

Dadansoddi ar gyfer Polisi



Analysis for Policy

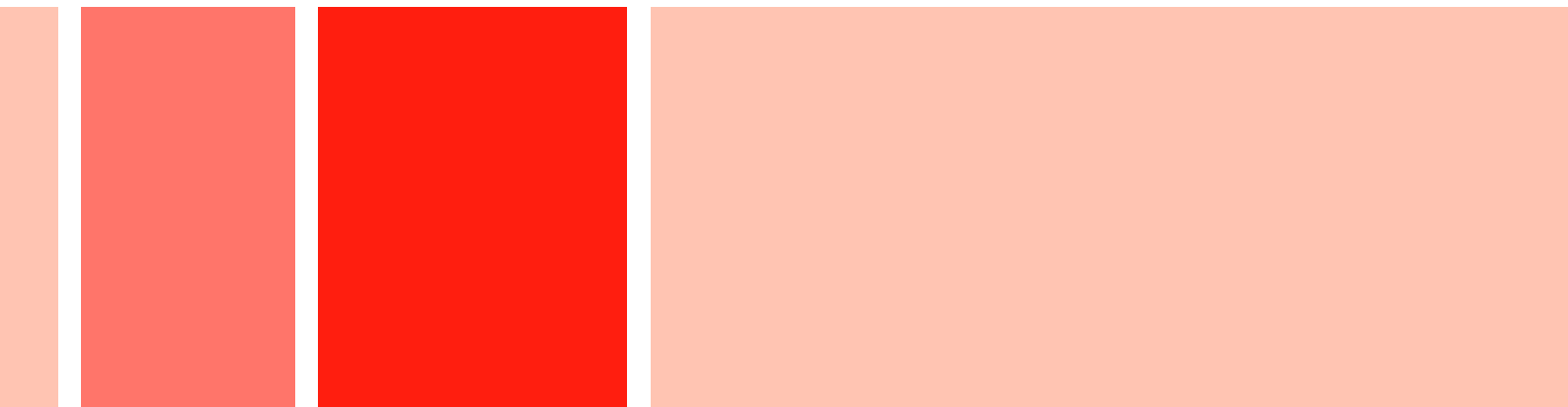


Llywodraeth Cymru  
Welsh Government

Number: 26/2012

[www.cymru.gov.uk](http://www.cymru.gov.uk)

# **Programme of Action Research to Inform the Evaluation of the Additional Learning Needs Pilot: interim report on the costs of the statutory reform of special educational needs provision**



**Programme of Action Research to Inform Evaluation of the  
Additional Learning Needs Pilot Developmental Phase:  
interim report on the costs of the special educational  
needs reform**

**Dr Duncan Holtom with Dr Sarah Lloyd-Jones and Jack  
Watkins  
The People and Work Unit**

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:

Dr Karen Bathgate

Knowledge and Analytical Service

Welsh Government

Cathays Park

Cardiff

CF10 3NQ

Tel: 02920 821628

Email: karen.bathgate@wales.gsi.gov.uk

Welsh Government Social Research, 2012

978 0 7504 7670 6

© Crown Copyright 2012

## Table of Contents

|  |    |
|--|----|
| Glossary of Acronyms .....   | 3  |
| Executive Summary .....  | 5  |
| 1. Introduction.....   | 21 |
| 2. The need for reform of the statutory framework for children and young people with special educational needs .....                 | 28 |
| 3. Approach and methods .....  | 36 |
| 4. Start-up costs: building the capacity of the reformed system .....  | 41 |
| 5. The operational and consequential costs of reform of the quality assurance framework.....   | 55 |
| 6. The operational and consequential cost of reform of arrangements for the individual planning and review of provision for ALN..... | 58 |
| 7. The operational costs of key working and key workers .....  | 68 |
| 8. The operational costs of the ALNCo/SENCo role.....  | 70 |
| 9. Conclusions.....  | 76 |
| Bibliography .....   | 80 |

## **Tables**

|  |    |
|--|----|
| Table 1: start-up costs.....                                     | 11 |
| Table 2: the operational and consequential costs of reform ..... | 15 |
| Table 3: types of co-ordination of an IDP .....                  | 69 |

## **Figures**

|  |    |
|--|----|
| Figure 1: overview of the shortcomings at each stage of the process .....                                      | 7  |
| Figure 2: intended outcomes of reform.....   | 8  |
| Figure 3: overview of the shortcomings at each stage of the process .....                                      | 33 |
| Figure 4: intended outcomes of reform.....   | 35 |
| Figure 5: the individual planning, assessment and review cycle for children and<br>young people with ALN ..... | 37 |

## **Glossary of Acronyms**

|        |  |
|--------|--|
| ALN    | Additional learning needs                    |
| ALNCo  | Additional Learning Needs Co-ordinator       |
| ARR    | Assessment, recording and reporting          |
| CCNUK  | Care Council Network United Kingdom          |
| DCSF   | Department for Children, School and Families |
| DfES   | Department for Education and Skills          |
| ELLS   | Education, Lifelong Learning and Skills      |
| EPD    | Early Professional Development               |
| IDP    | Individual development plan                  |
| IEP    | Individual Education Plan                    |
| IT     | Information technology                       |
| ITT    | Initial Teacher Training                     |
| LA     | Local authority                              |
| MCIS   | Monitor, challenge, intervention and support |
| NAfW   | National Assembly for Wales                  |
| NCSL   | National College for School Leadership       |
| NDA    | National Disability Authority                |
| NQT    | Newly qualified teacher                      |
| PCP    | Person-centred planning                      |
| PLASC  | Pupil Level Annual School Census             |
| QAS    | Quality assurance system                     |
| SALT   | Speech and language therapy                  |
| SEN    | Special educational needs                    |
| SENCo  | Special Educational Needs Co-ordinator       |
| SENTW  | Special Educational Needs Tribunal for Wales |
| SIMS   | Schools Information Management System        |
| SMT    | Senior management team                       |
| TA     | Teaching Agency                              |
| TAC    | Team around the child                        |
| TDA    | Teacher Development Agency                   |
| TAPPAS | Team around the pupil, parent and school     |
| TLR    | Teaching and Learning Responsibility         |

|     |                           |
|-----|---------------------------|
| WAG | Welsh Assembly Government |
| WG  | Welsh Government          |
| WAO | Wales Audit Office        |

# Executive Summary

## Introduction

1. This interim report on the costs of the proposed reform of the statutory framework for children and young people with special educational needs is part of a programme of action research to inform the evaluation of the Additional Learning Needs Pilot projects. One of the objectives for the programme of action research was to 'review the overall management and implementation of the pilots and identify features of good practice that can be used to inform future implementation. This will include the practical aspects of delivery and a cost benefit analysis' (WAG, unpublished document a). At the request of the Welsh Government, this cost analysis goes beyond the pilots to consider other important aspects of the proposed reforms and focuses primarily upon the net costs of reform.
2. The aim of the report is to identify the net costs of the proposed reform of the statutory framework for children and young people with special educational needs. The findings from the cost analysis will be used to inform the development of the proposed reforms.

## Context: the need for reform

3. Reviews of special educational needs provision in Wales, undertaken by the Education, Lifelong Learning and Skills Committee (NAfW, 2004a, 2006, 2007), Estyn (2003, 2004, 2007), the Audit Commission (2002a) and the initial Welsh Government consultation with stakeholders (WAG, 2008) have identified a series of weaknesses in relation to each stage of the process for meeting special educational needs - identification, assessment, planning and review - and in relation to quality assurance and evaluation of the process. Figure one below provides a summary of the key weaknesses.
4. These weaknesses, in turn, contribute to poor outcomes for many children and young people and contribute, to parents' and carers' dissatisfaction and, in some

cases, anger over problems such as delays, the poor quality of provision, and the complexity of the process. The weaknesses also contribute to poor value for money for the state. For example, failure to intervene early and effectively can lead to problems escalating and becoming more expensive to deal with, parental disaffection can lead to costly disputes and professionals' time can become disproportionately tied up in completing paperwork.

5. A range of intended outcomes of reform have also been identified and are summarised in figure two. This illustrates how improvements to each stage of the process of identification, assessment, planning and review are expected to lead to a range of intermediate outcomes, such as better partnership working with parents and carers which are, in turn, intended to contribute to final or long-term outcomes such as increased trust and confidence in the system.

### **Assessing the costs of the Additional Learning Needs Pilots**

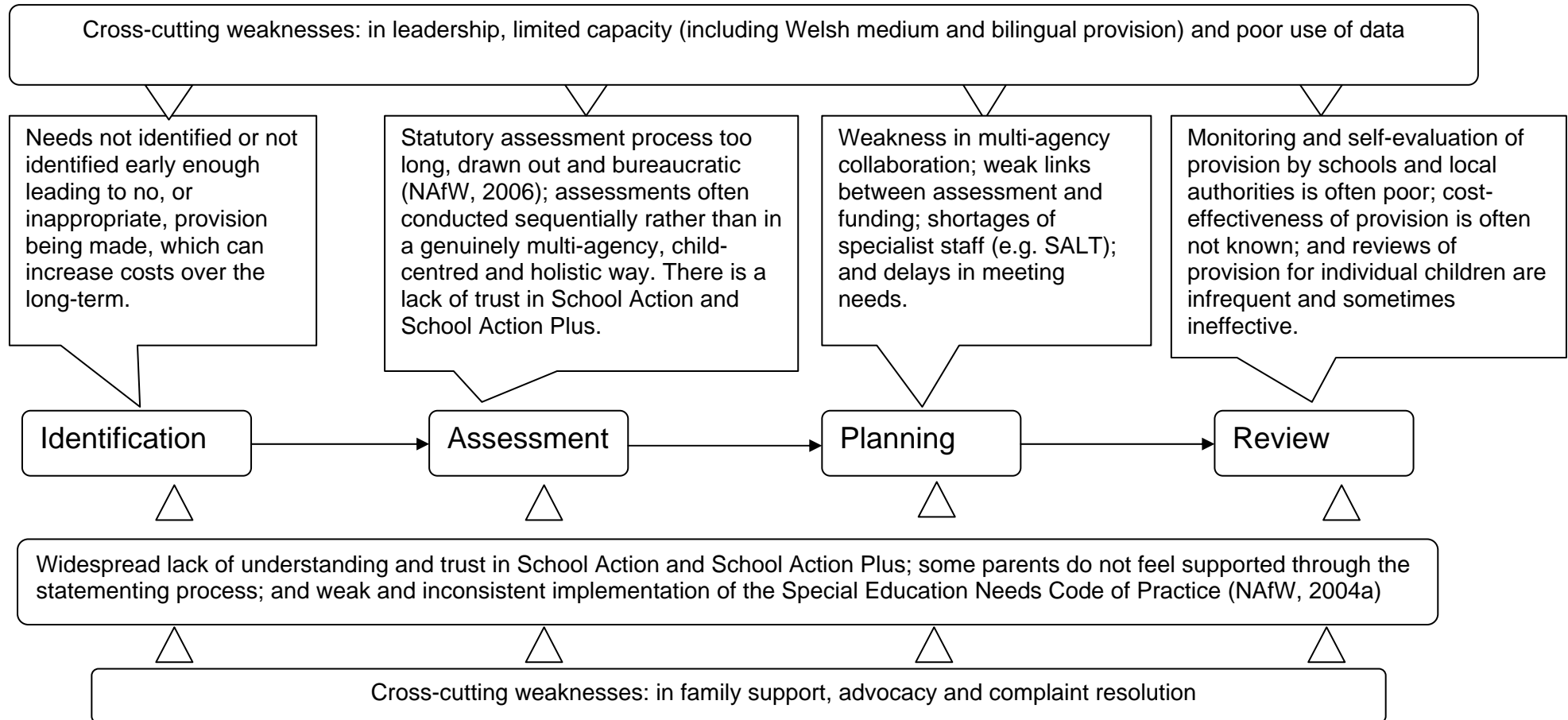
6. In 2009, four pilot projects (see boxed text below) started as part of a programme of action research designed to inform and enable reform of the statutory framework for children and young people with special educational needs in Wales. This assessment of costs is based on the work of the pilot projects.

#### **The Additional Learning Needs Pilot projects**

- pilot A, to develop and pilot a model for the quality assurance of provision made for children and young people with additional learning needs (undertaken by Flintshire and Caerphilly local authorities);
- pilot B, to develop and pilot an inter-disciplinary model for the identification, assessment, planning and review of provision for children and young people with severe and/or complex needs (undertaken by Carmarthenshire and Torfaen local authorities);
- pilot C, to develop and pilot a model for the identification, assessment, planning and review of provision for children and young people with additional learning needs that are not severe and/or complex (undertaken by Torfaen, Bridgend and Pembrokeshire local authorities); and
- pilot D, to develop the role of the Special Educational Needs Co-ordinator/Additional Learning Needs Co-ordinator (SENCo/ALNCo) (undertaken by Cardiff and Newport local authorities).

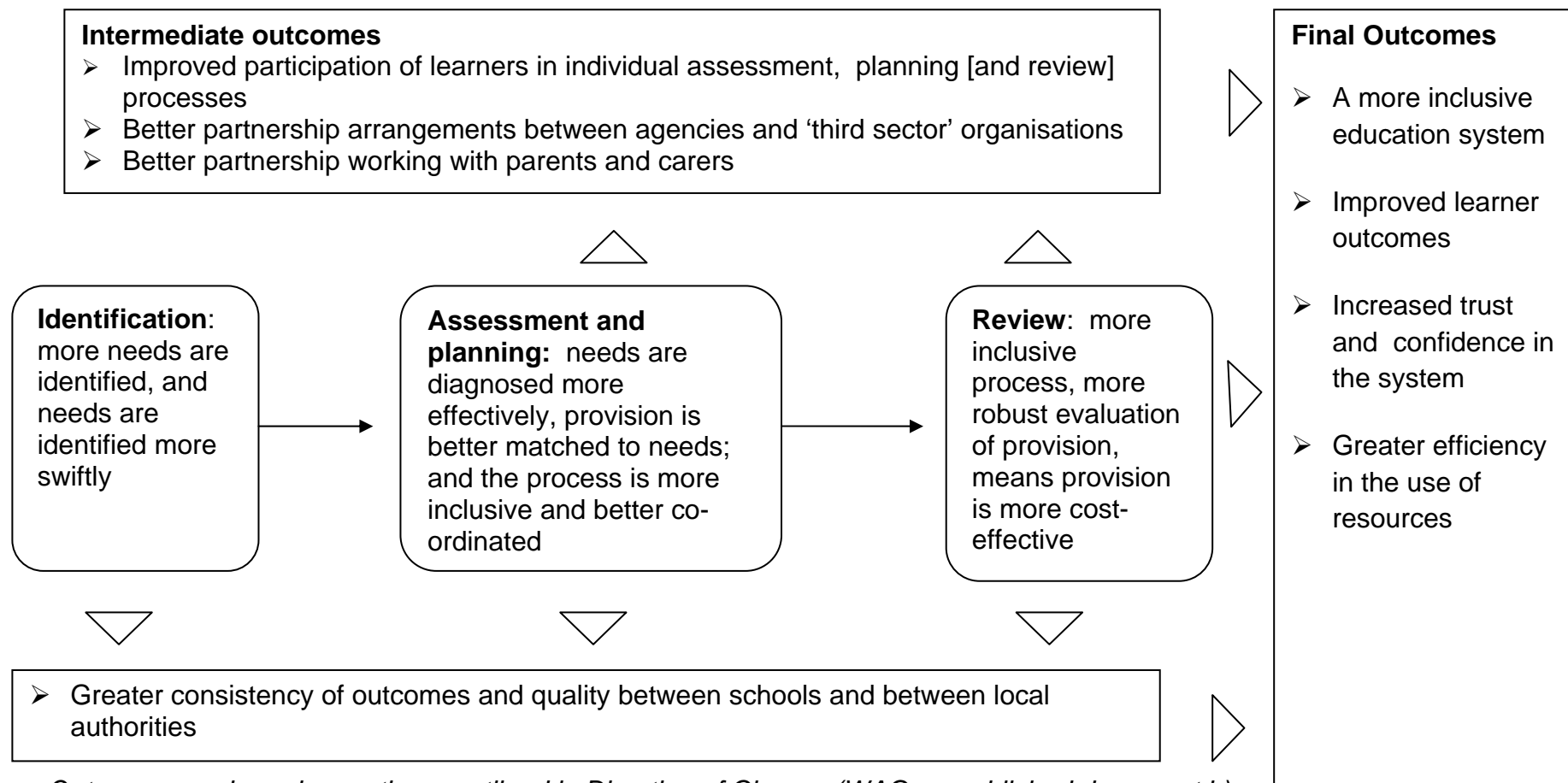


**Figure 1: overview of the shortcomings at each stage of the process<sup>1</sup>**



<sup>1</sup> Although the key stages, identification, assessment, planning and review, are presented in a linear sequence in order to illustrate the weaknesses, they should be thought of as a cycle.

**Figure 2: intended outcomes of reform**



*Outcomes are based upon those outlined in Direction of Change (WAG, unpublished document b).*

7. The analysis undertaken for this report considers three types of costs:
- start-up costs - the costs of establishing the elements of reform;
  - operational costs - the cost of operating the reformed elements; and
  - consequential costs - the net impact of reform on the costs of other services.
8. In order to assess the net costs of reform, where possible, for each of the above costs, we identify:
- the cost of provision where there is an existing statutory duty, but existing resources will need to be redeployed. The costs here are not additional to existing costs, but mean that there is an opportunity cost, because alternative uses of the resources are forgone<sup>2</sup>. For example, if a teacher attends a training course, they cannot teach during the period of training;
  - the cost of provision where there is an existing statutory duty, but where, because the duty has not been consistently or fully met, the reforms may result in increased expenditure;
  - the cost of provision where there is no existing statutory duty; and
  - cost savings where existing provision can be decommissioned, re-assigned or rationalised. A distinction is also made between short and long-term cost savings, as in some cases it may not be possible in the short-term to decommission provision, meaning that there will be a temporary duplication of provision, with parallel systems operating, until existing provision can be decommissioned.
9. There are some important limits to this cost analysis:
- although key elements of the proposed reforms, such as individual development plans (IDPs), have been developed, they have not been fully piloted. Therefore,

---

<sup>2</sup> The HM Treasury Green Book recommends that when assessing the costs of options, "Costs should be expressed in terms of relevant opportunity costs". It provides the example of the alternative use of an employee's time and recommends that cost estimates should include basic salaries, pensions, national insurance and allowances (HM Treasury, 2011, 20). This is the approach adopted here.

the majority of the costs of reform cannot be measured empirically and must be estimated;

- the proposal for reform of the statutory framework for special educational needs have not yet been finalised, and the formal consultation process on the proposals is not scheduled to begin until June 2012. Therefore, the proposals, and the consequential costs are necessarily provisional;
- the estimates of cost were made by people directly involved in the pilot projects. They were committed to the reforms and may, therefore, have tended to be more optimistic than pessimistic when calculating estimated costs<sup>3</sup>;
- the extent to which estimates of costs based upon work in pilot areas, can be generalised to non-pilot areas, is uncertain;
- the analysis does not include those costs that are related to reform of the statutory framework but which are not part of the Additional Learning Needs Pilot, such as costs associated with, for example, reforming family support, advocacy and complaint resolution arrangements, costs associated with reforming Initial Teacher Training (ITT) and Continuing Professional Development; and
- in many cases it is not possible to estimate the net costs of reform, because detailed data on the current service costs are not available. This means, for example, while it may be possible to estimate the cost of introducing reformed systems, it is not always possible to estimate the cost savings generated by decommissioning existing systems.

10. Therefore, the cost estimates need to be treated with an appropriate degree of caution and do not represent a comprehensive estimate of the total costs of reform.

11. Tables one and two summarise the net costs that have been identified at this stage.

---

<sup>3</sup> This is described by the HM Treasury Green Book as 'optimism bias', the 'demonstrated, systematic, tendency for project appraisers to be overly optimistic' (HM Treasury 2011, 29).

**Table 1: start-up costs**

All figures relate to the cost for Wales as a whole and are round up or down to the nearest £500

| Type of cost   | Estimates of the net start-up costs  | Nature of the costs                                 | Notes  |
|--|--|---|--|
| Delegating resources to schools  | Cost neutral: can be done 'in house' using existing resources.   | Covered by existing statutory duties.               | Analysis of costs is based upon the experience of one LA (Pembrokeshire) which ran one of the Additional Learning Needs (ALN) Pilot projects and whose approach is credited by Estyn and the Wales Audit Office with 'leading to improved outcomes for pupils with additional learning needs' (Estyn and the Wales Audit Office, 2011, 13). However, the impact of delegation upon pupil outcomes in other local authorities has historically been more mixed (WAO, 2007).   |
| Improving the capacity of school staff to meet the needs of all learners | Unknown: the total cost of training is likely to be high but could potentially be covered by existing resources for training and professional development. | Covered by existing statutory duties.               | It is not possible to estimate the cost of improving the capacity of school staff to meet the needs of all learners, as the nature and extent of training needs will vary across schools and local authorities, and can only be identified by undertaking audits of need. It is thought that audits could be undertaken by existing local authority officers.<br><br>The more effective LAs have been in developing capacity (and fulfilling their statutory duties), the lower the overall cost. In meeting that child's or young person's need, in addition to education services' in-house capacity, there are a number of grants, resources and initiatives which could be used, including the School Effectiveness Grant/Pupil Deprivation Grant. |
| Training for those who will contribute to an IDP                         | Modest net cost in the short-term and cost neutral over the long-term: the training is   | Covered by existing statutory duties <sup>4</sup> . | In principle, everyone involved in the IDP process would need training (which would include training in person-centred planning). Although the total number of people who would need to complete this training would be very high, it is estimated that four trainers in   |

<sup>4</sup> There are existing duties covering training, although nothing specifically requires person-centred planning.

|                                 |  |  |  |
|---------------------------------|--|--|--|
|                                 | <p>expected to be relatively short and simple (one day) and can be delivered using existing resources. This would replace training for existing planning processes, such as the Individual Education Plan (IEP).</p>   |  | <p>each local authority area (n=88 in total) could deliver the one day training course in contributing to an IDP, and the two day training course in co-ordinating IDPs (outlined below).</p> <p>Each trainer would need to go through the IDP training (one day) and training for support co-ordinators (two days) and would need another two-three days to consolidate their experience. Once this was completed, they would be ready to train others.</p> <p>The cost of delivering training is likely to be low. In-house trainers would be used and where possible, low cost, LA venues would be used.</p> <p>Over the longer-term, new entrants to the professions would be trained in contributing to the IDP (at present they would be trained in using tools like the IEP, making it cost neutral).</p> |
| Training for IDP co-ordinators  | <p>Modest net cost in the short-term and cost neutral over the long-term: the training is expected to be relatively short and simple (two days) and can be delivered using existing resources. This would replace training for existing planning processes, such as the IEP.</p> | <p>Covered by existing statutory duties.</p> | <p>Everyone involved in co-ordinating an IDP will need to go on a two day training course. Although the total number of people who would need to complete this training would be high, as outlined above, it is estimated that four trainers in each local authority area (n=88 in total) could deliver this training.</p> <p>Over the longer term, new entrants to the professions would be trained in using the IDP (at present they would be trained in using tools like the IEP, making it cost neutral).</p>  |
| Training for IDP administrators | <p>Very modest net cost in the short-term and cost neutral over the long-</p>  | <p>Covered by existing statutory</p>         | <p>It is envisaged that existing statementing teams could be retrained as administrators and would need minimal training in order to fulfil this role.</p>   |

|   |   |   |   |
|---|---|---|---|
|   | term: only minimal training is required and can be delivered using existing resources. This would replace training for existing statementing processes. | duties.   |   |
| Establishing new planning processes, structures and protocols | Estimated net cost of £300,000-£375,000.  | Covered by existing statutory duties <sup>5</sup> . | <p>The estimated costs are based upon a pilot programme that established limited key working protocols systems and processes in seven local authorities. In each case, the process of establishing the new protocols, systems and processes, which have some similarities to those proposed as part of the ALN reforms, was managed by a co-ordinator and overseen by a multi-agency steering group.</p> <p>The ALN Pilot projects will have developed the planning processes, structures and protocols, such as an individual assessment, planning and review process for children and young people with ALN needed. The costs, therefore, relate not to their design and development, but to the implementation of these processes, structures and protocols across Wales. Crucially, it is very unlikely that the processes, structures and protocols developed by the pilots can be simply ‘taken off the shelf’ by other local authorities and introduced without any cost. For example, the processes, structures and protocols developed by the pilots may need adaptation to local contexts. Changing existing cultures and working practices to enable these new processes, structures and protocols to work, may also be challenging (and involve costs).</p> |
| Multi-agency panels and                                       | Cost neutral: covered by existing resources.  | Covered by existing                                 | The costs of multi-agency strategic planning groups and multi-agency complex needs panels are considerable in terms of staff  |

<sup>5</sup> There is an existing duty to have assessment and planning processes, structures and protocols. However, it is likely that these will need to be revised or refreshed.

|  |   |   |   |
|--|---|---|---|
| steering groups  |   | statutory duties.                                     | time, given the frequency of meetings (often monthly) and the seniority of those who attend. However, such panels and groups already exist in most areas so this would not be an additional cost.   |
| Establishing the quality assurance and support and challenge framework | Modest net costs: training is simple and can be done 'in house' using existing resources. | Covered by existing statutory duties.                 | <p>IT costs will be free for most local authorities and while there are training costs, the volume of training required is not great and it is expected that this can be delivered 'in house'. In summary:</p> <ul style="list-style-type: none"> <li>• a half-day training course is required for a SENCo and Assessment, Recording and Reporting (ARR) co-ordinators to enable them to use the provision map. This training could be delivered by two trainers in each LA (n=44 in total). It is proposed that LA advisory teachers could take on this role. In order to perform this role, they would need to attend a one day training course on the provision map, with a further day required to experiment with, and gain experience of using the provision map;</li> <li>• training in the use of the 'outcome grids' is more extensive. Pilot A has suggested that training should cover the rationale of the grids and how they should be interpreted and scored. This should be done on a phased basis over a period of about a year, with an estimated three training sessions of two-three hours each in each school; and</li> <li>• no training is thought to be required for the capacity measure because it is self-explanatory and based on the Estyn guidance.</li> </ul> |
| Training SENCos/ALNCos   | Net costs estimated to be £945,000, although this could be spread over a number of years. | New duty (extends existing duties related to SENCos). | The costs are based upon the cost of training all those with less than 12 months' experience, at a cost of £3,500 per person trained. The costs thereafter will depend upon the numbers of SENCos/ALNCos entering and leaving the profession.   |



**Table 2: the operational and consequential costs of reform**

All figures relate to the cost for Wales as a whole: where no figure is specified for net costs or cost savings, figures are not available.

| <b>Costs related to:</b>       | <b>Estimates of the net operational costs</b>   | <b>Nature of the costs</b>            | <b>Estimates of the net consequential costs*</b>   | <b>Notes</b>   |
|--------------------------------|---|---------------------------------------|--|--|
| Quality assurance system (QAS) | Modest net cost: requires schools and LAs to reallocate existing resources (which should be cost neutral) and the establishment of a central support structure. | Covered by existing statutory duties. | Expected to be either cost neutral or generate net cost savings: it will require schools and LAs to reallocate existing resources to meet new needs (e.g. where poor practice is identified) and should enable schools to reallocate resources from less to more cost-effective provision. | <p>LAs that do not use the Schools Information and Management System (SIMS) will need to adapt the framework to the data system they use.</p> <p>There is a need to establish a central (i.e. national) technical and business support for the QAS. Although it is expected that LA business support and IT teams will provide day-to-day support to those using the QAS, a central support structure is needed to provide back-up if there are questions or problems that LA teams cannot answer and to help ensure that, over time, the QAS develops in a consistent way. The estimated annual cost of an IT co-ordinator, to fulfil this role, is £26,000</p> |

|                                   |  |   |   |  |
|-----------------------------------|--|---|---|--|
| <p>Individual planning (IDPs)</p> | <p>Likely to generate a modest increase in net costs in the short-term and to be cost neutral over the longer-term: IDPs are expected to be somewhat more expensive than IEPs to produce, but less expensive to produce than statements of special educational needs. The expected reduction in the numbers of statements needed is likely to offset some of the increased cost of IDPs, compared to IEPs. A central support structure is also required.</p> | <p>Changes existing statutory duties related to planning for an individual child or young person's ALN.</p> | <p>Net saving: more efficient administration, planning and provision should all reduce costs. Interventions should be more cost-effective. There should be reductions in the numbers of (costly) disputes between parents and carers and schools and local authorities.</p> | <p>Based on the assumption that everyone who has an IEP will have an IDP (which will replace the IEP). In the short-term it is expected that fewer statements will be required and that at some point in the future, statements will also be replaced by IDPs.</p> <p>Costs for IDPs are greater than those of IEPs because more information is required and there is greater emphasis upon person-centred planning. This is likely to offset cost savings generated by efficiencies in the production of plans.</p> <p>There is a need to establish central (i.e. national) technical and business support for the on-line IDP. Although LA business support and IT teams will provide day-to-day support to those using the IDP, a central support structure is needed to provide back up if there were questions or problems that LA teams could not answer. Having a central support structure will also help ensure that over time, the IDP develops in a consistent way by, for example,</p> |
|-----------------------------------|--|---|---|--|

|                  |   |  |   |   |
|------------------|---|--|---|---|
|                  |   |  |   | enabling decisions about changes to the IDP to be co-ordinated, so that different IDPs do not evolve in different areas (as could happen if individual LAs or consortia made changes to the IDP in their area).   |
| Review of IDPs   | Expected to generate net costs savings: IDPs are likely to be less expensive to review than IEPs or statements. | Changes existing statutory duties related to review.                                 | Net saving: more efficient administration, planning and provision should all reduce costs and more robust review should increase the cost-effectiveness of provision.   | Although the frequency of IDP meetings is likely to be comparable to IEP meetings, once established IDPs require less time to update compared to IEPs and statements and are easier to update and change, suggesting costs of reviewing the IDP will be lower.  |
| SENCo/ALNCo role | Increase in net cost.   | New duty (extends existing duties under the SEN code of practice related to SENCos). | Net savings: expected to contribute to improvements in the quality of provision, which should increase cost-effectiveness. Should also contribute to better partnerships with families and, therefore, fewer costly disputes. | If SENCos/ALNCos are required to become members of the senior management team (SMT) in primary schools, this could increase the cost of employing SENCos/ALNCos who are not currently part of the SMT.<br><br>Pilot D has considered the option of clustering, whereby schools share the ALNCo role, which, if adopted, would mean that the total number of SENCos/ALNCos would fall. |
| Establishing a   | Net cost estimated to be:   | Extends  | Potential for net cost savings,   | Estimates of costs are based  |

|  |                                      |   |  |  |
|--|--------------------------------------|---|--|--|
| <p>non-designated key worker service</p> | <p>£880,000-£1,144,000 per year.</p> | <p>existing statutory duties<sup>6</sup>.</p> | <p>but this is unproven: should improve planning and outcomes and reduce conflict and disputes with families. However, evidence from the forthcoming cost benefit analysis of the transition key worker pilots (Holtom et al., forthcoming a) suggests net consequential cost savings are likely to be modest.</p> | <p>upon the cost of a key working service manager and administrative support. There are already key working services in many areas, for some children and young people, and it may be possible to extend these, reducing the net costs.</p> <p>It is assumed that IDP co-ordinators and other professionals could act as non-designated key workers; that the IDP planning process/meetings could cover multi-agency care planning and review meetings to facilitate planning at case level and the multi-agency steering group (which would oversee the service) role, could potentially be fulfilled by the existing complex needs panels. Key workers would also be responsible for addressing barriers to joint working identified by key workers and raised by the service manager.</p> |
|--|--------------------------------------|---|--|--|

\* These assessments are based upon the contribution each element of the reform package is expected to make to outcomes, such as improved provision and consequent costs. It is important to remember that other elements will also contribute to these outcomes and consequent costs.

<sup>6</sup> There are existing general duties relating to support, but not specifically key working, although the National Service Framework for Children, Young People and Maternity Services in Wales (NAfW, 2005) includes duties relating to key workers for disabled young people aged 14-25.

## Conclusions

12. The final report on the developmental phase of the Additional Learning Needs Pilot projects (Holtom et al., forthcoming b), identified a broad consensus that the status quo is untenable and the existing system, particularly in relation to statements, is not cost-effective and needs reform. The system fails to meet the needs of many children and young people, their parents and carers and is costly, complex and bureaucratic to administer. Therefore, there is a strong case for reform, provided the proposed reforms are cost-effective.
13. This interim cost analysis indicates that the start-up costs of key elements of reform, most notably in terms of training SENCOs/ALNCOs, are likely to be considerable.
14. The analysis indicates that once established, costs are estimated to be comparable to existing arrangements and may generate net cost savings in some areas. It is likely that the reformed system will mean more needs are identified, increasing demands upon services. However, it is expected that this will be offset by earlier identification of need and improvements in administration, planning and provision to meet those needs. This will mean that more needs can be met and that needs can be met more effectively, without increasing the overall cost to the system as a whole.
15. In assessing net costs, systems thinking is crucial, as net costs should be calculated across the system (rather than for individual services) and over time. This requires an analysis of the system as a whole, looking at, for example, how the decisions of one service can impact upon the costs of another service<sup>7</sup>. It is also important to consider the impact of timing. For example, earlier intervention and better planning, two key goals of the reform, may cost more in the short-term but save money over the longer-term.
16. In general, the proposed reforms do not impose new duties upon schools, local authorities or health boards and many of the costs could be covered by existing

---

<sup>7</sup> It can be contrasted with an approach, which, for example looks at the cost of each service individually and in isolation from other services.

grants and/or the re-allocation or realignment of existing structures and roles. Where new duties are imposed, in the main, these extend or change existing duties rather than creating entirely new duties.

### **Recommendations for further work**

17. The piloting phase of the ALN pilots should be used to provide additional empirical evidence of the likely start-up, operational and consequential costs of the quality assurance system, individual planning and review processes and the establishment of the SENCo/ALNCo role. Where possible, systems analysis should be used to consider the impact of different elements of the reforms upon each other.
18. In order to more accurately estimate net costs, audits of existing provision and need should be commissioned and the scope for redeploying and/or decommissioning existing services should be rigorously assessed.
19. The costs associated with other aspects of the proposed reforms, such as reforming family information and support services, advocacy and complaint resolution arrangements and costs associated with reforming Initial Teacher Training and Continuing Professional Development, should be assessed.

# 1. Introduction

## Special educational needs and additional learning needs

1.1. Section 312 of the Education Act 1996, provides the legal definition of special educational needs. As outlined in the Special Education Needs Code of Conduct for Wales:

‘Children have special educational needs if they have a learning difficulty which calls for special educational provision to be made for them.

Children have a learning difficulty if they:

- (a) have a significantly greater difficulty in learning than the majority of children of the same age; or
- (b) have a disability which prevents or hinders them from making use of educational facilities of a kind generally provided for children of the same age in schools within the area of the local education authority
- (c) are under compulsory school age and fall within the definition at (a) or (b) above or would so do if special educational provision was not made for them.

Special educational provision means:

(a) for children of two or over, educational provision which is additional to, or otherwise different from, the educational provision made generally for children of their age in schools maintained by the LEA, other than special schools, in the area.

(b) for children under two, educational provision of any kind.’ (NAfW, 2004b, 1, adapted from Section 312 of the Education Act 1996).

- 1.2. In 2006, the statutory guidance Inclusion and Pupil Support (NAfW, 2006) introduced the concept of additional learning needs and provides the current policy framework for children and young people with additional learning needs. This guidance identifies children and young people as having additional learning needs when their learning needs are greater than the majority of their peers. Children and young people whose needs are significantly greater than the majority of their peers are defined as having special educational needs (ibid.).
  
- 1.3. The legal definition of special educational needs is not changed by the Inclusion and Pupil Support guidance and the Special Educational Needs Code of Practice for Wales (NAfW, 2004b) (discussed below) continues to apply to those children and young people whose needs fall within the legal definition of special educational needs.

### **The Special Educational Needs Code of Practice for Wales**

- 1.4. The Special Educational Needs Code of Practice for Wales (NAfW, 2004b) outlines how services such as education, health and social care should exercise their functions relating to children with special educational needs and defines the standards that should be met (see boxed text below).



### **The Special Educational Needs Code of Practice for Wales**

The basic principles of the code are:

- all children with special educational needs should have their needs met;
- these special educational needs should normally be met in early years settings and/or mainstream schools;
- the views of parents and their children will be listened to and taken into account;
- parents have a vital role in supporting their child's education; and
- children with special educational needs should receive a broad, well-balanced and relevant education.

*Adapted from NAFW, 2004b.*

1.5. As the Special Educational Needs Code of Practice for Wales (NAfW, 2004b) states:

‘Whenever settings, schools and LEAs decide how to exercise their functions relating to children with special educational needs, and whenever the health and social services provide help to settings, schools and LEAs in this, those bodies must consider what this code says. These bodies must fulfil their statutory duties towards children with special educational needs but it is up to them to decide how to do so – in the light of the guidance in this code of practice’ (ibid., ix).

1.6. The Special Educational Needs Code of Practice for Wales (NAfW, 2004b) outlines a step-by-step approach to meeting a child’s (or young person’s<sup>8</sup>) needs. The first step, known as School Action, is to make additional provision within school for a child identified as needing help, such as different ways of teaching or through providing specialist equipment. If the child still struggles to make progress, the second step, School Action Plus, involves seeking specialist advice and support from someone outside the school, such as a

---

<sup>8</sup> The code refers to ‘children’, to denote children and young people up to the age of 18.

speech and language therapist. If a mainstream school cannot meet a child's learning needs or the child is still struggling to make progress under School Action and School Action Plus, the third step is a statutory assessment which involves the local authority assessing the child's needs and identifying the type and quantity of specialist help they require. If the assessment indicates that specialist help is required<sup>9</sup>, the child's needs and the response to meeting those needs are recorded in a statement of their special educational needs. Schools are required to keep a register of all pupils that have been identified as having special needs.

### **Person-centred planning**

- 1.7. Person-centred planning is at the heart of many of the proposed reforms of the statutory framework for special educational needs. It has been described as 'a way of discovering how a person wants to live their life and what is required to make that possible' (NDA, 2011, 68). It reflects a 'social' (as distinct from 'medical') model of disability, embodies a strengths-based approach to planning and seeks to involve people as active participants in the planning process. It typically involves exploring (and distinguishing between) what is 'important to' and 'important for' a person and may also explore 'what is working' and 'what is not working' for a person and their strengths, achievements and the challenges they face, using a range of methods to facilitate this. Crucially, it also involves planning to meet a person's needs, preferences and aspirations in a person-centred, rather than a service-centred way.

---

<sup>9</sup> As the guidance outlines, following an assessment, 'The LEA may decide that the degree of the child's learning difficulty and the nature of the provision necessary to meet the child's special educational needs is such as to require the LEA to determine the child's special educational provision through a statement'. It goes on to say that 'The LEA will make this decision when it considers that the special educational provision necessary to meet the child's needs cannot reasonably be provided within the resources normally available to mainstream schools and early education settings in the area' (NAfW, 2004a, 94).

## **Reform of the statutory framework for children and young people with special educational needs in Wales**

- 1.8. The Welsh Government is seeking to reform the statutory framework for children and young people with special educational needs (SEN). This process of reform follows the review of special educational needs undertaken by the Education, Lifelong Learning and Skills Committee (NAfW, 2004a, 2006, 2007), Estyn (2003, 2004, 2007), the Audit Commission (2002a) and Welsh Government consultation with stakeholders (WAG, 2008). This is discussed in detail in section two of this report.
- 1.9. In 2009, as part of the Welsh Government response to the reviews and consultation, four pilot projects were established:
- pilot A, to develop and pilot a model for the quality assurance of provision made for children and young people with additional learning needs (undertaken by Flintshire and Caerphilly local authorities);
  - pilot B, to develop and pilot an inter-disciplinary model for the identification, assessment, planning and review of provision for children and young people with severe and/or complex needs (undertaken by Carmarthenshire and Torfaen local authorities);
  - pilot C, to develop and pilot a model for the identification, assessment, planning and review of provision for children and young people with additional learning needs that are not severe and/or complex (undertaken by Torfaen, Bridgend and Pembrokeshire local authorities); and
  - pilot D, to develop the role of the Special Educational Needs Co-ordinator/ Additional Learning Needs Co-ordinator (SENCo/ALNCo) (undertaken by Cardiff and Newport local authorities).
- 1.10. A number of other complementary pilot projects and initiatives were also established. These included, the transition key working pilot projects and the development of the Early Support programme for disabled children aged 0-5 and their families.

1.11. In order to enable the proposed reforms of the statutory framework for children and young people with special educational needs, new legislation is proposed<sup>10</sup> to:

- give a statutory footing to the concept of additional learning needs;
- impose a duty on the Welsh Ministers to issue a code of practice in relation to the new statutory framework for ALN;
- replace statements of special educational needs with individual development plans (IDPs);
- set out new duties for public bodies, including a duty to collaborate in respect of additional learning needs provision; and
- set out the resolution process for any disputes.

1.12. Other key reforms include:

- reforming arrangements for quality assurance;
- introducing training for school Additional Learning Needs Co-ordinators in Wales;
- developing provision pathways that clearly define roles, responsibilities and minimum standards for service provision;
- making local authorities responsible for securing and funding specialist further education provision; and
- reforming the Special Educational Needs Tribunal for Wales.

### **Analysis of the costs of reform**

1.13. The People and Work Unit was commissioned in July 2010 to undertake a programme of action research to inform evaluation of the developmental stage of the ALN Pilot projects. One of the objectives for the programme of action research was to “review the overall management and implementation of the pilots and identify features of good practice that can be used to inform future implementation. This will include the practical aspects of delivery and a cost

---

<sup>10</sup> This will replace Part IV of the Education Act 1996, which currently sets out the statutory framework for those with special educational needs, and which is outlined in appendix two.

benefit analysis.’ (WAG, unpublished document a) At the request of the Welsh Government, this cost analysis goes beyond the pilots to consider other important aspects of the proposed reforms and focuses primarily upon the net costs of reform. It is intended to help inform decisions about the pilot projects and the proposed reforms. A final report on the costs of reform will be produced in August 2012, as part of the programme of action research to inform evaluation of the piloting phase of the ALN Pilot projects.

## **2. The need for reform of the statutory framework for children and young people with special educational needs**

2.1. In 2003, the National Assembly for Wales Education, Lifelong Learning and Skills (ELLS) Committee started a policy review of special educational needs (SEN). The review was initiated in response to recommendations made in reports by Estyn (2003), the Audit Commission (2002a) and Cambridge Education Associates (unpublished document). The review was conducted in three phases, with reports focused upon early identification and intervention (Part 1) (NAfW, 2004a), the Statutory Assessment (Statementing) Framework for Children with SEN (Part 2) (NAfW, 2006) and Transitions (Part 3) (NAfW, 2007). The review considered provision for both special educational needs and additional learning needs (which they referred to as additional educational needs) and made over 100 recommendations.

2.2. The review concluded that despite the Special Educational Needs Code of Practice for Wales (NAfW, 2004b), which services must have regard to<sup>11</sup>, there was a 'postcode lottery' in Wales in relation to the quality of provision (NAfW, 2006). The review and Estyn (2003) found that:

- there were often long delays in providing support for pupils with special educational needs, even where these needs had been identified (Estyn, 2003);
- there was a lack of understanding and trust in the current system and many parents found that seeking specialist advice and support for their child was a frustrating and distressing process (NAfW, 2004a, 2006);
- the system was judged to be too complex, bureaucratic, costly and time consuming (particularly in relation to the statementing system) and insufficiently child or parent/carer-centred (NAfW, 2004a); and

---

<sup>11</sup> The Special Educational Needs Code of Practice for Wales (NAfW 2004b) is statutory guidance. As the code states: 'whenever settings, schools and LEAs decide how to exercise their functions relating to children with special educational needs, and whenever the health and social services provide help to settings, schools and LEAs in this, those bodies must consider what this Code says. These bodies must fulfil their statutory duties towards children with special educational needs but it is up to them to decide how to do so – in the light of the guidance in this Code of Practice' (ibid., xi).

- although good progress had been made in developing Welsh medium provision in some areas, in other areas much less progress has been made (NAfW, 2004a, 2006).

2.3. The systematic scoping review<sup>12</sup> (discussed in detail in the interim report of the pilot developmental stage, Holtom et al, forthcoming c) highlights a range of weaknesses in the system, which contribute to these failures. These are summarised below.

#### *Weaknesses in leadership teaching and assessment*

2.4. Reports have identified considerable variation in the quality of leadership and the co-ordination of provision made by schools (WAG, unpublished document b) and local authorities (Estyn, 2011) for additional learning needs, and have noted that good practice is not always effectively disseminated or consistently implemented (NAfW, 2004a).

2.5. Although there is relatively little direct evidence of weaknesses in teacher training and practice in Wales<sup>13</sup>, there is evidence of weaknesses in training and practice in England (Rose, 2010, Salt, 2010). It is likely that similar issues apply to many schools in Wales, given the similarities between the two systems in terms of both teacher training and practice and the movement of teachers and trainee teachers between England and Wales.

#### *Weaknesses in data, monitoring, evaluation and quality assurance*

2.6. Estyn has concluded that ineffective monitoring and evaluation of services and the lack of standardised measures of pupil need or progress contribute to weaknesses in provision (Estyn, 2003, 2011).

---

<sup>12</sup> The study was systematic but did not have the scope of, for example, a rapid evidence assessment and is, therefore, best described as a systematic scoping review.

<sup>13</sup> There is, for example, no direct reference to poor quality teaching in the ELLS Committee reviews, although the importance of SEN in Initial Teacher Training and Continuing Professional Development was highlighted in school visits undertaken as part of the review and Estyn (2003) makes recommendations on the importance of teacher training in this area.

### *Poor planning, provision and co-ordination*

2.7. Estyn has also identified significant weaknesses in multi-agency working, including:

- poor communication and information sharing;
- under-developed planning and evaluation;
- multi-disciplinary assessments which are often completed in isolation from one another;
- poor communication of local authority plans and the financial effects of these, and disputes between agencies over levels of funding, priorities and which agency pays for what and when; and
- a lack of trust by one agency of another (Estyn, 2003, 2011).

### *Limited capacity*

2.8. Although the Education, Lifelong Learning and Skills Committee reported that 'No clear evidence has emerged that the overall level of resource is inadequate', they highlighted the widespread perception amongst respondents to their consultation that there was 'insufficient funding available for the early identification and intervention of SEN through the various settings' (NAfW, 2004a, 9). They concluded that 'there is a shortage of specialist staff involved with early identification and provision of support for children and young people with SEN' (NAfW, 2004a, 30).

### *Weaknesses in family support, advocacy and dispute resolution*

2.9. The Welsh Government consultation process about reform of the statutory framework for children and young people with special educational needs highlighted significant weaknesses in work with the families of children and young people with additional learning needs (WAG, 2008). Similarly, the Education, Lifelong Learning and Skills Committee review reported that many parents and carers 'feel compelled to press for statements because they do



not feel that their children are being adequately supported' (NAfW, 2006, 17). This problem stems, in part, from the complexity and administrative demands created by the systems and practices used for the identification, assessment, planning and review of additional learning needs, such as processes associated with School Action, School Action Plus and statementing. This can create barriers between parents, teachers and other professionals, and contributes to low levels of trust in the system (NAfW, 2006).

### *Meeting the needs of looked after children*

2.10. The Office of the Children's Commissioner reported that children looked after by the local authority find it particularly difficult to access statutory assessment arrangements<sup>14</sup> for meeting their special educational needs (NAfW, 2006). Similarly, the special educational needs of young people looked after by the local authority are not always effectively diagnosed or addressed. In some cases, decisions about care placements do not give sufficient weight to the impact upon a young person's education (Archer and Fletcher-Campbell, 2003).

### *Transition from secondary school into further or higher education or employment*

2.11. There are poor outcomes for adults with learning disabilities in terms of securing employment and independence (NAfW, 2007). While transition meetings are required by law for those with a statement of special educational needs, many young people do not recall attending these meetings, or were under-prepared, and frequently both young people and their parents and carers feel anxious about, and unsupported during and following, transition (Sloper et al., 2011). Furthermore, few report having met with a dedicated independent careers advisor (Aston et al., 2004). Of all the transitions young people with additional learning needs make, transition to work-based learning is often the most difficult and it is here that a lack of joined-up working is perhaps most evident (Estyn, 2005).

---

<sup>14</sup> This is recorded in the Education Lifelong Learning and Skills Committee report (NAfW, 2006).

### *Summary of the shortcomings of the existing system*

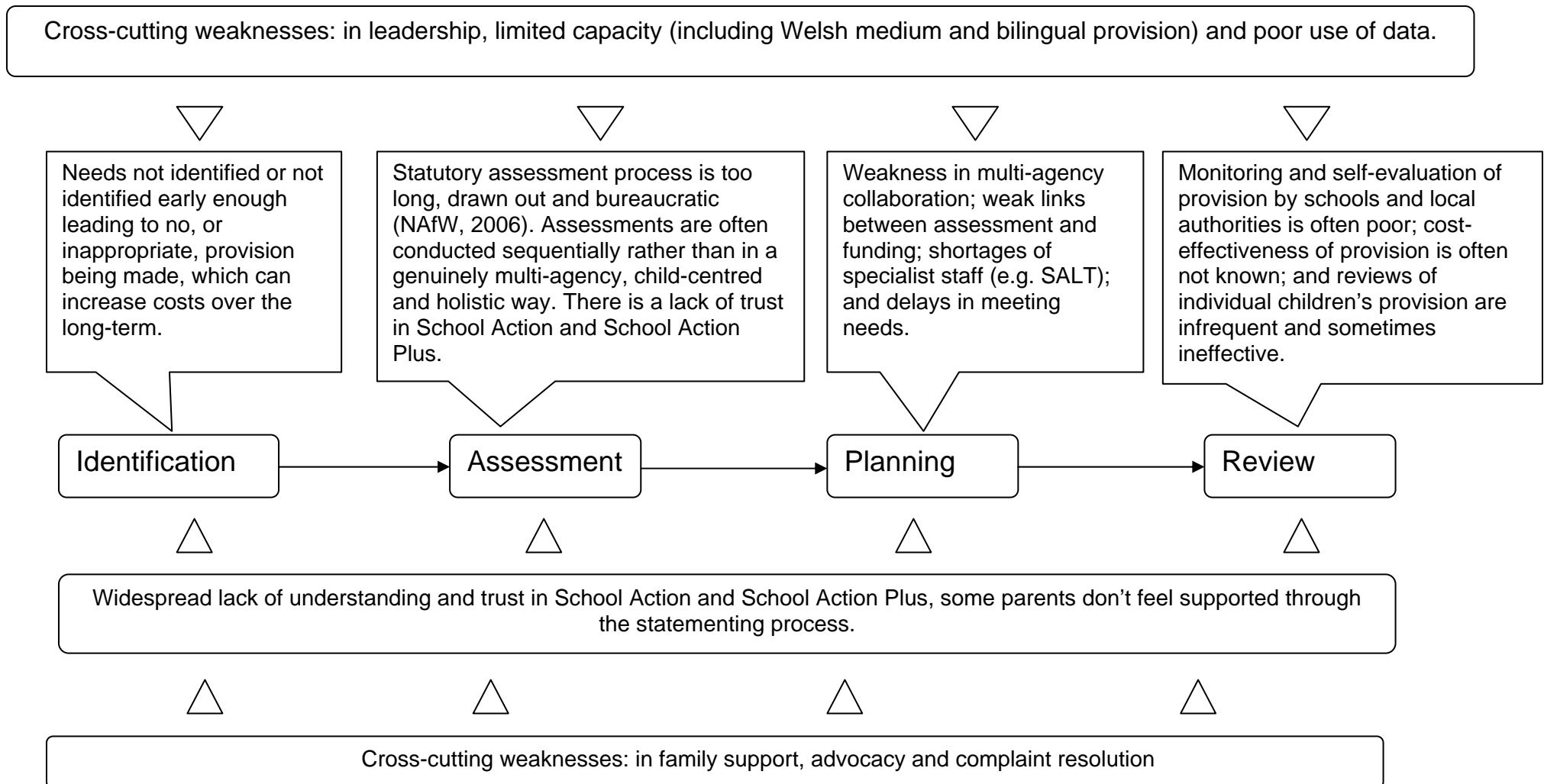
2.12. Figure three, below, provides a summary of the key shortcomings of the existing system in relation to each of the key stages of identification, assessment, planning and review of provision. These weaknesses, in turn, contribute to poor outcomes for many children and young people and contribute to parents' and carers' dissatisfaction and, in some cases, anger over provision. The weaknesses also contribute to poor value for money for the state.

### **The intended outcomes of reform**

2.13. Taken together, the proposed reforms of the statutory framework, of which the three pilot project models - the quality assurance system, individual planning and review processes and the SENCo/ALNCo role are integral parts - are intended to secure a range of long-term outcomes:

- 'A more inclusive education system.
- Improved learner outcomes.
- Improved participation of learners in individual assessment and planning processes.
- Increased trust and confidence in the system.
- Greater consistency of outcomes and quality between schools and between LAs.
- Better partnership arrangements between agencies and 'third sector' organisations.
- Better partnership working with parents and carers.
- Greater efficiency in the use of resources' (WAG, unpublished document b, 3-4).

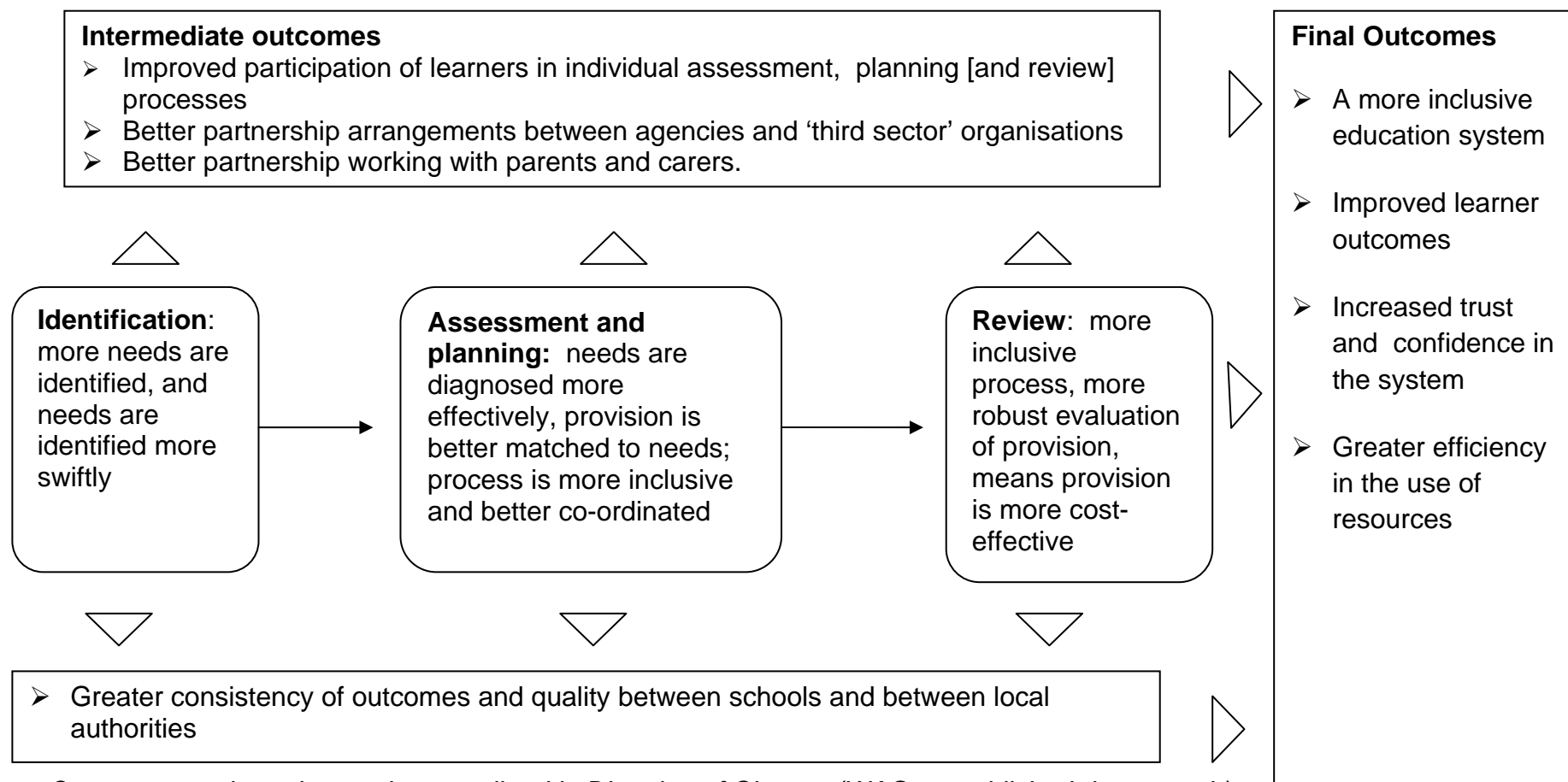
**Figure 3: overview of the shortcomings at each stage of the process<sup>15</sup>**



<sup>15</sup>Although the key stages, identification, assessment, planning and review, are presented in a linear sequence in order to illustrate the weaknesses, they should be thought of as a cycle.

2.14. The intended outcomes include both intermediate and final or long-term outcomes. Figure four, below, illustrates how improvements to each stage of the identification and assessment, planning and review cycle, are expected to lead to a range of intermediate outcomes, such as better partnership working with parents and carers which in turn are intended to contribute to final outcomes such as increased trust and confidence in the system.

**Figure 4: intended outcomes of reform**



*Outcomes are based upon those outlined in Direction of Change (WAG, unpublished document b).*

### 3. Approach and methods

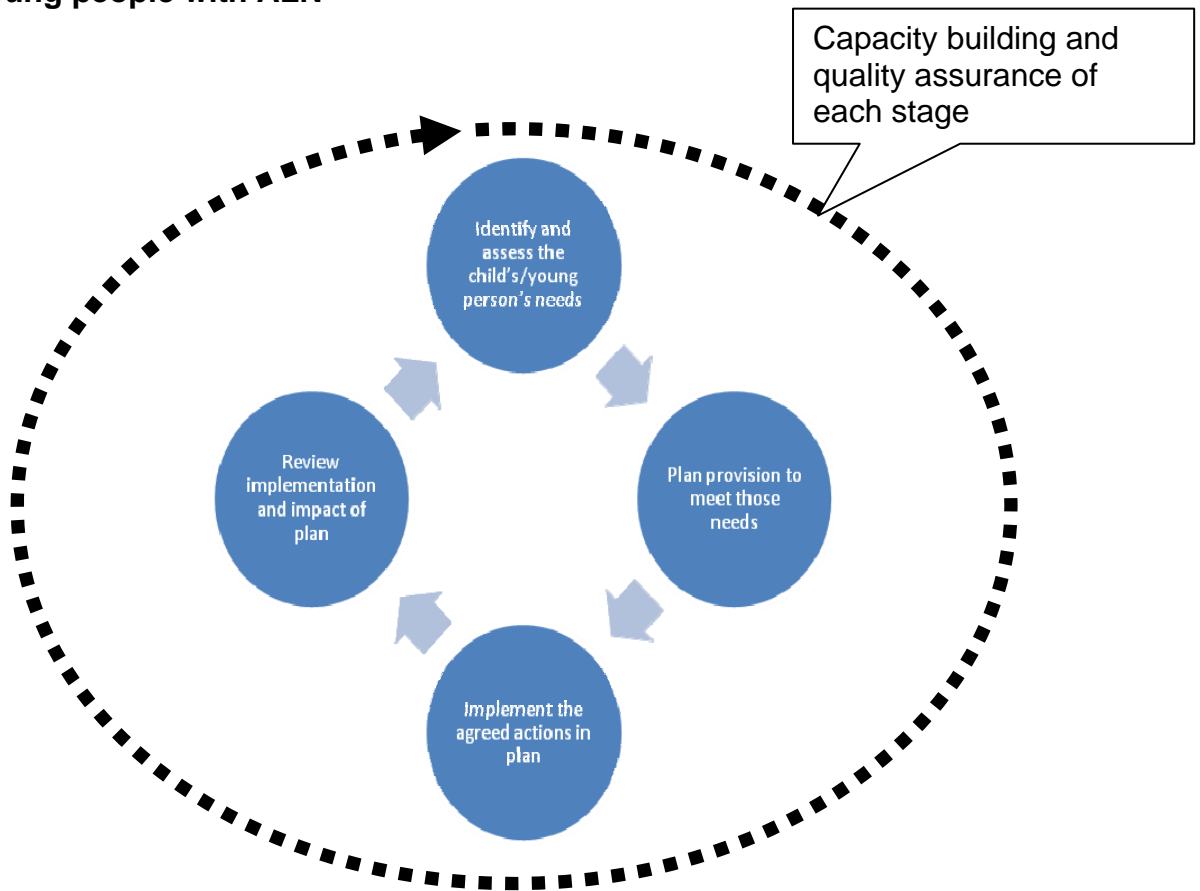
#### Typology of costs involved in the reform of the statutory framework

- 3.1. The analysis focuses upon the costs of work undertaken by pilots C and D related to reform of the individual planning cycle and of assessment, planning and review of provision to meet ALN (see figure five below). It also includes consideration of capacity building (including the establishment of the SENCo/ALNCo role, addressed by the work of pilot D) and the quality assurance system (addressed by the work of pilot A). These are needed at each stage of the planning cycle.
- 3.2. These represent the key elements being developed by the ALN pilots and, therefore, provide the focus for the cost analysis. For each, the analysis considers three types of costs:
  - start-up costs - the costs of establishing the elements of reform;
  - operational costs - the cost of operating the reformed elements; and
  - consequential costs - the net impact of reform on the costs of other services.
- 3.3. In order to assess the net costs of reform, where possible, for each of the above costs, we identify:
  - the cost of provision where there is an existing statutory duty, but existing resources will need to be redeployed. The costs here are not additional to existing costs (as they do not require more resources), but mean that there is an opportunity cost, because other alternative uses of the resources are forgone. For example, if a teacher attends a training course, they cannot teach during the period of training<sup>16</sup>;

---

<sup>16</sup> The HM Treasury Green Book recommends that when assessing the costs of options, “Costs should be expressed in terms of relevant opportunity costs”. It provides the example of the alternative use of an employee’s time and recommends that cost estimates should include basic salaries, pensions, national insurance and allowances (HM Treasury, 2011, 20). This is the approach adopted here.

**Figure 5: the individual planning, assessment and review cycle for children and young people with ALN**



Adapted from: Pilot project C, unpublished document, b.

- the cost of provision where there is an existing statutory duty, but where, because the duty has not been consistently or fully met, the reforms may result in increased expenditure;
- the cost of provision where there is no existing statutory duty; and
- cost savings where existing provision can be decommissioned, re-assigned or rationalised. A distinction is also made between short and long-term cost savings, as in some cases it may not be possible in the short-term to decommission provision, meaning that there will be a temporary duplication of provision, with parallel systems operating, until existing provision can be decommissioned.

- 3.4. The analysis does not include a number of costs which are not part of the ALN pilots but which are part of a wider set of proposed reforms of the statutory framework for children and young people with ALN. These include:
- changes to professional development, including a national framework of accredited Continuing Professional Development courses for those working with children and young people with ALN, and revised elements in Initial Teacher Training (ITT), the Newly Qualified Teacher (NQT), Early Professional Development (EPD), and leadership training and standards;
  - multi-agency arrangements such as team around the child (TAC) and team around the pupil, parent and school (TAPPAS);
  - the introduction of key working for children and young people with severe and/or complex needs;
  - strengthening support and information services for children, young people, parents and carers; and
  - reform of arrangements for resolving disagreements and disputes<sup>17</sup>.
- 3.5. These elements of the proposed reforms are sufficiently independent from those elements that are being piloted (i.e. the QAS, individual planning and review processes and the SENCo/ALNCo role) to enable analysis of the costs of establishing and operating the elements that are being piloted to be undertaken.
- 3.6. Although the costs of individual elements are discussed in this report, when assessing the consequential costs and the benefits of reform, it is important to consider the reform programme as a whole. For example, the reform of the statutory framework for children and young people with special educational needs is intended to increase trust and confidence in the system and reduce the number of disputes and disagreements and, as a consequence, the costs of dealing with them. The IDP, the quality assurance system, strengthening support and information services for children, young people, parents and/or carers, and reform of arrangements for resolving disagreements and disputes

---

<sup>17</sup> Adapted from Welsh Assembly Government (unpublished document b).



are all expected to make an important contribution to this outcome. It would be difficult, and in many ways meaningless, to try to identify or quantify the contribution of each element in isolation, because they are inter-dependent reforms. In effect, a systems-wide analysis is required.

- 3.7. As a consequence, the report is not, and does not seek to provide, a comprehensive assessment of the total net cost of the proposed reforms.

### **Approach taken to identify and analyse costs**

- 3.8. The study involved working with individual ALN Pilot projects to review existing and planned provision, and where possible calculating or estimating the pilot project costs. Where pilots were unable to identify or estimate costs, as outlined below, other sources were used to inform the analysis, including evidence from comparable interventions.

- 3.9. The research with the pilots was contextualised through evidence gathered from other sources, including:

- a systematic scoping review looking at both published and unpublished project documentation and the wider published education literature on the need for reform;
- the cost-benefit analysis of the transition key worker pilot projects (Holtom et al., forthcoming a);
- discussions and interviews with a range of stakeholders, including members of the voluntary sector; and
- participation in a series of meetings including pilot lead officer and project manager meetings, project management meetings and meetings of the ALN statutory reform group.

- 3.10. Wherever possible, the study based estimates of net cost upon practice. For example, where there was existing provision or an element of a project had been piloted. This enabled costs to be measured empirically. However, in many cases this was not possible and estimates were based upon pilot

projects' plans for future implementation and on estimates for the cost of establishing and operating systems and process. These estimates drew upon the cost of establishing comparable provision, most notably the forthcoming cost benefit analysis of the transition key worker pilot projects (Holtom et al., forthcoming a) and evidence and assessments provided by the ALN pilots, drawing upon the experience of delivering comparable provision.

### **Limitations of the study**

3.11. The study is subject to a number of important limitations:

- the estimates of cost were made by people directly involved in the pilot projects. They were committed to the reforms and may, therefore, have tended to be more optimistic than pessimistic when calculating estimated costs<sup>18</sup>;
- the proposal for reform of the statutory framework for special educational needs have not yet been finalised, and the formal consultation process on the proposals is not scheduled to begin until June 2012. Therefore, the proposals and the consequential costs are necessarily provisional;
- estimates based upon the actual cost of delivering existing practice are likely to be more robust than estimates based upon expectations of costs, but were not available in many cases and may not be available unless a systems-wide testing is undertaken; and
- the extent to which findings from the pilot areas can be generalised to other areas is uncertain.

Given the range of limitations of the analysis, the cost estimates presented in this report need to be treated with an appropriate degree of caution.

---

<sup>18</sup> This is described by the HM Treasury Green Book as 'optimism bias', the 'demonstrated, systematic, tendency for project appraisers to be overly optimistic' (HM Treasury 2011, 29).

## **4. Start-up costs: building the capacity of the reformed system**

### **Introduction**

- 4.1. There will be a range of start-up costs. These include training costs which, as we outline, are probably the largest single area of cost; the establishment of new planning processes, structures and protocols (e.g. setting up new, or reconstituting existing, resource panels); a new quality assurance framework and new roles such as transition key workers.

### **Capacity Building**

#### *Delegating resources to schools*

- 4.2. In order to enhance the capacity of schools to meet need, an increased proportion of resources will be delegated to schools. It is expected that mainstream funding, allocated through formulas based on pupil numbers weighted for factors such as sparsity (a measure of population density) and deprivation, will continue to cover the cost of mainstream teaching and learning arrangements, including the role of the SENCo/ALNCo and the needs of many pupils at School Action level. This will be augmented by additional delegation of resources to cover a wider range of ALN within schools. Schools will use the IDP process and their self-review and development planning processes to identify and allocate resources. The local authority retains a proportion for contingencies, such as pupils moving between schools or where a pupil has severe and/or complex needs, with funding to meet these needs agreed by a multi-agency panel (pilot project C, unpublished document a).

4.3. The experience of Pembrokeshire<sup>19</sup>, which has delegated a significant proportion of its resources to schools, suggests the costs are not great. The principal costs were:

- the time spent by the Chief Educational Psychologist and 10 headteachers to discuss and plan the changes, work that was undertaken as part of their existing duties;
- a pupil audit, to assess need in each school;
- the development of a funding formula (in this case, based upon eligibility for free school meals, as a proxy indicator of the incidence of ALN);
- capacity building within schools to enable them to better identify and assess need, which we discuss below; and
- reform of the support and challenge approach for schools, which we also discuss below.

4.4. The experience of Pembrokeshire also suggests the approach is cost-effective. As noted, the increase in overall cost was modest and the delegation of funding to schools is credited by Estyn and the Wales Audit Office (WAO) with 'leading to improved outcomes for pupils with additional learning needs' (Estyn and WAO, 2011, 13).

4.5. However, the impact of delegated budgets in other local authorities has historically been mixed. In their review of good practice in special educational needs funding, the Wales Audit Office found that:

'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' (WAO, 2007, 8).

---

<sup>19</sup> We draw primarily upon the experience of Pembrokeshire because it has made considerable progress in delegating funding to schools and this has been judged by Estyn and the Wales Audit Office to have improved pupil outcomes (Estyn and WAO, 2011, 13). In terms of population size, (117,000), Pembrokeshire is also fairly close to the average for Wales (136,000) (Statistics for Wales, 2010).

- 4.6. Delegated budgets also have some associated costs. For example, delegated budgets make it more difficult for local authorities to manage budgets and the workforce<sup>20</sup>. Local authorities can also face demands from schools for increased funding where a pupil's needs change over the course of the year and managing this through structures like moderation panels is expensive (WAO, 2007).
- 4.7. Effective evaluation and quality assurance is crucial to making delegation of funding work. The quality assurance system being developed by pilot A will have a key role here. It will enable both schools and local authorities to monitor and evaluate trends in the incidence of additional learning needs and the cost and effectiveness of provision to meet those needs. This will help ensure that provision to meet needs is cost-effective and that the level of resources delegated to individual schools, or clusters of schools, is commensurate to need.
- 4.8. Over the long-term, the delegation of funding to schools may reduce overall (or net) costs, but this is far from certain. The delegation of funding from local authorities to schools amounts to a reallocation (rather than a reduction) of resources and, therefore, has no direct impact on overall costs. However, if it improves the effectiveness of provision in schools, it may reduce costs in the longer-term by reducing the cost of interventions in the future, such as expensive out-of-county provision (WAO, 2007)<sup>21</sup>.
- 4.9. Delegation of funding to schools is covered by existing statutory duties.

*Improving the capacity of school staff to meet the needs of all pupils*

- 4.10. Support, training and advice are required in order to establish good practice and empower school staff to develop the knowledge and expertise to include

---

<sup>20</sup> Learning Support Assistants account for the majority of expenditure on Special Educational Needs (WAO, 2007).

<sup>21</sup> The WAO report that: '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' (WAO, 2007, 8).

all pupils. This is complemented by the development of partnership working, such as the TAPPAS model (team around the pupil, parents and school), in order to co-ordinate provision and practice with specialist areas of SEN for each cluster or family of schools. Although initially these teams will be staffed by professionals from the local authority advisory service, it is envisaged that as the skills and expertise of schools increases, schools will increasingly take on these roles, enabling further delegation of resources to schools (pilot project C, unpublished document a).

- 4.11. It is difficult to estimate the cost of this capacity building, as the nature and extent of training needs will vary from school to school and local authority to local authority and can only be identified by an audit of need. The cost of the audit itself is not likely to be great. It is estimated by pilot B that, if schools engaged with the process, the audit might be completed over the course of one week by one officer with administrative support, with further time needed to analyse the data. If we assume two weeks work, the cost, in terms of a local authority education officer's time, would be around £2,000<sup>22</sup>. If we assumed that the experience of Pembrokeshire can be generalised, this suggests a total cost (across Wales), in terms of the time of local authority education officers of around £44,000. There would be additional costs related to the time of headteachers' contribution and administrative support. However, they could not be quantified by this study. Further research would also be required to assess the validity of the assumption that the experience of Pembrokeshire could be generalised to other local authorities.
- 4.12. In contrast, the cost of the training (in response to the needs identified by the audit) could be significant and cannot be easily quantified. For example, Pembrokeshire funded dyslexia training for 140 teachers, providing three days supply cover for each school. If required, the costs of supply cover would need to be agreed with schools<sup>23</sup>. Crucially, this training only covers one of the wide range of ALN that schools might need to support.

---

<sup>22</sup> Based upon an estimated salary of £35,000 (LG, n.d. a), on costs of 30% and 10 days work.

<sup>23</sup> Based upon Teaching and Development Agency guidelines, which suggest a maximum of £150/day for the cost of supply cover for teaching staff (TDA, n.d.).

4.13. Capacity building is covered by existing statutory duties.

*Training for those who will contribute to or co-ordinate Individual Development Plans (IDPs)*

- 4.14. In principle, every professional who will contribute to an IDP would need training. This training would introduce people to the IDP, including the basic principles and the web-based tool and person-centred planning. The training is expected to be relatively short and simple (one day) and it is expected that it could be delivered using existing resources.
- 4.15. In principle, every professional who will co-ordinate an IDP would need additional training. This would enable people to co-ordinate IDP planning and review meetings and would cover areas such as family information and support services. The training is also expected to be relatively short (two days) and simple, and it is expected that it could be delivered using existing resources.
- 4.16. It is estimated by pilots B and C that four trainers in each local authority area (n=88 in total) could deliver the one day training in contributing to an IDP and the two day training course in co-ordinating IDPs. Each trainer would need to go through the IDP training (one day), training for support co-ordinators (two days) and would need another two-three days to consolidate their experience but it is thought that after that they would be ready to train others. The cost of delivering training is likely to be relatively low. In-house trainers would be used. If we assume that the salary of a local authority training officer is between £21,300-£24,700 (LG, n.d. a), and assume on costs of 30% (meaning the annual cost is between £27,690 and £32,110 respectively), the estimated cost for training trainers and then delivering the one and two day training courses once, in terms of their time, is between £97,904 to £113,552<sup>24</sup>. In addition, where possible, low cost, LA venues would be used. Examples of costs in the order of £30-£120 for a venue have been provided.

---

<sup>24</sup> This assumes six days training for trainers and three days delivery (nine days in total).

The total cost in terms of trainers' time and venue costs would depend upon the number of training courses required.

4.17. The total number of people fulfilling the co-ordination role and, therefore, requiring this training would be very large. It is likely that it would require at least one person in every school in Wales (n=1,700) to be trained<sup>25</sup>. If supply cover was required for two days for each school, the total costs would be high – as much as £510,000 to cover releasing one teaching staff member from each school<sup>26</sup>. However, this might not be required and it is envisaged that the bulk of this could be covered by existing funding which would be delegated to schools. If we assume that schools do not require supply cover, a more realistic estimate of costs may, therefore, be the cost to the school of their time, in effect the opportunity cost. This would not be an additional cost *per se* to the school, as it is expected that the training would be undertaken during working hours. Nevertheless, they would impose a cost because they would prevent teachers taking on other work during the period of training. If we assume an annual salary of between £21,588<sup>27</sup> and £39,750<sup>28</sup> and allow for on costs of 30% (bringing the costs to £28,925 and £51,675 respectively), the cost per teacher of a two day training course would be between £297 and £450<sup>29</sup>. The national cost for training one teacher in every school in Wales would be between £504,900 and £765,999.

4.18. Similar costs would arise in other agencies. For example, a child with health needs may have an IDP co-ordinated by a health worker, who would need to have person-centred planning training and IDP training. Estimates of the costs of their time could be calculated by using the unit costs per hour for the different types of worker, based upon the cost of salaries and on costs. For example, for a community speech and language therapist, the unit cost per

---

<sup>25</sup> If SENCos/ALNCoS worked on a cluster basis, this might reduce the numbers somewhat.

<sup>26</sup> Based upon Teaching and Development Agency guidelines, which suggest a maximum of £150/day for the cost of supply cover for teaching staff (TDA, n.d.).

<sup>27</sup> Based upon the minimum main pay scale for teachers in England and Wales (£21,588) (Ibid.).

<sup>28</sup> Based upon the maximum pay scale, for teachers in England and Wales (£31,552) plus a Level 1 special educational needs allowance (£2,001) and a maximum teaching and learning responsibility 2 payment (£6,197), to reflect the additional responsibilities a SENCo/ALNCo would be expected to have (ibid.).

<sup>29</sup> Based upon teachers working 195 days a year (ibid.). This means the cost per teacher per day for the lower estimate is £148 and the upper estimate is £225.



hour (including on costs, but excluding the cost of qualifications) is £31, indicating a cost of around £230 for a one day (7.5 hour) training course. The comparable unit cost for a health visitor would be £44 per hour, indicating a total cost of around £330 for a one day training course (Curtis, 2011). These in effect, represent the opportunity cost. Because it is expected that these workers would undertake the training during their normal hours, these would not be an additional cost, *per se*, to their employer, but would prevent them taking on other work during the period of training.

- 4.19. The training in contributing to and co-ordinating IDPs would replace training for existing planning processes, such as the Individual Education Plan and statement of special educational needs.
- 4.20. There are no specific duties related to training in using IDPs, however, as noted above, training and capacity building (in general), including for example planning and review in relation to Individual Education Plans and statements of special educational need, are covered by existing statutory duties. This would, therefore, change existing duties, rather than creating completely new duties.

#### *Training for those who will administer Individual Development Plans (IDPs)*

- 4.21. Training for IDP administrators is required. They would be responsible for supporting IDPs by, for example, setting up passwords and granting and withdrawing access. It is envisaged that existing statementing teams could be retrained as administrators and would need minimal training in order to fulfil this role.
- 4.22. The total number of administrators who would need to be trained is likely to be relatively small: approximately three-five people per local authority, meaning approximately 60-100 people across Wales. If we assume that administrators earn between £13,500-£19,000 year<sup>30</sup> (LG, n.d. b) and we allow, for additional on costs of 30%, (meaning the annual cost of employment is between

---

<sup>30</sup> This is the guide salary for Local Authority Administrative Assistants (LG, n.d. b).

£17,550 and £25,870), the cost of an administrator attending a one day training course would be £78-£115 per person<sup>31</sup>. This indicates a total cost of between £5,520-£9,200 in total, for the 22 local authorities. As with many of the other costs these, in effect, represent the opportunity cost. Because it is expected that these workers would undertake the training during their normal hours, they would not be an additional cost, *per se*, but would prevent them taking on other work during the period of training.

### **Establishing new planning processes, structures and protocols**

4.23. The reform of the system, if successful, should change the demands upon existing resource panels. It should mean that more additional learning needs can be met by schools using delegated funding, reducing the number of cases that are referred to resource panels. However, there is also a need to reform existing resource panels, broadly in line with the Carmarthenshire model, in order to improve joint working. This includes:

- the establishment of a multi-agency strategic planning (or steering) group, made up of senior service commissioners and heads of service, to drive and oversee the process;
- a multi-agency complex needs panel which considers the resource needs of individual children and young people with severe and/or complex needs;
- a complex needs co-ordinator (or similar) who works with partners to support multi-agency working and manages the process of referral to the multi-agency complex needs panel, where a multi-agency solution cannot be agreed upon; and
- the development of systems and protocols (e.g. for referrals, multi-agency working and information sharing).

4.24. The cost of establishing the systems and protocols are not likely to be large. For example, initial estimates suggest that the cost of establishing transition key working protocols, systems and processes, which have some similarities

---

<sup>31</sup> Assuming they work 224 days a year – which allows for 28 days leave (the current statutory minimum entitlement) and 8 days for bank holidays.

to those proposed as part of the ALN reforms, are in the region of £14,000-£17,000 for each local authority. This indicates a total (national) cost of £300,00-£375,000 (Holtom et al., forthcoming, a). In each case, the process of establishing the new protocols, systems and process, was managed by a co-ordinator, with administrative support, and overseen by a multi-agency steering group. The costs could be lower than this though, because some areas, such as Carmarthenshire, have already developed many of these elements.

4.25. Because the existing ALN Pilot projects will have established the planning processes, structures and protocols needed, the costs of establishing new planning processes, structures and protocols relate not to their design and development, but to their implementation. Crucially, it is unlikely that the processes, structures and protocols developed by the pilots can be simply ‘taken off the shelf’ by other local authorities and introduced without any cost. For example, the processes, structures and protocols developed by the pilots may need adaptation to local contexts. Changing existing cultures and working practices to enable these new processes, structures and protocols to work may also be challenging (and involve costs). In existing pilot areas, the costs may be lower depending on the amount of change that has already been implemented by the end of the pilot.

4.26. Existing statutory duties include provision for multi-agency working and planning.

### **Establishing the quality assurance and support and challenge framework**

4.27. The quality assurance system includes three components: a provision mapping tool (and database), outcome measures (5x10 ‘assessment grids’) and a self-evaluation toolkit (the ‘capacity measure’).

4.28. Pilot A estimates that the cost of establishing the quality assurance system would be ‘minimal’ (personal communication, advisor, pilot A). As outlined below, they have itemised the costs for each element.

4.29. **Information technology** (for the quality assurance system): free for most LAs, on the basis that:

- Caerphilly can provide the provision mapping model at no charge;
- the outcomes framework would be free for 20 of the 22 local authorities that have SIMS (the School Information Management System programme); and
- the measure of schools' capacity to meet ALN is easy to adapt and uses a simple score sheet.

4.30. **Core materials, including handbooks and assessment materials:** free for everyone, as they have been developed and could be distributed by e-mail.

4.31. **Training Costs:** pilot A estimates that the costs in relation to the individual elements differ but will be small and, in most, cases will be covered by existing staff:

- a half day training session is required for a SENCo/ALNCo and assessment, recording and reporting (ARR) co-ordinator to enable them to use the provision map. This training could be delivered by two trainers in each LA (N=44 in total). It is proposed that LA advisory teachers could take on this role. In order to perform this role, they would need to attend a one-day training course in the use of the provision map and a day to experiment with and gain experience using the provision map. If we assume that LA officers earn around £35,000 per year<sup>32</sup>, and we allow for additional on costs of 30%, (meaning the annual cost of employment is £45,500), the cost of an advisor delivering a two day training course would be £406<sup>33</sup>. This indicates a total cost of £17,864 to cover the training of two advisors in each LA. As with many of the other costs, these in effect, represent the opportunity cost. Because it is expected that these workers would undertake the training during their normal hours, they would not be an additional cost *per se* to the

---

<sup>32</sup> Based upon the estimated salary for local authority education advisors (LG, n.d. c).

<sup>33</sup> Assuming they work 224 days a year – which allows for 28 days leave (the current statutory minimum entitlement) and 8 days for bank holidays.

local authority, but would prevent the officers taking on other work during the period of training. If teaching supply cover were required for SENCo/ALNCo and ARR co-ordinators, and we assume that each school (n=1,700) will need cover, the maximum total cost is likely to be high at £225,000. However, teaching supply cover may not be required for every school, and if costs are based upon the cost to the school in terms of their time, in effect the opportunity cost, as an indication, the cost per teacher of a one day training course would be between £148<sup>34</sup> and £210<sup>35</sup> and the national cost for training one teacher in every school would be between £251,600 and £357,589;

- training in the use of the 5x10 outcome grids is more extensive. Pilot A has suggested that training should cover the rationale of the grids and how they should be interpreted and scored. This should be done on a phased basis over a period of about a year, with an estimated three training sessions of two-three hours each in each school. Translating the three, two-three hour training sessions into a day's work and using the assumptions outlined above for the cost of a day of a teacher's time, the national cost for training one teacher in every school would be between £251,600 and £357,589; and
- no training is thought to be required for the capacity measure because it is self-explanatory and based on the Estyn guidance.

4.32. As outlined in section six below, existing statutory duties cover quality assurance.

### **Training SENCos/ALNCos**

4.33. The proposed SENCo/ALNCo training programme is a masters level (60 credits) programme to be completed within 12–18 months. It includes:

- ALNCo learning needs analysis;

---

<sup>34</sup> Based upon the minimum main pay scale for teachers in England and Wales (£21,588) and 195 working days a year (TA, n.d.).

<sup>35</sup> Based upon the maximum pay scale, for teachers in England and Wales (£31,552) plus a Level 1 special educational needs allowance (£2,001) and a maximum teaching and learning responsibility 2 payment (£6,197), to reflect the additional responsibilities a SENCo/ALNCo could be expected to have (ibid.).

- five e-learning modules;
- five face-to-face sessions;
- three coaching sessions;
- a small scale action research project;
- two visits to other work places;
- three days school-based activities;
- ongoing reflection on practice; and
- assessment (pilot D, unpublished document).

4.34. Pilot D estimates the cost of the SENCo/ALNCo qualification will be around £3,500 per person. This is based upon an English model for training SENCos, and includes supply cover (which accounts for approximately £2,000) and the course and accreditation costs. The exact costs cannot be calculated until the course is commissioned.

4.35. At this stage it is only possible to estimate the number of people who will be required to gain the SENCo/ALNCo qualification. If, as is currently proposed, the qualification is only mandatory for newly qualified SENCos/ALNCos (less than 12 months in post), around 270 SENCos/ALNCos would be required to gain the qualification. The total cost (including supply cover) of providing the course would be £945,000 in the first year<sup>36</sup>. Costs thereafter would depend upon the numbers of new SENCos/ALNCos entering and leaving the profession.

---

<sup>36</sup> As pilot D outlines: 'The potential cost of the course for Wales has been calculated on the following basis: using data from the questionnaire to primary schools (193 schools) an average 14.58% of SENCos would be classified as new to role. If this is extrapolated across the 1,487 primary schools in Wales, as at January 2010, this suggests that approximately 220 primary SENCos would have to take the qualification. Using data from the questionnaire to secondary schools (28 schools) an average of 21.3% of SENCos would be classified as new to role. If this is extrapolated across the 223 secondary schools in Wales, as at January 2010, this suggests that approximately 50 secondary SENCos would have to take the qualification. Therefore, this indicates that in total in the first year's tranche circa 270 SENCos would have to take the qualification. If the recommendation that it is mandatory that all new to role SENCos undertake the course is followed, the potential cost would be £540,000 (270 x £2,000). Based upon 10 days' cover required to release SENCos for face-to-face training and study leave at £150/day, the total cost of cover per SENCo would be £1,500. Therefore total cost of cover for the first year's tranche would be £405,000 (270 x £1,500). The total cost therefore for the first tranche in respect of the delivery of training would be circa £945,000'. (Personal Communication, Martin Seagrove, project manager, pilot D).

- 4.36. It was not possible to accurately estimate the numbers of SENCOs/ALNCOs likely to enter and leave the profession. No figures on the age of SENCOs/ALNCOs/inclusion managers in Wales are available. However, data from the survey of SENCOs in Cardiff and Newport primary schools indicates that almost a quarter of SENCOs have been in post for more than 10 years and over half of all SENCOs in secondary schools have been in post for more than 20 years. This, together with anecdotal evidence of the heavy workload of SENCOs, and evidence from a 2007 survey (Nasen, unpublished document) which found just over half of SENCOs in England surveyed, did not wish to continue in their current role, may indicate that a significant proportion of SENCOs/ALNCOs will retire over the next 10-15 years.
- 4.37. Existing statutory duties (in the Special Educational Needs Code of Practice for Wales (NAfW 2004b) cover SENCOs, but not the new SENCO/ALNCO role that is being established.

### **Summary of the start-up costs**

- 4.38. A range of start-up costs have been identified. These include:
- The cost of delivering training for those who will use and contribute to the new tools such as the IDP and quality assurance system. This includes estimates of (all figures have been rounded to the nearest £500<sup>37</sup>):
    - between £98,000 and £113,500 for the cost of trainers' time in delivering an initial round of training in using the IDP; and
    - a total cost of around £18,000 to cover the training of two advisors in each LA to enable them to train others in the use of the quality assurance system;
  - The cost of attending training, for those who will use and contribute to the new tools such as the IDP and quality assurance system<sup>38</sup>. This includes estimates of:

---

<sup>37</sup> This reflects the uncertainty around the figures and the risk that more precise figures might give a spurious sense of precision in the estimates.

<sup>38</sup> Other people would need to be trained, including for example, other school staff and health workers, but the numbers of people and therefore, costs, cannot be quantified at this time.

- £505,000-£766,000 to cover either supply cover or the cost of teachers' time, to enable one teacher from each school in Wales to be trained as an IDP co-ordinator;
  - £251,500 to £357,500 to provide either supply cover or the cost of teachers' time, to enable one SENCo/ALNCo and one ARR co-ordinator, to be trained in using the quality assurance system;
  - £251,500 to £357,500, to cover either supply cover or the cost of teachers' time, to train a teacher in each school in the use of the outcome grids; and
  - £5,000-£9,000 to cover the cost of special educational need administrators' time, to enable them to be retrained so they can support IDPs.
- training for SENCos/ALNCos, estimated to be £945,000 in the first year;
  - a range of costs linked to capacity building, to enable increased delegation of funding to schools which cannot be quantified without further research; and
  - the costs of establishing new planning processes, structures and protocols and resource groups for children and young people with more complex or severe needs, estimated to be between £300,000-£375,000.

4.39. With the notable exception of the training for SENCos/ALNCos and to a lesser degree, the establishment of new planning processes, structures and protocols, most of these costs can be met by using and redeploying existing resources.



## **5. The operational and consequential costs of reform of the quality assurance framework**

### **Existing arrangements**

5.1. The Special Educational Needs Code of Practice for Wales (NAfW 2004b) outlines responsibilities in relation to quality assurance, monitoring and evaluation for local authorities, SENCos and school governors:

- local authorities should ‘ensure that the service has a development plan which sets out clear targets and is regularly reviewed; such plans should specify short, medium and long-term strategies and arrangements for evaluation and quality assurance’ (ibid., 18);
- SENCos’ responsibilities include ‘monitoring the quality of teaching and standards of pupils’ achievements’ (ibid., 49); and
- school governors’ responsibilities include ensuring schools monitor and evaluate their provision.

### **Reformed arrangements**

5.2. Pilot A estimates the operational costs will be minimal in relation to the time needed by schools and local authorities:

- For schools, pilot A considers it only requires schools to reallocate time and resources. Once additional ALN resources are delegated, schools will be responsible for significant amounts of money to meet ALN and the quality assurance system will be their prime way of demonstrating to local authorities that they are spending the money wisely. It is likely that SENCos/ALNCos will take on this role. Although both pilots A and D identified SENCos’/ALNCos’ existing heavy workload as a significant challenge, they found that existing SENCos/ALNCos were able to manage the process, provided it was introduced on a phased basis. Pilot A reports that ‘the assessments are designed to be very easy to complete and do not take much time once the

users have gained experience of using them' (pilot project A, unpublished document).

- Pilot A considers local authorities will be able to reallocate the time officers currently devote to the existing framework to the new framework. It is judged to provide schools with a mechanism for demonstrating accountability to the local authority for the use of delegated funding and will strengthen the local authority monitoring, intervention, challenge and support role by improving the quality of data they have. Proposals developed by pilot B, include regular 'core visits' which will enable local authority advisory teams to review and discuss the data generated by the quality assurance framework with schools (including the ALNCo and members of the senior management team (SMT)), as part of their programme of monitoring, intervention, challenge and support.

5.3. Pilot A estimates that the introduction of the quality assurance framework will create some consequential costs. It should, for example, highlight training needs and areas where schools need support and challenge and also highlight examples of good practice that should be disseminated. However, this should simply mean that the resources devoted to their existing support and challenge role are more effectively targeted at need.

5.4. Over the longer term, the quality assurance framework should increase the cost-effectiveness of provision and has the potential to reduce overall (net) costs. In their review of special educational needs funding, the Wales Audit Office (2007) found that although local authorities had improved their knowledge of how special educational needs funding was spent, only a few local authorities 'have a well-informed and up-to-date view of the quality of provision at each school, obtained as a result of regular monitoring' and their 'ability to compare their own levels of expenditure with that elsewhere in Wales or more widely is very limited...' Moreover, their 'understanding of the outcomes achieved by pupils with SEN is far less secure' than their understanding of expenditure or the quality of provision (ibid., 18).

5.5. The Wales Audit Office (2007) report does not explicitly link improvements in evaluation and quality assurance to cost savings and, therefore, does not quantify cost savings. However, it identifies inefficiencies, such as the bureaucratic burden for schools created by many local authorities' failure to use Pupil Level Annual School Census (PLASC) as a basis for monitoring and instead requiring schools:

‘to submit and update copies of their SEN registers to the council separately from the data entered into PLASC’ (WAO, 2007, 9).

5.6. It also highlights how these weaknesses and inefficiencies in monitoring make it difficult for local authorities to evaluate the relative cost-effectiveness of different types of provision and to plan effectively for the longer-term which, in turn, increases the risk that children or young people will need expensive out-of-county specialist placements (WAO, 2007, 14).

5.7. Caerphilly, which has piloted the provision mapping tool, has already used the tools to identify types of provision which are not cost-effective, such as the employment of peripatetic teachers. This, in turn, enables the resources devoted to such interventions to be used more effectively.

## **6. The operational and consequential cost of reform of arrangements for the individual planning and review of provision for ALN**

### **The cost of arrangements for individual planning of provision for ALN**

#### *Existing requirements*

6.1. Every child or young person on School Action or School Action Plus or with a statement of special educational needs (SEN) should have an individual development plan (IEP)<sup>39</sup>. As outlined in the Special Educational Needs Code of Practice for Wales (NAfW, 2004b), the IEP should include information about:

- ‘the short-term targets set for or by the child;
- the teaching strategies to be used;
- the provision to be put in place;
- when the plan is to be reviewed;
- success and/or exit criteria; and
- outcomes (to be recorded when IEP is reviewed)’ (ibid., 53).

6.2. The Special Educational Needs Code of Practice for Wales (NAfW 2004b) does not specify who should lead the drafting of an IEP although it stresses the importance of children’s, young people’s, parents’ and carers’ involvement. In practice, the person who leads drafting is often the SENCo/ALNCo.

6.3. As outlined in the Special Educational Needs Code of Practice for Wales (ibid.) a statutory assessment involves:

- ‘consideration by the LEA, working co-operatively with parents, the child’s school and, as appropriate, other agencies, as to whether a statutory

---

<sup>39</sup> As do those on Early Years Action or Early Years Action Plus.

assessment of the child's special educational needs is necessary; and if so

- conducting the assessment, in close collaboration with parents, schools and other agencies' (NAfW, 2004b, 73).

6.4. As outlined in the Special Educational Needs Code of Practice for Wales (NAfW 2004b), after deciding to make a statutory assessment:

'the LEA must seek parental, educational, medical, psychological and social services advice. They must also seek any other advice they consider appropriate and, where reasonable, should consult those whom the parents have named' (ibid., 43-44).

6.5. If, following a statutory assessment, a statement of special educational needs is warranted, as outlined in the Special Educational Needs Code of Practice for Wales (NAfW 2004b) it should include:

- 'Part 1. Introduction: the child's name and address and date of birth. The child's home language and religion. The names and address(es) of the child's parents.
- Part 2. Special Educational Needs: details of each and every one of the child's special educational needs as identified by the LEA during statutory assessment.
- Where an LEA, having made an assessment of a child, decides to make a statement, they shall serve a copy of a proposed statement and a written notice on the child's parent within two weeks of the date on which the assessment was completed.
- Part 3. Special Educational Provision: the special educational provision that the LEA consider necessary to meet the child's special educational needs.
  - a. The objectives that the special educational provision should aim to meet.

- b. The special educational provision which the LEA consider appropriate to meet the needs set out in Part 2 and to meet the objectives.
  - c. The arrangements to be made for monitoring progress in meeting those objectives, particularly for setting short-term targets for the child's progress and for reviewing his or her progress on a regular basis.
- Part 4. Placement: the type and name of school where the special educational provision set out in Part 3 is to be made or the LEA's arrangements for provision to be made otherwise than in school.
  - Part 5. Non-Educational Needs: all relevant non-educational needs of the child as agreed between the health services, social services or other agencies and the LEA.
  - Part 6. Non-Educational Provision: details of relevant non-educational provision required to meet the non-educational needs of the child as agreed between the health services and/or social services and the LEA, including the agreed arrangements for its provision' (emphasis and italic omitted, *ibid.*, 99-100).

### **Reformed arrangements**

6.6. Every child who currently falls within the categories of School Action, School Action Plus or who has a statement of special educational needs, all of whom currently have an IEP, should have an IDP. The IDP will replace the IEP and will, at some point, replace statements. If a broader group of children and young people were to have IDPs, costs would of course increase. The IDP should include:

- basic information about the child or young person, such as biographical information and information about the people working with the child or young person;
- contributions from children and young people, parents or carers and professionals (which will help inform a one page profile); and

- an action plan (including targets, outcomes, the nature of provision to be made and review arrangements).
- 6.7. As such it includes a broader range of information than that currently included in the IEP (most notably contributions from children, young people and their parents or carers). It is closer in content to a statement of special educational needs.
- 6.8. The move to IDPs is also intended to drive a shift from a service-centred, 'inter-disciplinary' model of working where individual professionals from different agencies separately assess the needs of children and families before meeting 'to share information, discuss their findings and set goals', to a much more integrated, person-centred approach (Watson et al., 2001, 51 cited in Cavet, 2007).
- 6.9. The broader range of information required by the IDP and the new ways of working it demands, mean that it is likely to take longer to develop an IDP compared to an IEP. Estimates from Torfaen suggest, as a guide, it takes one to two hours to complete an initial IDP and about three quarters of an hour to update it. The Pembrokeshire pilots indicate that although the process of writing the IDP is not time consuming, the initial process of gathering and then uploading data, typing in contact details and so on for the first time takes a considerable amount of time. Moreover, because IEPs are currently paper-based, the data in existing IEPs can not be directly imported. In contrast, the costs of producing an IDP from scratch where there is no IEP are lower, because data is added directly to the IDP. For example, existing paper-based documents, such as letters, which form part of an IEP, must be scanned and uploaded to the IDP. In contrast, where there is no IEP, documents such as e-mailed letters, can be directly uploaded to the IDP.
- 6.10. Torfaen have estimated that 70-75% of the information needed for the IDP can be drawn from existing databases. Moreover, because it is an electronic rather than paper-based system, data can be directly inputted during

meetings, meaning it is a one-stage, time-saving process which helps offset the additional time required to undertake a person-centred assessment.

- 6.11. Given the efficiencies generated by a more streamlined electronic process, the costs of developing an IDP are expected to be lower than the costs of developing a statement of special educational needs (which, as noted, includes a similar range of information to that included in an IDP). The savings, specifically in relation to statements, include a much faster process of review and of signing off changes, which can be done by e-mail rather than the current approach which requires letters to be posted to all parties.
- 6.12. In addition to the time needed to write the IDP, the time of those attending the IDP meetings may be considerable. For example, the cost, to a school of two hours of a SENCo's/ALNCo's time is estimated to be around £70<sup>40</sup> and the costs for two hours of a community speech and language therapist, a community occupational therapist and a health visitor to would be £62, £88 and £78 respectively (including on costs, but excluding qualifications) (Curtis, 2011). The total cost, for all four to attend would therefore be £268. It is not possible to quantify the estimated total costs without further research, to for example, assess the likely number of IDPs and need for different professionals to attend.
- 6.13. Although there are unlikely to be large differences in the people who should attend IDP meetings, as distinct from IEP meetings, attendance at IEP meetings is reported to be often very poor.
- 6.14. Pilots B and C report that there are likely to be a number of other operational costs. These include:
- increasing demand for data storage capacity (the costs of which have not yet been calculated);

---

<sup>40</sup> This is calculated using an estimated salary of £39,750, plus on costs of 30%, bringing the total to £51,675. This is based upon the maximum pay scale, for teachers in England and Wales (£31,552) plus a Level 1 special educational needs allowance (£2,001) and a maximum teaching and learning responsibility 2 payment (£6,197), to reflect the additional responsibilities a SENCo/ALNCo could be expected to have. It assumes a SENCo/ALNCo works 194 days and 7.5 hour day, meaning the hourly cost is £36.



- the cost of security – if ‘keys’ are required, costs will be very high (a minimum of £25 per user which, assuming that 20% of the school age population have an IDP at any one time which would mean there would be around 7,500 IDPs and assuming a minimum of three users per IDP (each of whom would have a key), the total cost would be at least £562,500. However, Torfaen is confident that ‘two factor authentication’<sup>41</sup> can be achieved, without using ‘keys’, by using an e-mail account and password. The security requirements of the IDP are currently being considered;
- the costs of supporting those children and young people and/or their parents and carers without access to the internet and/or who are not IT literate. It may be possible for this to be covered by key workers (for those with the most severe and/or complex needs) and those co-ordinating the IDP (for the remainder of young people and their families), but the feasibility of this has not been established; and
- the costs of establishing central (i.e. national) technical and business support for the on-line IDP. Although LA business support and IT teams will provide day-to-day support to those using the IDP, Torfaen have concluded that a central support structure is needed to provide back-up if there were questions or problems that LA teams could not answer and to help ensure that over time, the IDP developed in a consistent way. The estimated cost of this is £26,000 per year<sup>42</sup>.

6.15. The costs, in terms of staff time, of multi-agency strategic planning groups and multi-agency complex needs panels, are considerable. These groups and panels are needed to make decisions about funding and provision for those with more complex or severe needs. They are costly because the meetings are frequent – often once a month – and senior practitioners attend. For example, the cost, purely in terms of staff time, of a three hour meeting with an attendance of 13, including:

- senior representatives from children’s services and adult services;

---

<sup>41</sup> In this case the two factor authentication is something they have – an e-mail account – and something they know – a password.

<sup>42</sup> This is based upon the estimated salary of a local authority IT helpdesk co-ordinator (£20,000) and assumes on costs of 30% (LG n.d. d).

- a Project Manager, Group Manager and Project Board Chair (as well as an unpaid parent representative);
- representatives from a learning setting, Careers Wales and Care Council Network United Kingdom (CCNUK);
- a complex care specialist, and a specialist Child and Adolescent Mental Health Service practitioner; and
- two key workers.

would be in the order of £1,700. This panel could be expected to meet 20 times a year, indicating a total annual cost of £34,000<sup>43</sup> per local authority and a national cost of £748,000.

6.16. Nevertheless, existing statutory duties include provision for multi-agency working and planning and most local authorities have multi-agency complex needs panels.

6.17. There are also likely to be consequential costs and cost savings:

- a reduction in the number of statutory assessments and statements (from around 3%, initially, to 0.5% and ultimately to zero) if they are replaced by IDPs. It is hoped that substantial cost savings can be made here. The cost of producing statements is considerable. For example, in 2002, the Audit Commission (2002b) estimated that each statement costs £2,500 to produce (equivalent to over £3,000 in current prices assuming 2.5% inflation per year). The total cost of producing new statements in 2011 could, therefore, be around £4 million<sup>44</sup>. However, once a statement is produced, the cost of producing an IEP may fall (a young person with significant special educational needs should have both a statement and an IEP), therefore, it is difficult to assess the net impact of phasing out statements and replacing IEPs with IDPs;

---

<sup>43</sup> These figures are based upon analysis undertaken as part of the cost-benefit analysis of the transition key worker pilot projects (Holtom et al., forthcoming b).

<sup>44</sup> In January 2012, there were 13,591 statements in total and 1,333 pupils were newly assessed as requiring a statement during 2011, compared with 1,264 in 2010 (Statistics Wales, 2012).

- pilot A reports that most local authorities maintain expensive computer systems and for example, one of the smaller pilot local authorities spends around £10,000 a year on licenses for their Capita system for statementing and has administrative costs of around £150,000 a year for statementing. However, some of this is likely to be reallocated. For example, it is proposed that existing SEN administration teams could help administer IDPs. Therefore, it is not possible to assess the total cost saving without further research;
- as outlined below, the role of resource panels may be slimmed down as more cases are dealt with at school level. The cost implications of this are not known and would require further research, and if possible, piloting to enable the costs to be measured empirically;
- reduction in numbers of appeals to tribunals. The expected impact on numbers has not been quantified. The costs of contesting appeals are believed to be high. Although local authorities will not have to pay external legal costs, the time of staff and resources put toward a tribunal in one local authority has been estimated by a solicitor's firm as up to £10,000 per tribunal (Lincolnshire Echo, 2010). Although the total number of cases heard by the Special Educational Needs Tribunal for Wales (SENTW) each year are relatively low (131 in 2009-10), if the number of cases was reduced to the levels of local authorities such as Anglesey, Gwynedd, Merthyr Tydfil and Wrexham who currently have the lowest levels (around one case per 10,000 pupils), the total reduction in cases would be in the order of around 40%, falling to approximately 80 cases a year (SENTW, 2011). This would represent a significant cost saving, assuming the costs of each case could be as high as £10,000. However, any reduction in the number of appeals caused by improvements in family information and support services, improved dispute resolution process and improvements in provision (including the introduction of the IDP and quality assurance framework), could be offset by an increase in the number of cases appealed to the Special Educational Needs Tribunal for Wales (SENTW) if rights of appeal were extended to include more children and young people than is currently the case. For example, it has been proposed that the right of appeal could be extended to all young people with ALN. However, it is unlikely this option will be adopted;

- more efficient provision including, for example, a reduction in the number of expensive out-of-county placements. For example, Carmarthenshire has halved the number of children and young people in residential schools (from a peak of 20 in 2005/06 to 9 in 2008/09, reversing the previously upward trend) and increased the number of children and young people cared for in the home from 4 to 16 over the same period (Jones and Dunn, unpublished document);
- more efficient administration including, for example, reductions in the time that is currently wasted by professionals trying to find information about a child (for example, who else is working with them) by reducing the fragmentation of planning; and
- more effective, earlier intervention. The expected impact on need has not been quantified. The Wales Audit Office (2007) reports that although good forward planning can lead to higher expenditure in the short-term, 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 (WAO, 2007).

## **The cost of reform of arrangements for review of IDPs**

### *Existing arrangements*

6.18. As outlined in the Special Educational Needs Code of Practice for Wales (NAfW 2004b), in primary, secondary and special schools:

'IEPs should be reviewed at least twice a year. Ideally they should be reviewed termly or possibly more frequently for some children. At least one review in the year could coincide with a routine Parents' Evening, although schools should recognise that some parents will prefer a private meeting. Reviews need not be unduly formal, but parents' views on the child's progress should be sought and they should be consulted as part of the review process. Schools should encourage parents to make their views known. Wherever possible, the child should also take part in the review process and be involved in setting the targets. If the child is not

involved in the review, their ascertainable views should be considered in any discussion' (ibid., 53).

6.19. As outlined in the Special Educational Needs Code of Practice for Wales (ibid.), in relation to statements:

'All statements (other than those for children under two) must be reviewed at least annually. The annual review of a pupil's statement ensures that once a year the parents, the pupil, the LEA, the school, and all the professionals involved consider both the progress the pupil has made over the previous 12 months and whether any amendments need to be made to the description of the pupil's needs or to the special educational provision specified in the statement. It is a way of monitoring and evaluating the continued effectiveness and appropriateness of the statement. LEAs must ensure that such a review is carried out within 12 months of either making the statement or of the previous review' (ibid.,120).

### **The cost of reform of arrangements for review of ALN provision**

6.20. It is estimated by pilots B and C that the introduction of IDPs will reduce the overall costs of reviews. IDP review meetings will replace IEP meetings and it is estimated by pilot B that, although the frequency of IDP meetings will be similar to that of IEP meetings, the IDP will make it more efficient to update plans. The IDP review meetings will also replace annual statement review meetings, and over time, as the number of statements falls, initially to 0.5% of the population and ultimately to zero when statements are phased out, the total number of review meetings will also fall.

## 7. The operational costs of key working and key workers

- 7.1. As outlined in table three, below, it is envisaged that all children and young people with severe and/or complex ALN will have key working and key workers. For children and young people with moderate ALN, there will be key working, and families will have someone who provides a single point of contact. However, this single point of contact who might, for example, be the person co-coordinating the IDP, may not offer the same level of sustained practical and emotional support that a key worker would provide.

### Key working and key workers

Key working is viewed as an exemplar of good practice by bodies such as the Care Co-ordination Network Wales. It provides families with one agreed single point of contact, synchronising the support and services of two or more agencies in meeting their needs. It has been defined by the Care Council Network UK as “a service, involving two or more agencies, that provides disabled children and young people (0-25 years of age) and their families with a system whereby services from different agencies are co-ordinated. It encompasses individual tailoring of services based on assessment of need, inter-agency collaboration at strategic and practice levels, and a named key worker for the child and family giving a single point of contact” (CCNUK, n.d. a, 8).

Key workers work directly with families and are expected to provide information, identify and assess the needs of all family members, provide emotional and practical support where required, and help the child or young person and their family, work with other agencies and if necessary, advocate on their behalf (CCNUK, n.d., b).

A ‘designated’ key worker is employed specifically to work as a key worker whilst a ‘non-designated’ key worker provides key working services alongside other roles. The non-designated model is the most common form of key working. A practitioner takes on the role of key worker for a small number of families (typically up to three) in addition to their usual role (CCNUK, n.d. c, 6).

As outlined above, key working and key workers is often used to support disabled children and their families, given the complexity of their needs and the range of services working with them. For those with less severe and/or complex needs, where fewer services are involved, someone who can provide a single point of contact for the family and who can co-ordinate the support of different services is desirable. However, the person who takes on this role, does not necessarily need to provide the same level of sustained and in depth emotional and practical support that a key worker offers to families of children and young people with more complex and/or severe needs (DfE, n.d., Cavet, 2007).

**Table 3: types of co-ordination of an IDP**

| Type of ALN                            | Roughly equates to Tier | Co-ordination                                | Notes  |
|--|-------------------------|--|--|
| Severe and/or complex ALN              | 4                       | Multi-agency panel, key worker               | In effect, the Carmarthenshire model.  |
| Moderately severe and/or complex ALN   | 2/3                     | Co-ordinator, key working                    | Co-ordinator, likely to be the SENCo/ALNCo as the co-ordinator needs to have the authority to co-ordinate a multi-agency team but could also be undertaken by another professional, such as an Early Support Key Worker. Parental choice is also important. As multiple agencies are involved, the co-ordinator key works with the family (e.g. acts as the family/service interface).   |
| ALN that are not severe and/or complex | 2                       | Co-ordinator, a designated/identified person | Simple plan (few or no other agencies involved). Therefore there is no need to co-ordinate others outside school, so the person co-ordinating the plan may not need authority over others (assuming plans are agreed with SENCo/ALNCo and adhered to by colleagues) and there is no need for key working, although the co-ordinator should apply the principles of key working when working with the family. Therefore, the co-ordinator could, for example, be a class teacher (rather than SENCo/ALNCo). |

7.2. If we assume key workers are restricted to approximately 0.5% of pupils with the most severe and/or complex needs, this would equate to approximately 19,000 pupils aged 5-16. A model using non-dedicated key workers has been put forward to meet this need. This would involve reconfiguring the existing workforce to enable existing staff to take on the role. The scale of the task should not be under-estimated. CCNUK research suggests non-designated key workers have an average caseload of three. This indicates a need for 6,000 non-designated key workers across Wales. Nevertheless, it is judged achievable and advocates point to local authorities such as Ceredigion, Pembrokeshire, Conwy and Torfaen which have used existing resources to develop key working services for some children and young people, such as transition services for those aged 14-19 with severe and/or complex needs (personal communication with Sally Rees, manager, Care Co-ordination Network Cymru).

7.3. The cost of introducing non-dedicated key working is much lower than the cost of introducing a dedicated key working service. Assuming the non-dedicated key workers are able to fulfil their role as part of their existing responsibilities and there is, therefore, no additional cost, the main costs will include, at a minimum:

- a key working service manager and administrative support which is likely to be in the region £30,000-£40,000 for management and £10,000-£12,000 for administration each year in each local authority (indicating a total cost of £880,000-£1,144,000 per year);
- a named person who would act as key worker, a role which could be fulfilled by the person co-ordinating the IDP, and as such could be fulfilled by the existing workforce;
- multi-agency care planning and review meetings to facilitate planning at case level, a function which could be met by the IDP planning process/meetings (whose costs are discussed in section five above);
- training for key workers in, for example, person-centred planning (whose costs are discussed in section six above); and



- a multi-agency steering group able to provide strategic oversight, make decisions about resources and tackle barriers to integrated working, which could potentially be fulfilled by complex needs panels (whose costs are discussed in section six above) (Greco et al., 2005).
- 7.4. Key workers and key working for some children and young people is currently established in some parts of Wales including Conwy, Ceredigion, Pembrokeshire, Newport and Torfaen, but is not universally available even in these areas as it does not cover the whole 0-25 age range (CCNUK, n.d., d). This means that the net cost of introducing the service would be lower than the estimate included above but that it is not possible to estimate the total net cost without, for example, undertaking a detailed audit of existing provision across Wales.
- 7.5. Although the non-dedicated key working model is less costly than a designated key working model, evidence suggests that it is less effective (Sloper et al., 2011). Therefore, there may be a case for a dedicated key worker service for some groups, such as those with severe and/or complex needs, who are making the transition from school to education, training, employment and/or independent living. This is subject to a separate cost benefit analysis of the transition key worker pilot projects (Holtom et al., forthcoming a). In principle, the costs of this should be borne by education, health and social services.
- 7.6. Moreover, one of the key findings from the evaluation of transition key working pilot projects is that the value of key working lies not only in the impact it has upon outcomes for young people, such as progression to education, training or employment and independent living, but upon young people's and their parents' and carers' experience of transition. For example, it can significantly reduce the stress that young people and their parents or carers experience during transitions. Evidence from families suggests the need to ensure that there is continuity, that key workers have the time to build and sustain a relationship with families and that key workers provide a single point of contact for families when they need it.

- 7.7. In order to improve families' experiences, the IDP has the potential to not only improve the planning of provision to meet a child's or young person's needs, but also planning for the support they and their family need. This more personalised approach to planning could include the identification of those cases where a family needed greater support than that which could be provided by a non-dedicated key worker. It could also help identify those points, such as transition, when additional support was expected to be needed.
- 7.8. Evidence from the costs and benefits analysis of transition key working pilot projects in Wales (Holtom et al., forthcoming a) also suggests that key workers are likely to be well placed to help identify barriers to joint working. Where these barriers cannot be overcome by key workers, key working service managers should have a key role in identifying these barriers and raising them with multi-agency steering groups, who do have the capacity and influence to tackle these barriers at a strategic level.

## **8. The operational costs of the SENCo/ALNCo role**

### **Existing arrangements**

- 8.1. As outlined in the Special Educational Needs Code of Practice for Wales (NAfW, 2004b) in primary schools (the role is similar in secondary schools):

‘The SEN Co-ordinator (SENCo), in collaboration with the head teacher and governing body, plays a key role in determining the strategic development of the SEN policy and provision in the school in order to raise the achievement of children with SEN. The SENCo takes day-to-day responsibility for the operation of the SEN policy and co-ordination of the provision made for individual children with SEN, working closely with staff, parents and carers and other agencies. The SENCo also provides related professional guidance to colleagues with the aim of securing high quality teaching for children with SEN.

The SENCo, with the support of the head teacher and colleagues, seeks to develop effective ways of overcoming barriers to learning and sustaining effective teaching through the analysis and assessment of children’s needs by monitoring the quality of teaching and standards of pupils’ achievements, and by setting targets for improvement. The SENCo should collaborate with curriculum coordinators so that the learning for all children is given equal priority and available resources are used to maximum effect’ (ibid., 64).

- 8.2. The Special Educational Needs Code of Practice for Wales (ibid.) also outlines that:

‘In terms of responsibility the SENCo role is at least equivalent to that of curriculum co-ordinator’ and that: ‘Many schools find it effective for the SENCo to be a member of the senior leadership team’ (ibid., 50).

## Reformed arrangements

8.3. As outlined in the SENCo/ALNCo role specification developed by pilots D, the reformed role includes key elements that fall within the remit of the SENCo (as defined by the Special Educational Needs Code of Practice for Wales (NAfW 2004b)), including:

- the 'strategic development of ALN policy and procedures;
- the co-ordination of provision;
- leading, developing and supporting colleagues; and
- working in partnership with pupils, families and other professionals' (pilot D, unpublished document).

8.4. As such, what it primarily offers is better training to enable SENCos/ALNCos to fulfil their existing role, rather than the imposition of new duties. It is also envisaged that the cost of employing SENCos/ALNCos will be covered by schools, using some of their delegated funding. For the purposes of analysis, it is assumed that the time existing SENCos/ALNCos spend is adequate, so no additional teaching cover is required. This assumption may be unrealistic, given the heavy workload of SENCos/ALNCos. The increasing delegation to schools of both responsibilities and resources for meeting additional learning needs is also likely to increase the demands upon SENCos/ALNCos. Increased demands upon their SENCos'/ALNCos' time may also, in turn, reduce their capacity to take on other roles, such as teaching responsibilities. However, redefining the role of SENCos/ALNCos, as pilot D's proposals for the redefined SENCo/ALNCo role seek to do, by making the role more strategic, may mean that more routine tasks can be taken up by other members of the school.

8.5. The establishment of the reformed SENCo/ALNCo role may also increase the cost of employing SENCos/ALNCos, although it is not possible at this stage to estimate the net impact with any degree of accuracy. A payment may be needed to recognise the qualification but the amount required has not yet

been assessed. In addition, if pilot D's recommendation that SENCOs/ALNCOs be members of the senior management team in primary schools were adopted (this is not judged necessary in secondary schools), this would increase the cost of employing SENCOs/ALNCOs who are not currently part of the senior management team<sup>45</sup>. In primary schools, this would mean somewhere between around a third and half of SENCOs/ALNCOs would need to join the senior management team<sup>46</sup>, which could in turn trigger additional Teaching and Learning Responsibility (TLR) payments. However, proposals for clustering in which schools, particularly small schools, 'share' a SENCO/ALNCO, may mean that the total number of SENCOs/ALNCOs falls. This in turn could reduce the number of teachers who qualify for TLR payments, potentially offsetting other increases in cost.

---

<sup>45</sup> There is currently no requirement for SENCOs/ALNCOs to be part of the senior management team.

<sup>46</sup> This is based upon an extrapolation of a survey of SENCOs in Newport and Cardiff. This found that 69% of all SENCOs are on schools' senior management team, falling to 51% if headteachers and deputy heads fulfilling the role are excluded (who may choose not to take on the new role and responsibilities).

## 9. Conclusions

- 9.1 The final report on the developmental phase of the Additional Learning Needs Pilot projects (Holtom et al., forthcoming b), identified a broad consensus that the status quo is untenable and the existing system, particularly in relation to statements, is not cost-effective and needs reform. The system fails to meet the needs of many children and young people, their parents and carers and is costly, time consuming and complex to administer. Therefore, there is a strong case for reform, provided the proposed reforms are cost-effective.
- 9.2 This interim cost analysis indicates that the start-up costs of key elements of reform, most notably in terms of capacity building, and in particular, training of SENCos/ALNCoS are likely to be considerable. The largest cost relate to training SENCos/ALNCoS, which is estimated to be £945,000 per year. The costs for training other members of the workforce in, for example, co-ordinating and contributing to IDPs are also likely to be considerable given the numbers involved. However, these are not additional costs. Instead they require the redeployment of existing resources. For example, by using existing local authority trainers to deliver training and for those being trained to attend training as part of their normal working week.
- 9.3 The analysis indicates that once established, costs are estimated to be comparable to existing arrangements (i.e. to be neutral) and may generate net cost savings in some areas.
- 9.4 It is likely that the reformed system will mean more needs are identified, increasing demands upon services. However, it is expected that this will be offset by earlier identification of need and improvements in administration, planning and provision to meet those needs. This will mean that more needs can be met, and that needs can be met more effectively, without increasing the overall cost to the system as a whole.
- 9.5 Moreover, in general, the proposed reforms do not impose new duties upon schools, local authorities or health boards, meaning they represent existing

rather than new costs. Where new duties are imposed, these typically extend or change existing duties rather than creating completely new duties.

- 9.6 However, there remains considerable uncertainty about the costs of almost all elements of the proposed reforms. In many cases there is little or no empirical evidence of actual costs and estimates for these costs are, therefore, based upon plans of what is expected to happen and evidence from comparable interventions. In particular, most of the cost estimates are based upon the assumption that there is considerable scope to redeploy existing resources to, for example, enable training, so that the increase in costs is minimal. This assumption may prove overly optimistic. Moreover, because systems-wide testing has not been undertaken, the impact of different elements of the reform programme upon the cost of other elements is also not known.
- 9.7 In assessing net costs, it is important to consider net costs across the system and over time. This requires systems thinking - an analysis of the system as a whole, looking at, for example, how the decisions of one service can impact upon the costs of another service<sup>47</sup>. It will also be important to consider the impact of timing. For example, earlier intervention and better planning - two key goals of the reform of the statutory framework for special educational needs in Wales - may cost more in the short-term, but save money over the longer-term. The reforms should, for example, ensure that needs are identified swiftly and that provision is put in place to meet those needs. This, in turn, should ensure that problems do not escalate as a consequence of, for example, children or young people falling further and further behind. These sorts of problems can increase children's or young people's risk of disengagement and disaffection and other associated problems such as poor behaviour, all of which are likely to be more difficult, and more costly, to address in the future (Allen, 2011).
- 9.8 Crucially, more effective identification of need and planning applies both to the individual and to the system as a whole - at present much money is wasted because neither the identification of need nor the planning for the provision to

---

<sup>47</sup> It can be contrasted with an approach, which, for example looked at the cost of each service individually and in isolation from other services.

meet that need happens early enough. As a consequence, much planning is too hasty, making it more difficult to secure good value for money. In many cases, for example, those commissioning services do not have a robust picture of the needs of children and young people and, thus, they cannot plan commissioning of local provision and are instead forced to rely upon more expensive out-of-county provision when needs are identified.

- 9.9 Although there is a strong case for sequencing reforms to ensure that capacity is built before new tools and approaches are implemented, it is important that the less costly reforms are not ‘cherry picked’. The evidence from the ALN Pilot projects suggest that to be cost-effective there will need to be system wide reform<sup>48</sup> and in calculating costs we have assumed this will be the case.
- 9.10 Given the uncertainty around both the net cost and the cost-effectiveness of many of the elements of reform programme discussed in this report, there is a strong case for exploring these issues further in any development of the pilots. This could include further research to better understand the cost-effectiveness of multi-agency panels, the extent of training needs and how these could best be met and the requirements for key working.

### **Recommendations for further work**

- 9.11 The piloting phase of the ALN Pilots should be used to provide additional empirical evidence of the likely start-up, operational and consequential costs of the quality assurance system, individual planning and review processes and the establishment of the SENCo/ALNCo role. This would enable many of the assumptions about, for example, the time needed to develop and review IDPs compared to IEPs, to be tested. Where possible, systems analysis should be used to consider the impact of different elements of the reforms upon each other.

---

<sup>48</sup> For example, the interdependence of reforms means that the value of introducing IDPs without also introducing person-centred planning training is likely be constrained and the costs of producing each IDP would increase, if those developing IDPs lacked the necessary skills (because they had not been adequately trained).



- 9.12 In order to more accurately estimate net costs, the scope for redeploying and/or decommissioning existing services should be rigorously assessed. The scope for redeployment and/or decommissioning will depend upon both decisions by the Welsh Government about, for example, the extent to which the IDP can replace or be integrated with other planning processes, and decisions by individual local authorities and educational consortia about how they redeploy resources to enable training. This will have important implications for the net start-up and operational costs.
- 9.13 The costs associated with other aspects of the proposed reforms, such as reforming family information and support services, advocacy and complaint resolution arrangements; the introduction of key working and costs associated with reforming Initial Teacher Training and Continuing Professional Development, should be considered, in order to provide a more comprehensive assessment of the total cost of reform.

## Bibliography

(all web references correct as at 31st January 2012)

Allen, G. (2011), *'Early Intervention: The Next Steps: An Independent Report to Her Majesty's Government'*, Department for Work and Pensions, London. Accessed at: <http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf>

Aston, J., Bates, P., Dewson, S., Ritchie, H., and Dyson A. (2004), *'Post-16 Transitions: A Longitudinal Study of Young People with Special Educational Needs, Wave Two Report'*, Institute for Employment Studies, Manchester. Accessed at: <http://education.gov.uk/publications/standard/publicationDetail/Page1/RR582>

Archer, T., and Fletcher-Campbell, F. (2003), *'Achievement at Key Stage 4 of Young People in Public Care'*, National Foundation for Education Research, Nottingham. Accessed at: <http://www.education.gov.uk/publications//eOrderingDownload/RR434.pdf>

Audit Commission (2002a), *'Special Educational Needs: A Mainstream Issue'*, The Audit Commission, London. Accessed at: <http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/senmainstreamissue.aspx>

Audit Commission (2002b), *'Statutory Assessments and Statements of SEN: In Need of Review?'*, The Audit Commission, London. Accessed at: <http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/brsenpolicyfocus.pdf>

Cambridge Education Associates (unpublished document), *'Management of SEN in Wales'*, unpublished report commissioned by the Welsh Assembly Government and the Association of Directors of Education in Wales (ADEW).

Care Council Network United Kingdom (n.d. a), '*Key Working: The Proactive, Preventative and Protective Approach to Supporting Families with Disabled Children and Young People - The Guide to Key Working in Practice*', Care Co-ordination Network UK, York. Accessed at:  
[http://ccnukorguk.site.securepod.com/ccnuk/Documents/Guide%20to%20KW\\_final.pdf](http://ccnukorguk.site.securepod.com/ccnuk/Documents/Guide%20to%20KW_final.pdf)

Care Co-ordination Network UK (n.d. b), '*The Key Worker Standards*', webpage. Accessed at <http://ccnukorguk.site.securepod.com/ccnuk/body.asp?id=9>

Care Co-ordination Network UK (n.d. c), '*CCNUK defines key working as*', webpage. Accessed at <http://ccnukorguk.site.securepod.com/ccnuk/body.asp?id=2>

Care Co-ordination Network UK (n.d. d), '*Directory*', webpage. Accessed at <http://www.ccnu.org.uk/>

Cavet, J. (2007), '*Working in Partnership through Early Support: Distance Learning Text Best Practice in Key Working: what do research and policy have to say?*', Care Co-ordination Network UK, York. Accessed at:  
<http://ccnukorguk.site.securepod.com/ccnuk/Documents/What%20does%20research%20say.pdf>

Curtis, L. (ed). (2011), '*Unit Costs of Health and Social Care 2011*', Personal Social Services Research Unit, Canterbury. Accessed at:  
<http://www.pssru.ac.uk/archive/pdf/uc/uc2011/uc2011.pdf>

Department for Education (n.d.). '*What is key working*', webpage. Accessed at:  
<http://www.education.gov.uk/childrenandyoungpeople/send/earllysupport/esinpractice/a0067031/what-is-keyworking>

Estyn (2003), '*Support for Children with Special Educational Needs: An Estyn Overview*', Estyn, Cardiff. Accessed at:  
[http://www.estyn.co.uk/publications/Support\\_children\\_SEN.pdf](http://www.estyn.co.uk/publications/Support_children_SEN.pdf)

Estyn (2004), '*Best Practice in The Development of Statements of Special Educational Needs and Delivery by Schools of the Action Agreed*', Estyn, Cardiff.

Accessed at:

[http://www.estyn.gov.uk/publications/Remit\\_1.pdf](http://www.estyn.gov.uk/publications/Remit_1.pdf)

Estyn (2005), '*Success for All: Support in Further Education Colleges and Work-Based Learning Companies for 16-19 Year Olds with Additional Learning Needs*',

Estyn, Cardiff. Accessed at:

<http://www.estyn.gov.uk/uploads/publications/6407.pdf>

Estyn (2007), '*Evaluating Outcomes for Children and Young People with Additional Learning Needs*', Estyn, Cardiff. Accessed at:

[http://www.estyn.org.uk/publications/Evaluating\\_outcomes\\_for\\_children\\_and\\_young\\_people\\_with\\_additional\\_learning\\_needs\\_2007.pdf](http://www.estyn.org.uk/publications/Evaluating_outcomes_for_children_and_young_people_with_additional_learning_needs_2007.pdf)

Estyn (2011), '*Annual report 2009-2010*', Estyn, Cardiff. Accessed at:

[http://www.estyn.gov.uk/flash\\_annual\\_report\\_2009-2010/estyn\\_ar\\_title.html](http://www.estyn.gov.uk/flash_annual_report_2009-2010/estyn_ar_title.html)

Estyn and Wales Audit Office (2011), '*A Report on the Quality of Local Authority Education Services for Children and Young People in Pembrokeshire County Council*', Estyn and Wales Audit Office, Cardiff. Accessed at:

<http://www.estyn.gov.uk/download/publication/209937/inspection-report-pembrokeshire-laescyp-eng-2011-english-only/>

Greco, V., Sloper, P., Webb, R. and Beecham, J. (2005), '*An Exploration of Different Models of Multiagency Partnership in Key Worker Services for Disabled Children: Effectiveness and Costs*', Department for Education and Skills, Nottingham.

HM Treasury, (2011), *'The Magenta Book: Guidance for Evaluation'*, The Stationary Office, London, accessed at:

[http://www.hm-treasury.gov.uk/d/magenta\\_book\\_combined.pdf](http://www.hm-treasury.gov.uk/d/magenta_book_combined.pdf)

Holtom, D., Lloyd-Jones, S. Bowen, R and Watkins, J. (forthcoming a), *'Transition Key Working: A Cost Benefit Analysis of 5 Pilot Projects in Wales'*, unpublished document for the Welsh Government.

Holtom, D., Lloyd-Jones, S. and Watkins, J. (forthcoming b), *'Programme of Action Research to Inform Evaluation of the Additional Learning Needs Pilot Developmental Phase: final report'*, unpublished document for the Welsh Government.

Holtom, D. and Lloyd-Jones, S. (forthcoming), *'Programme of Action Research to Inform Evaluation of the Additional Learning Needs Pilot Developmental Phase: interim report'*, unpublished document for the Welsh Government.

Jones, J. and Dunn, J. (unpublished presentation), *'Statements or Something Better?: pilot projects'*, unpublished presentation.

Lincolnshire Echo (2010), *'Council's costly tribunal battles with parents'*, webpage. Accessed at <http://www.thisislincolnshire.co.uk/Council-s-costly-tribunal-battles-parents/story-11210851-detail/story.html>

Local Government (n.d. a.), *'Training Officer'*, webpage. Accessed at <http://www.lgcareers.com/careers-az/training-officer/>

Local Government (n.d. b.), *'Administrative Assistant'*, webpage. Accessed at <http://www.lgcareers.com/careers-az/administrative-assistant/>

Local Government (n.d. c.), *'Education Advisor'*, webpage. Accessed at <http://www.lgcareers.com/careers-az/education-adviser/>

Local Government (n.d. d.), *'IT Helpdesk Co-ordinator'*, webpage. Accessed at <http://www.lgcareers.com/careers-az/it-helpdesk-co-ordinator/>



National Disability Authority [Republic of Ireland] (2011), *'Advice paper to the Value for Money and Policy Review of Disability Services Programme'*, National Disability Authority, Dublin. Accessed at:

[http://www.nda.ie/website/nda/cntmgmtnew.nsf/0/B6B630EA27AC94CC8025787F003D54F0/\\$File/Value\\_For\\_Money.pdf](http://www.nda.ie/website/nda/cntmgmtnew.nsf/0/B6B630EA27AC94CC8025787F003D54F0/$File/Value_For_Money.pdf)

Pilot project A. (unpublished document), *'A quality assurance system to evaluate educational provision for children and young people with ALN'*, unpublished report for the Welsh Government.

Pilot project C, (unpublished document a), *'Pilot Project: Pembrokeshire and Bridgend'*, unpublished report for the Welsh Government.

Pilot project C, (unpublished document b), *'Possible Web-Based IDP (Individual Development Plan) and Linked Developments in Bridgend'*. Unpublished report for the Welsh Government.

Pilot Project D, (unpublished document), *'The Role of the ALNCo – Pilot D'*, unpublished presentation.

Rose, J. (2010), *'Identifying and Teaching Young People with Dyslexia and Literacy Difficulties'*, Department for Children Schools and Families, Nottingham. Accessed at: <http://www.education.gov.uk/publications/standard/publicationdetail/page1/DCSF-00659-2009>

Salt, T. (2010), *'Independent Review of Teacher Supply for Pupils with Severe, Profound and Multiple Learning Difficulties (SLD and PMLD)'*, Department for Children, Schools and Families, Nottingham. Accessed at: <http://sen.ttrb.ac.uk/attachments/6cee65e3-2e99-4e01-8e94-fd9344d35f2e.pdf>

Sloper P., Beecham, J., Clarke, S., Franklin, A., Moran, N., and Cusworth, L. (2011), *'Transition to Adult Services for Disabled Young People and those with Complex Health Needs'*, Social Policy Research Unit, York.

Special Educational Needs Tribunal for Wales (2011), '*Special Educational Needs Tribunal for Wales Annual Report 2009/10*', Special Educational Needs Tribunal for Wales, Cardiff. Accessed at:

<http://wales.gov.uk/subsites/sentw/publications/annualreports/annualrpt0910en.pdf?lang=en>

Statistics for Wales (2010), '*2009 Mid-year Population Estimates*', Welsh Assembly Government, Cardiff. Accessed at:

<http://wales.gov.uk/docs/statistics/2010/100624sb462010en.pdf>

Statistics for Wales (2012), '*Pupils with statements of special educational needs, January 2012*', Cardiff, Welsh Government, accessed at:

<http://wales.gov.uk/docs/statistics/2012/120613sdr882012en.pdf>

Teaching Agency (n.d.), '*Teaching salary scales*', web page. Accessed at:

<http://www.education.gov.uk/get-into-teaching/salary/teaching-salary-scales>

Teacher Development Agency (n.d.), '*Provider Pay and Supply Cover*', web page.

Accessed at: <http://www.tda.gov.uk/about/plans-policies-reports/policies/foi/~media/resources/about/policies/providerpaymentsandsupplycover.pdf>

Welsh Assembly Government (2008), '*Statements or Something Better? Summary of Progress to Date and the Next Steps*', Welsh Assembly Government, Cardiff,

Accessed at:

<http://new.wales.gov.uk/topics/educationandskills/publications/guidance/recommendationellsccommittee/?lang=en>

Welsh Assembly Government (unpublished document a), '*Specification for the Development of an Evaluation Framework for the Additional Learning Needs Pilot Scheme*', unpublished document



Welsh Assembly Government (unpublished document, b), '*Reform of the Statutory Framework for Children and Young People with Additional Learning Needs in Wales: Direction of Change*', unpublished document.

Wales Audit Office (2007), '*Good Practice in Special Education Needs Funding*', Wales Audit Office, Cardiff. Accessed at:  
[http://www.wao.gov.uk/assets/englishdocuments/SEN\\_funding\\_eng.pdf](http://www.wao.gov.uk/assets/englishdocuments/SEN_funding_eng.pdf)

Watson, D., Townsley, R., Abbott, D. and Latham, P. (2001), '*Working Together? Multiagency working in services to children with complex health care needs and their Families*', Nora Fry Research Centre, University of Bristol, Bristol.