

# Local Government Association Briefing

## House of Commons Debate: Special educational needs and disabilities funding

House of Commons

12 February 2019



### Key Messages

- All children deserve access to the best possible education. Data shows that council-maintained schools receive better Ofsted ratings, and improve more quickly, than academy schools. Analysis undertaken on behalf of the LGA found that ninety-one per cent of maintained schools are now rated as either good or outstanding.<sup>1</sup>
- Councils are telling us that pressures on the High Needs funding block is one of the most serious financial challenges that they are currently dealing with. We have therefore commissioned research to look at the scale of the high needs funding pressures facing councils<sup>2</sup>.
- We welcome the Government's additional investment announced at the end of last year of £365 million across 2018/21 – it includes £250 million over 2018-19 and 19-20 for high needs budgets and a further £100m on capital<sup>3</sup>. However independent research commissioned by the LGA found that councils face an estimated funding gap of up to £1.6 billion by 2021.
- We are calling on the Government to address the lack of funding for supporting children with special educational needs and disabilities (SEND) in this year's Spending Review. We are concerned that unless additional funding is made available, councils will not be able to meet their statutory duties to support children with SEND.
- More children with special needs are now being educated outside of mainstream schools for the first time ever. Latest school census figures show that 52 per cent<sup>4</sup> of the 268,545 children and young people with Education, Health and Care Plans (EHCPs) were placed in state special schools, alternative provision, or independent and non-maintained special schools in 2018.
- The average annual cost to a council of a special needs placement in 2017/18, was £6,000 per pupil per year in a mainstream school, compared with £23,000 per pupil per year in a maintained special school, and £40,000 per pupil per year in an independent or non-maintained special school<sup>5</sup>.

### Background information

#### *High needs funding*

The funding pressures facing schools are well known, with teacher and parent-led campaigns continuing to receive extensive coverage in the media. The Institute for Fiscal Studies estimates schools will see a real terms cut of 4.6 per cent in schools funding between 2015 and 2019.<sup>6</sup> The recent Education Policy Institute report<sup>7</sup> on the state of school finances in local authority and academy schools in England also found that almost a third of local authority maintained secondary schools are in deficit.

# Briefing

Councils are particularly concerned about the proposed changes to high needs funding which will reduce council and school flexibility to make additional funding available where there are rising demand pressures for SEND support. Given these funding pressures, it is vital that schools and councils are given certainty over future funding, to help them better plan for the spending pressures they face.

If councils do not receive sufficient funding to cover high cost SEND, they will not have the resources to allocate extra funds to highly inclusive schools that take higher than average numbers of pupils with additional needs. Equally, mainstream schools may find it difficult to accept or keep pupils with SEND because they cannot afford to subsidise the provision from their own budgets, as they are already under significant pressure.

We welcome the additional funding for SEND announced by the Government at the end of last year however, councils still face an estimated funding gap of up to £1.6 billion by 2021. We are calling on the Government to address the lack of funding for supporting children with SEND in this year's Spending Review.

### *Meeting high needs*

An LGA commissioned report on SEND found that a combination of funding constraints, accountability pressures and curriculum changes in mainstream schools have reduced capacity to make available good quality provision for children with SEND.

The report surveyed 93 councils in England and found that more mainstream schools say they are increasingly unable to meet the needs of children with SEND, while at the same time more parents are losing confidence in the ability of the mainstream sector to cater for their child's needs. Placing a child in a special school is significantly more expensive than a mainstream education.

### *Mainstream provision*

More children with special needs are now being educated outside of mainstream schools for the first time ever, prompting council leaders to warn that the education system is becoming less inclusive.

We are calling on the Government to introduce a system of incentives and rewards that enable mainstream schools to better cater for the needs of children with SEND. Ofsted can also play a key role in encouraging schools to be more inclusive.

Latest school census figures show that 52 per cent of the 268,545 children and young people with EHCPs – which state the support a child with SEND can receive – were placed in state special schools, alternative provision, or independent and non-maintained special schools in 2018. This is the first year where more children are being placed outside of mainstream schools.

The proportion of pupils with SEND who attend special schools increased from 5.6 per cent in 2012 to 8.5 per cent in 2016 and the proportion in independent schools has moved from 4.5 per cent to 6.3 per cent. By their very nature, these places are more expensive than mainstream provision.<sup>8</sup> Since the Children and Families Act became law in 2014, the number of children and young people with statements or EHC plans increased by 21.1 per cent from 237,111 to 287,290. The number of children being educated at home has been increasing.

The average annual cost to a council of a special needs placement in 2017/18, was £6,000 per pupil per year in a mainstream school, compared with £23,000 per pupil per year in a maintained special school, and £40,000 per pupil per year in an independent or non-maintained special school.

The rise in children with EHCPs placed in special schools and the rise in children placed in alternative provision – more than 25,000 since 2014, an increase of 21 per cent – has cost councils around £200 million, contributing to the wider financial pressures on councils to provide support for children with SEND.

Many mainstream schools are absolutely committed to supporting children with SEND. However, the Government could support and incentivise mainstream schools to improve inclusion by setting clearer national expectations of what every school should offer a child and young person with SEND.

There should also be an accountability regime introduced to hold schools to account which do not deliver against those expectations. Rather than focussing primarily on academic results, Ofsted should also place more emphasis on how schools ensure an inclusive environment for children with SEND, as part of their new inspection framework. They must also hold to account schools with low numbers of children with SEND.

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<sup>1</sup> Angel Solutions on behalf of LGA, [www.local.gov.uk/academy-maintained-schools](http://www.local.gov.uk/academy-maintained-schools)

<sup>2</sup> Isos Partnership, Have we reached a ‘tipping point’? Trends in spending for children and young people with SEND in England,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20corrected%2020.12.18.pdf>

<sup>3</sup> DfE SEND announcement, <https://www.gov.uk/government/news/new-funding-to-support-children-with-special-educational-needs>

<sup>4</sup> Pg. 21,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20published%2012.12.18.pdf>

<sup>5</sup> Pg 22,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20published%2012.12.18.pdf>

<sup>6</sup> Reported in: ‘School funding in England will have fallen nearly 5% in real terms by 2019, says IFS’, The Independent, 18 July 2017

<sup>7</sup> Education Policy Institute, School revenue balances in England, <https://epi.org.uk/publications-and-research/school-revenue-balances/>

<sup>8</sup> <https://www.gov.uk/government/statistics/special-educational-needs-in-england-january-2016>