

Annex 3

INDEPENDENT REVIEW OF HERTFORDSHIRE’S FUNDING APPROACH FOR CHILDREN WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES IN MAINSTREAM SCHOOLS AND SETTINGS

Executive summary:

1. In the Autumn Term 2015, Hertfordshire County Council commissioned an independent review of its funding arrangements for children with SEND in mainstream schools and settings. The review report is based on extensive discussions with a range of stakeholders (from schools/settings, parents/carers; LA officers and support service managers), observation of Area Panels, analysis of a range of data and reference to alternative funding systems available in other areas of the country.
2. Following an earlier review of the previous system in 2005, Hertfordshire decided to delegate a significant amount of funding to mainstream schools to help strengthen their capacity to meet a broader range of needs. A limited amount of funding was retained to provide additional support for children with complex/significant (‘exceptional’) difficulties. A two-stage process of peer moderation was put in place to help identify these, involving termly school cluster and Area panel meetings.
3. Initially, allocations to children with exceptional needs were for the full amount of support required. However, this changed to ‘top-up only’ with the introduction of the national SEND funding reforms. In Hertfordshire, schools were assisted in making their expected contribution through the delegation of a further £3 million¹.
4. Early Years (PVI²) settings are now included in the system, with encouragement for them to participate in local cluster meetings and formal representation at Area panel level.
5. The original numbers of children estimated to have exceptional needs was around 600 countywide. Numbers of children receiving ENF rose to a peak of 947 in the summer term 2015, with some reduction since then. Explanations given for this increase include:
 - (i) The inclusion of children with exceptional needs in PVI settings since this sector became part of the ENF system, and the extension of educational entitlement to vulnerable 2 year olds

¹ From savings from the budget for placements in independent/non-maintained special schools

² Private, voluntary and independent

- (ii) The reported increase in the number and severity of needs in mainstream schools and settings
 - (iii) The move to ‘top-up’ only allocations, allowing more pupils to be funded at lower additional cost
6. There have been increased pressures on Area ENF budgets, which have been maintained at historical levels. These came to a head in the summer term 2015 when needs exceeded the funding available. In some Areas, allocations could not be made because of funding restrictions even though children’s needs were identified as exceptional.
7. Funding pressures are attributed partly to increasing numbers of children with complex and significant needs in mainstream schools and settings. However, other factors have contributed. In particular, the introduction of ‘multiple case funding’, with full allocations made to pupils where numbers exceed a defined threshold, has reduced the amount of funding available for Areas to allocate to new cases. This approach was intended to support a small number of ‘inclusive schools’ where financial contributions to meeting a particularly high number of exceptional needs placed significant demands on their delegated budgets. However, nearly half of the mainstream primary schools in Hertfordshire now receive this kind of allocation, which is having a significant impact on the funding otherwise available.
8. There is no doubt that experience of ENF decisions in the summer term 2015 contributed to a significant loss of confidence in the current system, for both schools/settings and parents who felt that their children were missing out on their statutory entitlements. The biggest issues raised in the review were:

(i) *Consistency of decisions:*

Were decisions consistent across Areas of the county? Were allocations dependent on where children lived? Were children less favourably treated in the PVI sector than in schools? Have criteria changed over time? Is it now more difficult to get ENF than it was before? Are all types of need being treated equally? Or are some more likely to receive a positive response? Does it matter who is on the Area Panel? Do mainstream representatives advocate for children in their own schools/settings? What role do support service representatives play?

(ii) *Budget sufficiency:*

Is there enough money in the ENF budget? Shouldn’t this have been increased to reflect the inclusion of PVI settings in the system and reported increases in numbers of exceptional needs?

(iii) *Match with national SEND reforms and expectations:*

How does the Hertfordshire system relate to national expectations with regard to High Needs funding in mainstream schools. Are criteria for exceptionality too tight or more demanding than national definitions of ‘high needs’? If more money has been delegated, how can we ensure that this is targeted at meeting high needs? What is it reasonable to expect all Hertfordshire schools to provide? How can we avoid situations where children’s needs are unmet because there is insufficient funding available? Should parents/carers be playing a more significant role in the system given the emphasis in the national reforms on parents/children being ‘at the centre’?

A number of other specific issues were raised about the ENF process and the need for stronger strategic links between the funding system and Hertfordshire’s developing arrangements for local area commissioning (DSPL³).

9. The review report looks at this range of issues and proposes a number of ways forward. It also considers the relative merits of maintaining and developing the existing system or adopting an alternative model. Most of the staff from schools and settings interviewed during the review felt that the current system had sufficient strengths for it to be maintained. In particular, they pointed to the benefits of practitioners being involved in decision-making and to the opportunities for peer support and challenge (particularly at local cluster level). Other positives included the development of cross-phase and broader perspectives, greater transparency and sense of collaboration. Those who had experience of the previous (statutory-assessment led) system felt that return to this kind of model would be a retrograde step.
10. On the other hand, some members of the County parents’ group were concerned about loss of individual entitlements and wanted a system where these were better protected (particularly if there were budgetary pressures). They also raised issues about higher levels of delegation: whether this ensured that high needs were properly targeted, whether some schools received funding that did not really need it, and whether there was sufficient monitoring and review.
11. The report recommends broad dissemination of the review findings, with further opportunities for discussion with all relevant stakeholders. Specific recommendations are made about how the existing system could be improved, to take account of local issues and national expectations.

Peter Gray: Strategic Services for Children & Young People (SSCYP): March 2016

³ Developing Special Provision Locally