanding of the outcomes achieved by pupils with SEN is far less secure. Estyn's report, 'Evaluating outcomes for children and young people with additional learning needs', examines this issue in greater detail.
- 24** Few councils are yet using Pupil Level Annual School Census (PLASC)⁴ data as a basis for their own monitoring information. Schools therefore have to submit and update copies of their SEN registers to the council separately from the data entered into PLASC. This adds to the bureaucratic burden for schools and the duplication contributes to the fact that the records contained in PLASC differ from those held by the council. We found that Blaenau Gwent CBC is making good progress in using PLASC data.
- 25** Though councils generally have a thorough grasp of how much they spend on SEN provision, their ability to compare their own levels of expenditure with that elsewhere in Wales or more widely is very limited. The data reported to the Assembly Government via the Revenue Account (RA) Form and through S52 statements, and subsequently published in summary form, provides an inadequate and unreliable basis for comparison. These inconsistencies also affect other reported indicators such as the level of SEN expenditure that is delegated to schools.
- 26** Achieving more useful comparisons for councils would require budgets to be reported in much greater detail than is currently required. Such work might be achieved more effectively by all councils working together with the Assembly Government to benchmark information and data.
- Early work is underway at a few councils to evaluate the effectiveness of some types of SEN provision but, overall, such work is hampered by the limited availability of outcome data for pupils**
- 27** Most pupils with SEN are taught in mainstream schools and follow the National Curriculum (NC). Councils are increasingly able to monitor the progress of pupils with SEN, as a group, using the results of NC assessments. However, they do not set targets for the attainment of pupils with SEN as a distinct group.
- 28** National Curriculum assessment data does not necessarily provide an indicator of progress against the targets set in pupils' Individual Education Plans (IEPs). This is particularly the case where pupils' main learning difficulties are behavioural. In Blaenau Gwent County Borough Council, there are promising developments whereby SEN Co-ordinators (SENCOs) in schools assess the progress of each pupil in relation to his or her targets using a five-point scale.
- 29** Data such as this, together with cost and qualitative information from monitoring and surveys of parental satisfaction, can help councils evaluate the relative cost effectiveness of different types of provision. Such evaluations could, in turn, inform decisions about the placement of individual pupils and the planning of future provision for particular types of SEN.

⁴ PLASC, data from which is now available through the National Pupil Database (NPD)

Recommendations

Welsh councils should:	
R1	Routinely collect data about the progress of all pupils with SEN in such a way that it can be analysed by school, type and severity of SEN, and the nature of support provided.
R2	Agree with schools their responsibilities in relation to the use of any SEN funding delegated to them, ensuring that these are documented and easily accessible to schools and governors.
R3	Ensure that schools account for the expenditure of delegated SEN funding, providing guidance to ensure that schools adopt a consistent approach and to minimise the bureaucratic burden on schools.
R4	Complete RA returns in accordance with the guidance, and ensure that both parts 1 and 2 of their S52 statements clearly identify all agreed elements of SEN funding and are consistent with each other.
R5	Provide guidance to schools to improve the quality of SEN data that is entered into PLASC and make greater use of the data available through the NPD as part of the Monitoring Process.
R6	Work together, within and across councils, to secure the effective procurement, where necessary, of places in schools outside their boundaries.
Welsh councils and the Assembly Government should:	
R7	Develop benchmark data relating to the volume, cost and effectiveness of a broad range of SEN provision.
The Assembly Government should:	
R8	As part of its review of the Statutory Framework relating to SEN, issue clear guidance about the circumstances in which statements of SEN might include some flexibility in the definition of the level of resource to which the subject of the statement is entitled.

Detailed Report

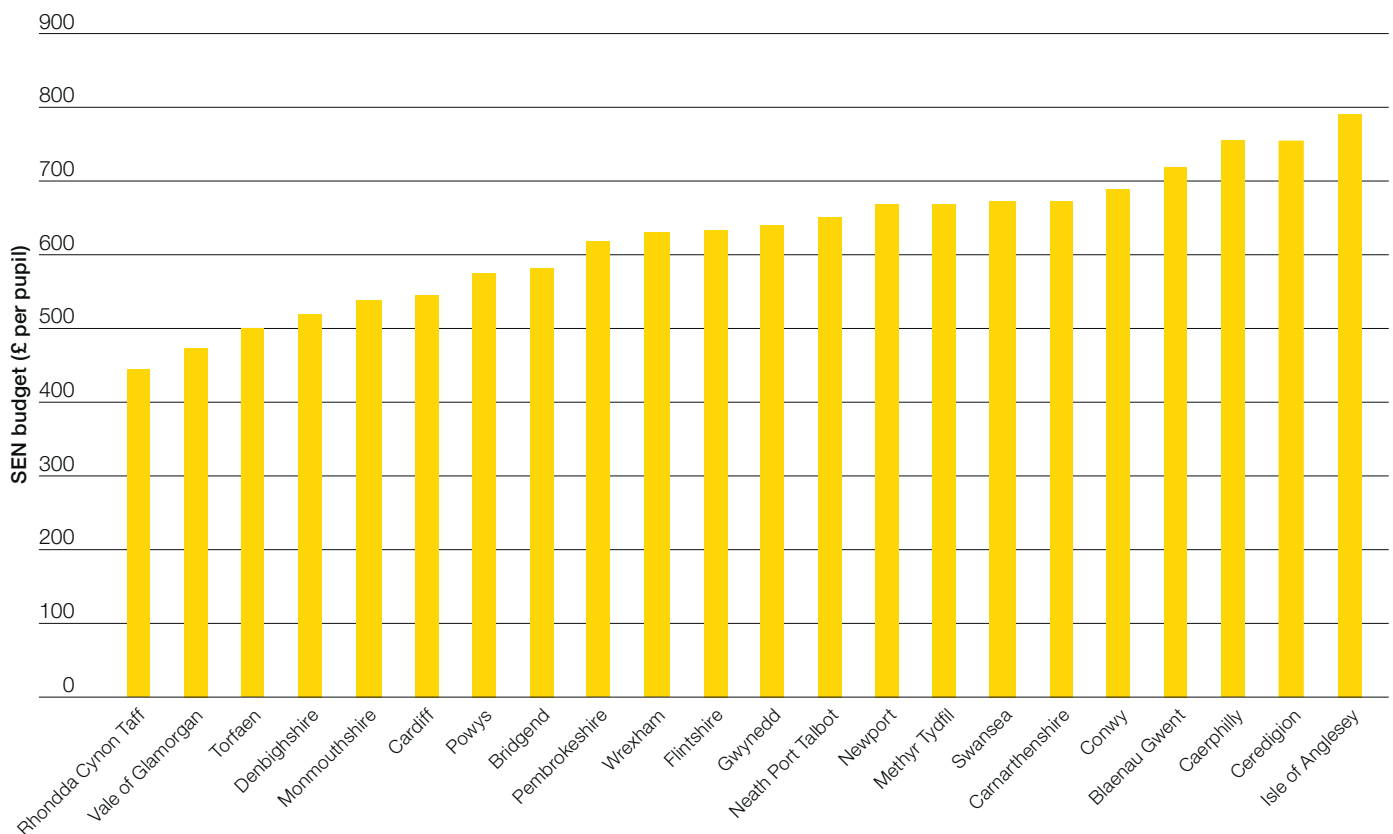
There is wide variation in the reported level of spending by councils on SEN, and in the way they plan and deploy SEN budgets. There is little correlation between these factors and the quality of provision

30 For 2006/2007, councils reported total SEN budgets that ranged between 9.7 per cent and 16.2 per cent of their gross education budgets. On average, councils budgeted a

total of £612 per pupil in maintained schools, but the figure varied between £444 per pupil in Rhondda Cynon Taf and £790 per pupil in Anglesey, as shown in [Exhibit 1](#).

31 Rhondda Cynon Taf County Borough Council has one of the lowest proportion of pupils with statements of SEN (1.5 per cent) and the Isle of Anglesey County Council has one of the highest (4.4 per cent). There is increasing correlation over time between the total reported SEN budget and the proportion of

Exhibit 1: Reported total SEN budget per pupil, 2006/2007



pupils with statements; those councils with a high proportion of pupils with statements tend to budget more per pupil for SEN in total, though there remain some exceptions.

- 32 There is weak correlation between the level of reported expenditure and the quality of provision, as determined by inspections by Estyn and the Wales Audit Office; reported SEN budgets in those councils judged to provide good-quality SEN services vary widely.

Generally, SEN budgets are set in order to reflect the previous year's level of spending. Expenditure is often well above the budget set and planning tends to focus on accommodating the overspend, rather than tackling its causes

- 33 Most councils tend to set SEN budgets to reflect the previous year's pattern of spending. Many councils spend in excess of their SEN budgets on a regular basis, in some cases by large sums. Fourteen of the 18 councils that responded to our questionnaire reported overspending on SEN budgets during 2005/2006. In total, this amounted to almost £4.2 million and, in the highest cases, represented over five per cent of the original SEN budget.
- 34 The budgets reported to the Assembly Government in RA forms and S52 statements therefore form an unreliable basis for the comparison of expenditure as SEN budgets and total expenditure are larger than that reported.

- 35 Overspending stems predominantly from one or both of two sources:
- unforeseen increases in the number or cost of out-of-county placements, particularly placements in independent special schools; and
 - unplanned increases in the number of LSA employed by the council to meet the needs of pupils with statements or on School Action Plus⁵.
- 36 Councils tend to address overspending by making one-off increases or by transferring resources from schools' delegated budgets into centrally-controlled SEN budgets. Neither approach deals with the underlying causes of overspending, and the latter reduces the flexibility available to schools to meet the needs of pupils with SEN from their own resources. The need to find a way of rectifying overspending from one year to the next tends to undermine longer-term planning that might address the underlying causes of the overspending.
- 37 Effective procurement of out-of-county placements is hindered, in some cases, by a lack of willingness within councils to work together across service boundaries. We were told that, in one council, this resulted in pupils being placed in provision that was farther away from their homes and approximately three times more expensive than if the services concerned had been able to agree more effective joint funding protocols.
- 38 Increased regional collaboration and improved procurement offer further opportunities to reduce costs, particularly in relation to out-of-county placements for pupils with ESB and

⁵ The SEN Code of Practice recommends a graduated response to a child's SEN. The response is divided into three stages, all of which should be implemented in consultation with parents:

- **School Action** – the school will provide additional support beyond what is provided as part of the standard curriculum.
- **School Action Plus** – the school seeks the help of external services, and teachers will be provided with advice or support by outside specialists.
- **Request for Statutory Assessment** – the school or the parents may request a statutory assessment if the stages above are not enough to meet the child's additional needs. The process may lead to the child becoming the subject of a statement of SEN.

other complex SEN. The limited availability of residential placements in maintained schools for pupils with complex ESD, in particular, means that most councils place small numbers of pupils in independent special schools. Placements such as these can cost as much as £250,000 each year. By working together, councils may be better able to provide facilities for such young people on a regional basis. Greater collaboration might also enable councils to secure more cost-effective rates in out-of-county provision (whether independent or otherwise) by jointly procuring a number of places in schools with a proven track record, rather than having to resort to making hurried, one-off procurement decisions. In addition to reducing costs, such action might reduce the number of pupils who are placed in residential provision a long way from their families and friends.

- 39 The recent report by the Audit Commission on 'Out-of-authority placements for special educational needs'⁶ offers evidence of good practice in terms of regional collaboration between councils in England. The report refers to the Developing Partnerships Project, established in 2002 by the South Central and South East Regional Partnerships (SCRIP and SERSEN), comprising 19 councils. The overarching aim of the project has been to promote better understanding and closer working relationships between councils and out-of-authority special schools. During 2005/2006, the percentage increase in the average cost per placement in SCRIP and SERSEN was 6.4 per cent compared to the national average of 15.3 per cent. In cash terms, this yielded savings of about £9 million. Details of the joint working

principles and the preferred providers list are available on the regional partnerships' websites: www.sersen.uk.net and www.scrip.uk.net.

- 40 Some councils are responding to the increasing demand for provision for pupils with ESD in order to try to reduce expensive out-of-county provision.

Planning specialist provision

Neath Port Talbot County Borough Council

Velindre Community School is a new 14-place ESD provision opened in September 2006 by Neath Port Talbot County Borough Council. It has helped free up places in the Pupil Referral Unit that had been occupied by pupils with long-term needs. It has also helped to reduce expensive out-of-county placements.

Contact: **Heather Reid – Co-ordinator Support for Inclusion** – h.reid@neath-porttalbot.gov.uk

- 41 There are other examples of councils in Wales working together to provide aspects of their SEN provision. Most have grown out of the arrangements that existed before local government reorganisation in 1996 but they nevertheless offer economies of scale and help to avoid unnecessary duplication. The former Gwent authorities, for example, share a Specialist Teacher Service in order to provide for pupils with low-incidence SEN such as visual impairment. In Gwynedd and Anglesey, the Educational Psychology Service, Statementing Service and specialist teaching are delivered by a Joint Committee working on behalf of both councils. The Isle of Anglesey County Council and Conwy County Borough Council have each agreed to fund a specific number of places at a non-residential special school located in Gwynedd.

⁶ 'Out-of-authority placements for special educational needs', Audit Commission, 2006. <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=C0D9C7D0-B4D6-4c31-BEE9-237FEDBE05E2&SectionID=sect6#>

- 42 In a few cases, councils plan more effectively for the longer term. For example, they have increased local specialist provision to cater for pupils with SEN who are known to be entering the school system, as a result of effective sharing of information, or in response to clear trends. Such planning enables councils to develop additional specialist provision where necessary, and to divert resources from facilities for which demand may be falling. This helps to manage the financial risk associated with the need to make more out-of-county placements, as well as limiting the reputational risks associated with being unable to meet demand locally.

Projecting the future demand for resources

Cardiff County Council

Cardiff County Council identifies the number of pupils with different levels of special need in each year group, including three and four-year olds. These are rolled forward to project the demand for specialist resources in future years, enabling Cardiff County Council to assess and manage the financial risk that would be associated with a lack of adequate specialist provision within the city. Budgets are also risk managed to allow for the possible impact of an influx of hospital users and migrant workers.

Contact: **Debbie Mitchell – Head of Inclusion** – demitchell@cardiff.gov.uk

- 43 Another feature of effective forward planning is enabling mainstream schools to provide, from their own resources, for pupils with more common types of SEN such as dyslexia, moderate learning difficulties and less severe behavioural difficulties. When schools can provide in this way from within their delegated budgets, they reduce the demand on the council for additional resources and help to ensure that specialist provision is available for those pupils whose needs are more severe.

Increasing the capability of mainstream schools

City and County of Swansea

The Annual SEN Survey in Swansea is a mechanism for driving resources directly to schools for named children who have mild to moderate SEN including dyslexia, moderate learning difficulties or less severe behavioural difficulties. This mechanism, coupled with initiatives such as the Dyslexia Friendly Schools Initiative, the Speech and Language Strategy, and the Attention Deficit Hyperactivity Disorder (ADHD) and Autism strategies ensure that:

- appropriate resources are in schools to meet the needs of children with SEN; and
- staff are appropriately trained to meet childrens' needs.

An example of this approach is the Dyslexia Friendly Schools Initiative, started in 1997 in response to an increasing number of statements being issued for dyslexia. The initiative funds both Welsh-medium and English-medium schools to train teachers and learning support staff in supporting pupils with dyslexia. The training, which is accredited by the British Dyslexia Association (BDA), enables schools, through supported whole-school self-evaluation, to achieve Dyslexia Friendly School status. The Education Service has developed the criteria for this status in partnership with a range of professionals, parents and other parties, including the BDA. To date, some 150 teachers in 98 per cent of schools have been trained through the programme. The Education Service monitors the quality of teaching in schools that are funded and facilitates the sharing of good practice through conferences, meetings and newsletters. The model used for dyslexia-friendly schools has been adopted to provide support for schools with pupils who have autism, ADHD, and speech and language difficulties.

Contact: **Robin Brown – Head of Education Inclusion** – Robin.Brown@swansea.gov.uk

- 44 Good forward planning can lead to higher expenditure in the short term on training and the cost of providing new facilities. However, higher levels of initial investment have the potential to

reduce costs in the longer term by reducing the number of pupils placed in expensive out-of-county provision, and by increasing schools' capacity and confidence in catering for SEN.

Approaches to the delegation of SEN funding to schools vary widely

- 45 There is wide variation in the amount of SEN funding that councils delegate to schools, and in the criteria that govern its allocation. In 2006/2007, councils reported that, on average, 56 per cent of total SEN expenditure was delegated to schools, the amount varying between 79 per cent in Denbighshire and 23 per cent in Anglesey. The budget for LSA to support pupils on School Action Plus or with statements is the largest single item contributing to the variation in the amount delegated.
- 46 There is no clear link between the rate at which councils delegate SEN funding to schools and the overall quality of provision, as judged by inspections by Estyn and the Wales Audit Office. There is little evidence to suggest, either, that the total level of SEN expenditure is linked to the rate of delegation.
- 47 Most councils that retain central control of the LSA budget face pressure from schools throughout the year to provide additional LSA support for pupils whose needs have become more severe, or who have transferred to the school during the year. These pressures are generally the cause of overspending on the LSA budget. Councils have established moderation panels to deal with these pressures. While such panels ensure greater consistency and transparency in the allocation of additional resources, the panels themselves are resource-intensive, and detract from the time available to monitor and improve the quality of provision in schools.

- 48 There are a few examples of councils with low levels of delegated SEN funding, but where schools and the council work effectively in partnership to provide good services within a framework of sound budgetary control. Councils such as Rhondda Cynon Taf County Borough Council, for example, have developed a good range of in-county specialist provision for pupils with SEN, and relations between the councils and schools are characterised by strong trust. As a result, schools and the council work effectively in partnership, maximising the value of the resources that each is able to contribute.

Low delegation with strong partnership working

Rhondda Cynon Taf County Borough Council

Rhondda Cynon Taf adopts a county-focused approach to SEN provision, with a wide range of provision available across the county borough and with relatively low levels of delegation to schools. The LSAs budget for supporting individual pupils on School Action Plus is held centrally, together with all support for statemented pupils. Nevertheless, this has not led to excessive demands by schools for additional support. Rhondda Cynon Taf County Borough Council has one of the lowest levels of statementing in Wales and it also has one of the lowest reported levels of total SEN spend.

Most schools do not want further delegation, but prefer the certainty that central resources are available for pupils who need support beyond what is possible at School Action. Schools' support for Rhondda Cynon Taf County Borough Council's SEN funding arrangements is evidenced by very positive feedback in the Audit Commission's Annual School Perception Survey.

Officers and headteachers believe that the effective joint working between schools and Rhondda Cynon Taf County Borough Council in relation to SEN are the result of constant dialogue and mutual trust together with agreed and transparent systems.

Contact: **Ceirion Williams – Acting Head of Access and Inclusion** – Ceirion.Williams@rhondda-cynon-taff.gov.uk

49 Councils that manage the LSA Team centrally are better placed to ensure that these staff have access to appropriate opportunities for professional development. They also have greater control over the deployment of this workforce, so that, for example, staff with particular areas of expertise may be more easily redeployed if the pupils they support should leave the school at which they work, or no longer require their support. This helps to ensure that the resources available within the LSA Team are used effectively across the authority.

51 Schools are understandably reluctant to accept delegation of the LSA budget in authorities where they perceive that the budget may not meet needs, or that delegation may be a means of transferring responsibility to schools for a budget that has not successfully been managed centrally.

52 Councils such as Blaenau Gwent County Borough Council and Gwynedd Council are seeking to overcome the problems faced in small schools by allocating SEN resources to clusters of schools, so that they work together to meet the needs of pupils with SEN. In addition to making better use of resources, such an approach encourages the sharing of good practice.

53 Headteachers in larger schools where LSA budgets have been delegated report that they are able to make far more flexible use of support staff than formerly. For pupils with statements, however, their ability to use staff flexibly in this way requires that statements are written in a way that, where appropriate, avoids prescribing that the subjects of the statements should have the sole attention of the LSA for a specified number of hours each week. For certain pupils, such flexibility is desirable on educational grounds as well as economic grounds because, wherever possible, pupils need to increase their ability to function independently.

54 However, statements that lack a clear reference to the level of support to which the subject is entitled are likely to contravene legal requirements. The SEN Code of Practice makes it clear that councils should not adopt policies whereby the level of provision in statements is not quantified. A judgement in the Court of Appeal in 2003 acknowledged that the law provides for some flexibility in specifying provision in statements but noted

Efficient use of centrally-employed teaching assistants

Conwy County Borough Council

The large team of teaching assistants that provides a high level of support for pupils in mainstream classes is well managed by the authority. A comprehensive Training Programme of induction, general and specialist training has been in place for some time. The Education Service co-ordinates this programme, which leads to a National Vocational Qualification at Level 3. As a result, the authority is able to match an increasingly well-qualified pool of staff to the needs of individual pupils and schools across the county borough.

Contact: **Lesley Wilson – Teaching Assistant Co-ordinator** – Lesley.wilson@conwy.gov.uk

50 Councils that have delegated the entire LSA budget to schools avoid the problem of overspending on this item. However, schools maintained by these councils face genuine difficulties when additional needs arise during the year. This is particularly true where schools are small and have limited flexibility in their ability to deploy staff within the school. Some councils that have delegated LSA funding to schools are considering setting up contingency arrangements that would enable schools to access additional staffing to cope with unforeseen new demands.

that ‘...any flexibility built into the statement must be there to meet the needs of the child and not the needs of the system’⁷.

- 55 Councils allocate delegated SEN resources to schools using a range of methodologies, often in combination, all of which have both advantages and disadvantages. Methods that relate to individual pupils and their needs target resources precisely to those schools where they are most needed. However, such methods also tend to create additional demand because there is a financial incentive for schools to identify more pupils that fulfil the necessary criteria. On the other hand, methods of distributing resources that rely on pupil numbers or on proxy measures of deprivation avoid such incentives, but they are less precise in targeting resources to need.
- 56 Decisions about the amount that should be delegated to schools and the method by which it is allocated are best agreed locally. Such decisions are best taken within a strong partnership between the council and its schools, leading to a common determination to use both delegated and centrally-retained resources to their maximum advantage to meet the needs of pupils.
- 57 A prerequisite to the effective delegation of funding is that there should be a common and clear understanding by the council and its schools of the amount of SEN funding allocated to schools within their delegated budgets, and the range and quantity of provision that schools are expected to provide using these resources.

The ability of councils to monitor how much they spend on various types of SEN provision is improving but they are unable to compare their expenditure with that in similar councils

- 58 Most councils monitor centrally-retained SEN budgets carefully, though a few record SEN expenditure at too high a level of detail to support managers in undertaking detailed analysis and subsequent planning. More generally, councils are increasingly able to analyse the way in which centrally-controlled budgets are deployed in support of pupils at individual schools, and can relate this analysis to the type of SEN and the nature of the support that is provided.
- 59 There are also some promising developments that enable councils to monitor the use of SEN funding delegated to schools. Schools should be held to account for this expenditure and the quality of its use before additional resources are made available. Caerphilly County Borough Council have made good progress in developing a clear and consistent means of monitoring schools’ use of delegated SEN funding, linked to a structured self-evaluation tool that also enables officers to monitor the quality of provision in schools.

⁷ Court of Appeal judgement, 20 January 2003: *The Queen (on the application of IPSEA Ltd) v the Secretary of State for Education and Skills*, quoted in ‘The Management of SEN Expenditure’, DFES, 2004

Monitoring the use by school of delegated SEN funding

Caerphilly County Borough Council

Celebrate, Refine, Improve, Support (CRIS) 2 is a SEN self-evaluation profile for schools. The profile has been developed by the Education and School Improvement Service, the Advisory Service shared by four neighbouring councils. It includes an analysis of each school's income and expenditure on SEN. Using a well-designed spreadsheet, schools complete a financial breakdown each year, showing all sources of SEN income together with an analysis of SEN expenditure including, for example, the cost of creating smaller classes for pupils with SEN. All schools are now required to complete the financial analysis, and, in future, no new requests for support will be considered without the analysis being available to the Moderating Panel.

CRIS2 also requires schools to include comprehensive data about each pupil on their SEN registers. Caerphilly County Borough Council collates this data to form an SEN database that allows it to analyse, for example, the degree of movement at each school up and down the stages of the SEN Code of Practice. This data adds transparency to the allocation of SEN resources and contributes to Caerphilly County Borough Council's monitoring of the quality of provision.

The next phase of CRIS2 development in Caerphilly is the inclusion of pupil outcome data. This will enable the LEA to evaluate the comparative effectiveness of different forms of provision across the authority. It will also greatly assist schools in their self-evaluation.

Contact: **Geraint Willington – SEN Finance Officer**
– willig1@caerphilly.gov.uk

- 60 Councils are therefore getting better in terms of knowing how the money is spent. In the best examples, they also have a well-informed and up-to-date view of the quality of provision at each school, obtained as a result of regular monitoring.

Monitoring the quality of provision in schools

Conwy County Borough Council

Conwy County Borough Council delegates SEN funding to its primary schools on the basis of an annual SEN audit, based on standardised literacy and numeracy tests. Officers know exactly how much money each school has received and what it should be used for. The progress of pupils identified through the audit is monitored at two further meetings during the year, contributing to Conwy County Borough Council's information about the quality of SEN provision in schools. However, Conwy County Borough Council also employs four inclusion teachers, funded partly by schools. These teachers play an advisory role in schools but also link closely with the Educational Psychology Service, providing first hand information about individual pupils and about how well schools are meeting their needs. This information is particularly valuable in making decisions about the allocation of additional resources to schools for pupils at School Action Plus and in considering requests for statements.

Contact: **Richard Ellis Owen – Principal Chartered Educational Psychologist** – owen.richard@conwy.gov.uk

- 61 Such monitoring, together with effective self-evaluation by schools, is a key component of effective decision making with regard to the allocation of resources. However, councils' understanding of the outcomes achieved by pupils with SEN is far less secure. Estyn's work on 'Evaluating the outcomes for children and young people with additional learning needs' examines this issue in greater detail.
- 62 In most councils, schools have to submit and update copies of their SEN registers to the council separately from the data entered into PLASC. In addition to adding to the bureaucratic burden for schools, this duplication contributes to the fact that the records contained in PLASC

differ from those held by the council. Special education needs service managers generally have too little awareness of the PLASC data submitted by their schools which, in many cases, is of variable quality. Forthcoming improvements in PLASC are likely to help improve the quality of data and its usefulness to managers.

- 63 A small minority of councils have begun to use PLASC⁸ data as a basis for their monitoring data.

A pupil database linked to information on pupil progress

Blaenau Gwent County Borough Council

Blaenau Gwent's database contains data for all SEN pupils, including those educated outside the county borough. It contains information about each pupil's identity, the nature of their needs, and the type and location of provision. Pupils' attendance is also recorded. For pupils educated within the authority, the data is easily linked at individual pupil level to PLASC data and to the system containing information about pupil attainment. Schools are therefore not required to enter pupil-level data in more than one place.

PLASC data includes each pupil's stage on the SEN Code of Practice, the need type (up to two types of need per pupil and the ranking of these) and the date of the last review. Blaenau Gwent County Borough Council has also piloted the recording within PLASC of a categorisation of the nature of provision for each pupil. To date, SENCOs and senior managers in the authority are reported to be very positive about the value of these categories in helping to describe the different kinds of provision that SEN pupils experience.

Contact: **Phill Bowker** – phill.bowker@blaenau-gwent.gov.uk

- 64 Though councils generally have a thorough grasp of how much they spend on SEN provision, their ability to compare their own levels of expenditure with that elsewhere in Wales or more widely is very limited.

- 65 Budgeted SEN expenditure reported to the Assembly Government via the RA Form and through S52 statements, and subsequently published in summary form, provides an inadequate and unreliable basis for comparison. This is mainly because:

- Councils do not always adhere to the guidance when completing RA forms.
- The reporting of grant income, especially Cymorth funding, is inconsistent and distorts attempts at comparison.
- The data reported excludes the significant level of home-to-school transport costs for pupils with SEN.
- Councils vary in the extent to which they identify and report in S52 statements an element of SEN funding within the age-weighted pupil funding that is allocated to all schools. In some councils, therefore, the cost of items such as responsibility allowances for SENCOs and the creation of smaller classes in secondary schools are counted as SEN expenditure whereas, in others, they are not.

- 66 These inconsistencies also affect other reported indicators such as the level of SEN expenditure that is delegated to schools. Accounting systems also inflate the rate of delegation misleadingly in those councils that receive more income from other authorities than they spend on out-of-county placements. This is because the income received reduces the reported level of centrally-

⁸ PLASC, data from which is now available through the National Pupil Database (NPD)

retained expenditure, while the cost of providing for pupils placed by other councils is reflected within the SEN expenditure delegated to schools.

- 67 If budgeted expenditure were reported on a consistent basis, councils would be better placed than currently to compare aggregate levels of planned SEN expenditure. However, more useful comparisons would require budgets to be reported in much greater detail than is currently required. Such work might be achieved more effectively by councils working together with the Assembly Government to benchmark information and data.

Early work is underway at a few councils to evaluate the effectiveness of some types of SEN provision but, overall, such work is hampered by the limited availability of outcome data for pupils

- 68 Most pupils with SEN are taught in mainstream schools and follow the NC. Councils are increasingly able to monitor the progress of pupils with SEN as a group using the results of NC assessments, but we found no examples where targets were set for the attainment of pupils with SEN as a distinct group. Furthermore, NC assessments occur only at the end of key stages, providing relatively infrequent opportunities to check on progress. Other councils use standardised reading tests annually; these provide a more frequent measure

of progress and are particularly valuable in relation to the many pupils whose learning difficulties are primarily in the field of literacy.

- 69 However, such data does not necessarily provide an indicator of progress against the targets set in pupils' IEPs. This is particularly the case where pupils' main learning difficulties are behavioural. In Blaenau Gwent, there are promising developments whereby SENCOs in schools assess the progress of each pupil in relation to his or her targets using a five-point scale.


Assessing pupils' progress in relation to their individual targets

Blaenau Gwent County Borough Council

Blaenau Gwent County Borough Council has added an additional record to the PLASC data enabling SENCOs to record their judgement of the progress made by each pupil. These judgements are recorded on a scale of one to five, with criteria developed for each grade. While there remains a degree of subjectivity in these assessments, they represent a valuable step forward in beginning to record the progress made by pupils in relation to the targets set in their IEPs.

The data, linked with information about pupils' needs and the nature of provision they receive and NC performance data, allows staff at both school and council levels to analyse the progress of specific groups of pupils to look for areas where provision is particularly successful or relatively unsuccessful and in need of review.

Contact: **Phill Bowker** – phill.bowker@blaenau-gwent.gov.uk



70 Data such as this, together with cost and qualitative information derived from monitoring and surveys of parental satisfaction, can enable councils to evaluate the relative cost effectiveness of different types of provision. Such evaluations could, in turn, inform decisions about the placement of individual pupils and the planning of future provision for particular types of SEN. While some councils have parts of this matrix in place, we have found no examples of such systematic evaluation.