



Department
for Education

SEND funding: longer-term changes

**Call for evidence: summary of
responses**

July 2015

Contents

Introduction	3
National to local level funding distribution	4
Question 1	4
Question 2	6
Question 3	8
Local to institution level funding distribution	10
Question 4	10
Question 5	12
Question 6	14
Question 7	16
Question 8	18
Question 9	20
Question 10	22
Local authorities' approaches to capital investment	24
Question 11	24
Question 12	26
Question 13	27
Question 14	28
Question 15	29
Question 16	30
Question 17	31
Question 18	32
Annex A: List of organisations that responded to the call for evidence	33

Introduction

In November 2014, the Department for Education launched a call for evidence inviting interested individuals and organisations to help us look at alternative ways of distributing special educational needs and disability (SEND) funding.

We asked for any local knowledge that would inform the national debate. We also asked for answers to a set of questions. Alongside this, we published a pack of data that we thought might be relevant to SEND funding policy and invited people to carry out an analysis of the data and to share any reflections or conclusions with us.

The call for evidence closed on 27 February 2015. We received 148 written responses, and held discussions with interested groups and individuals. All of the analysis and substantive responses were shared with Isos Partnership who were in parallel undertaking research into SEN funding.

A list of organisations that responded to the call for evidence can be found at Annex A.

National to local level funding distribution

Question 1

In moving to a fairer distribution of funding for special educational needs and disabilities (SEND), which proxy factors other than those already included in the School and Early Years Funding (England) Regulations (e.g. low prior attainment, children from families entitled to free school meals (FSM)) offer the best way of distributing funds from the Education Funding Agency to local authorities, or would these factors be adequate at this level of distribution?

A total of 139 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	70
School/college	21
Educational organisation	12
Parent	7
Other	29

Many respondents felt that the current proxy factors included in the School and Early Years Finance (England) Regulations, such as low prior attainment; looked after children (LAC); English as an additional language (EAL); and the Income Deprivation Affecting Children Index (IDACI) would provide a reasonably fair and equitable distribution of funding between local authorities.

The majority of respondents who expressed views about using FSM as a proxy factor, felt the data could be significantly flawed by the Universal Infant Free School Meals initiative because parents of this cohort are less likely to register their children for FSM, meaning the pupil numbers would be inaccurate.

Many respondents suggested using health data (mostly available from Child Health Profiles). Those most commonly suggested were: low birth rates; low immunisation rates; infant mortality; hospital admissions for mental health conditions; and those in receipt of a disability living allowance.

Several respondents recognised that proxy indicators could be effectively applied to low cost, high incidence SEN, but concerns were expressed about how the Department could effectively use proxy indicators to reflect lower incidence SEN that can have both a more random incidence and much higher costs.

Other proxy factors suggested included applying factors for different types of SEND, pupil population, ethnicity and pupil mobility. Many respondents thought weightings should be given to all factors.

Some said funding should not be linked to criteria such as numbers of children with SEN statements or Education Health and Care (ECH) plans. They argued that this could lead to unfair funding distributions because they are dependent on a range of judgements applicable to each local authority, or health and social care agency, and could risk encouraging over-identification of SEND in order to secure funding.

Question 2

Apart from using a formula, is there anything else we could do to make the allocation of funding for SEND to local authorities fairer? For example, how far should we take into account the pattern of provision that has developed in the locality, and the cost of that?

A total of 148 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	73
School/college	24
Educational organisation	12
Parent	10
Other	29

Many respondents felt that using a formulaic method was the right and fair approach. However, others thought that the wide spread of local circumstances would make introducing a formulaic approach problematic.

Some also felt that taking into consideration the current pattern and cost of provision would inevitably reflect historic funding levels which they believe are unfit for purpose; however, it was also recognised that an important factor in any system of funding was the flexibility to respond to changing needs.

Whatever the method of distribution, respondents were keen to see a transitional phase built in (with consideration given to a minimum funding guarantee) especially to address instances where local authorities may see a reduction in funding.

Other proposals included:

- defining a universal banding so funding can be attributed to each type of SEND;
- accounting for growth in pupil numbers due to growing populations and improved life expectancy for children with the most complex needs;
- recognising differences in costs between authorities, for example the requirement to support specialist placements with transport to and from school especially for more rural locations; and costs associated with the development of new provision;
- linking funding to college/school performance for high need students;

- creating hubs of provision within groups of small authorities, and then meeting the actual cost of the provision in the hub;
- considering bringing independent special schools into the high needs funding system to ensure total equity across the whole range of education provision;
- paying place led funding to the home local authority at the beginning of the financial year for those pupils already attending the provision or at the point the child or young person is placed;
- researching the link between funding, provision and outcomes and using this to establish a more consistent funding formula;
- estimating the level of funding required by assessing local authority 'local offers';
- linking to ECH plans, and ensuring the funding allocation takes into account local health and social care infrastructure and the amount schools have to pay to top up local provision;
- building in an area cost adjustment particularly for areas with high costs.

Question 3

Are there types of SEND that are best handled above the level of individual local authorities and, if so, how might that best be dealt with in the funding system? Should collaboration between local authorities be encouraged through the funding system?

A total of 148 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	72
School/college	27
Educational organisation	13
Parent	7
Other	29

The most common types of SEND that were thought to be best handled above the level of individual local authorities included:

- multiple and complex needs;
- SEND requiring support costing more than £19,000;
- low incidence SEND, such as augmentative and alternative communication;
- severe dual sensory loss;
- emotional social and mental health difficulties;
- visual impairment or profound deafness;
- SEN of looked after children.

Whilst the majority of respondents supported the principle of collaboration between local authorities, most said that collaboration should not be encouraged through the funding system.

Those in favour of collaboration said that it should be encouraged through the sharing of emerging practice in commissioning and provision, or through policy initiatives and potentially legislation. Additionally, it was suggested that where it is deemed appropriate for collaboration, central government should support the process by removing barriers and bureaucracy that prevent local authorities from pooling budgets.

Several respondents shared examples of existing practice or put forward ideas of how collaboration could work. These included:

- sharing data to enable challenge in relation to the commissioning of independent specialist providers and a regional agreement on top up funding;
- creating a regional brokerage system across several local authorities to cover independent provision;
- being better at cross-regional sharing of low-incidence provision;
- developing better relationships with the non-maintained and independent sectors;
- learning from the NHS, using the model of alternative and augmentative communication where a regional charity commissions for very high cost equipment, rather than individual health trusts;
- having an operational and strategic concept of enhanced collaboration between local authorities, with a robust, accountable regional framework – possibly managed by the Department.

Local to institution level funding distribution

Question 4

Are there other funding formula factors that could provide a good proxy for institutions' need to spend on children and young people with SEND? Are different factors appropriate for funding provision of support for those with high incidence low cost SEN and for funding provision of support for those with high level SEN? For each factor, are any perverse incentives associated with it?

A total of 140 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	71
School/college	22
Educational organisation	12
Parent	7
Other	28

Views on this question were mixed. Some respondents thought that formula factors should not be used as proxies for institutions' need to spend on children and young people with SEND, as the SEND population is statistically small compared with the overall pupil population. Others felt that introducing an institution level formula that was more prescriptive than the current system would require very detailed and robust data on both type and level of need.

There was general concern that the use of any SEN assessment data for funding formula factors could create perverse incentives to overstate the needs of a pupil so as to attract further funding. However, factors such as low attainment at Key Stage 2 and social/mental health services involvement were considered strong indicators of a SEN profile, and because neither is within schools' control they would not create perverse incentives.

Respondents were reasonably happy with the use of deprivation and prior attainment to allocate resources for pupils with high incidence SEN who do not have statements/EHC plans. However there was a general view that using these proxy indicators for pupils with low incidence needs would not provide sufficient funding to meet what can be exceptionally high costs that have random distribution patterns. Pupils in these groups are not necessarily income deprived or low attaining, for example as children and young people who have Asperger's syndrome.

Suggestions as to how funding could more appropriately be distributed were wide ranging, and included:

- making more use of the pupil level school census data to match levels of need and levels of prior attainment;
- local authorities delegating a proportion of their high needs budget to schools that have included SEN pupils in the past, instead of paying top-up funding for perceived needs of individual pupils costing in excess of £6k. Local authorities could offer special needs grants determined locally to these schools;
- applying an SEN banding framework;
- making better use of information from children's statements of SEN and EHC plans to target funding.

Question 5

It is less resource intensive to allocate funding on the basis of proxy measures or using pre-determined bands of funding, particularly if the necessary data collection mechanisms are already in place, but such allocation methods can fail to take sufficient account of individual circumstances and the cost of meeting pupils' and students' needs in the setting, particularly where the cost is comparatively high. How can the right balance best be achieved in allocating funding to institutions?

A total of 138 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	69
School/college	22
Educational organisation	12
Parent	7
Other	28

There was a general consensus that the use of proxy measures and pre-determined bands of funding was the simplest, fairest, transparent and most efficient method to distribute funding, provided adequate thought was given to the criteria. Concerns remained about how such criteria would take account of pupils with complex needs and high costs.

Examples of how this could be addressed included:

- taking a matrix approach, using descriptors for the type of need and level of need, with schools allocating pupils to different points on the matrix;
- providing funding on a needs-led basis that follows the pupil regardless of institution. Centrally retaining a small proportion of the high needs block to allow for exceptional circumstances and providing funding only when institutions can demonstrate additional costs/value over their normal provision, having utilised budget surpluses appropriately before considering any exceptions;
- retaining a capped contingency fund, reporting to the schools forum on its use. If the fund overspends deduct the excess from funding distributed to schools in the following year;
- providing base funding for management, admin, teaching and service costs for schools, then providing a lower level of top-up funding which should reflect the true cost of need;

- leaving local authorities to decide the allocation of band adjustments to the high needs block funding. Proxy measures or pre-determined bands will adequately reflect the actual need or spend levels across all local authority areas;
- considering a standardised national mechanism that schools must follow in order to engage with the local authority to request additional support. Consider thresholds to limit the amount that can be requested;
- funding based on a child's needs rather than the institution attended;
- exploring the use of a resource allocation system.

Question 6

In what circumstances would it make sense for local authorities to be able to distribute some SEND funding to a level above that of individual institutions: for example to geographical clusters of schools, or to multi-academy trusts, leaving them with more discretion on the further allocation of those funds to individual institutions?

A total of 139 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	68
School/college	23
Educational organisation	13
Parent	7
Other	28

Responses to this question were mixed. Some of those in favour of local authorities distributing some SEND funding to clusters of schools or multi-academy trusts expressed the view that this would work, provided monitoring was undertaken to ensure funding was used for the needs of the pupils and there were clearly defined thresholds for using this approach. Several benefits of using this model were also noted, including the ability to:

- facilitate the most effective and efficient allocation of SEND funds to meet local SEND need from 0 to 25 years and across all phases of education provision;
- effectively manage associated SEND ‘central’ costs such as transport costs and health and therapy costs, funded from local authority and NHS budgets;
- identify capital projects which meet both local and local authority-wide SEND needs;
- align SEND provision most closely with localised school improvement models and school-to-school support;
- allocate funding to clusters of schools who then determine the amount of funding to be allocated to the school the pupil attends. One authority allocates funding based on pupil numbers, deprivation and prior attainment and in addition, awards each cluster a fixed sum for administration and an amount for each child with physical disability as the primary need on their statement. A key benefit is that a cluster system can give schools the flexibility

to fund pupils with high level SEN where proxy indicators don't reflect the circumstances.

Other respondents noted some concerns with this approach, namely:

- it was not universally practical or appropriate;
- it would over-complicate the system;
- it would force some schools into partnerships against their will;
- it would potentially create “mini local authorities”.

Reservations were voiced about SEN funding going to multi-academy trusts unless they could demonstrate strong performance in serving children with SEND; it was also noted that most multi-academy trusts do not operate across a single local authority area.

Question 7

In distributing funding to institutions, which methodologies are most efficient and offer the best prospect of reducing bureaucracy, whilst at the same time make sure that money gets to the institutions that need it to support their pupils and students with SEND?

A total of 140 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	69
School/college	21
Educational organisation	11
Parent	7
Other	32

Responses to this question were wide ranging. Some respondents were of the view that it may not be possible to identify a consistent system for pre- and post-16 funding as there are sometimes still different processes for both age groups.

Proposed methodologies included:

- allocating funding on a formulaic basis based on actual need or proxy indicators, as with the low cost SEN allocations to schools;
- using statutory census data;
- applying a funding methodology similar to the schools block;
- introducing a lagged data method for funding the “element 2” places aspect of colleges’ funding;
- using EHC plans to identify and deliver pupil specific resourcing elements;
- using individual school deprivation factors to decide where the funding is allocated;
- using a peer moderated audit model with an agreed matrix of need.

Other related comments received included:

- formula funding works well for high incidence SEN but not low incidence;
- funding should be determined by local authorities and/or schools forums for low incidence SEND; alternatively by applying a banding;
- local authorities have the systems and the experience and are therefore well placed to fund all elements of high needs funding to individual institutions;

- a better system of funding would be for the commissioner to fund the whole cost of the place;
- on the assumption that the place and top-up funding model continues, there would be a major cost and efficiency gain if the process operated by the Education Funding Agency for overseeing place numbers was scrapped. The system seriously inhibits effective local commissioning and makes the process less efficient than it could be;
- there should be balance between transparency, efficiency and taking account of pupil circumstances;
- link funding to college/school performance;
- with regard to cross-border pupils, the previous system was more efficient when local authorities were able to vary places to ensure that schools were properly funded and where applicable recoup the cost;
- the process and any formulae to set up funding systems need to link to pupil premium arrangements.

Question 8

How are local authorities securing appropriate contributions from their social care budgets, and from local NHS budgets, and how should such contributions be taken into account in the distribution of education funding?

A total of 138 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	71
School/college	22
Educational organisation	10
Parent	7
Other	28

Views varied about the interaction between these budgets. Some respondents felt that the funding being allocated from social care budgets and local NHS budgets is not being sufficiently directed to meet the needs of the children and this creates an adverse impact on educational outcomes. One respondent said this was due to the strict eligibility on health and social care budgets resulting in a disproportionate reliance on the education budget to meet needs, particularly health needs. Another example of the impact on teaching staff was that they are increasingly being required to provide clinical support to children and young people who would previously have had this care provided by an NHS nurse. This results in teaching assistants' time being diverted away from supporting the educational needs of students, affecting the learning and progress of young people.

Some respondents were of the view that NHS funding should not form part of the funding distribution to meet high needs; one respondent noted that social care budgets are only charged for care elements so should not be taken into account in SEN funding.

Examples of how joint funding could be made to work better, noted in response to this question, included:

- operation of a joint placement and commissioning panel to ensure a fair allocation of funding;
- negotiating joint funding for individual placements;
- effective monitoring of all three budget streams;
- effective use of the EHC plan to enable costs to be clearly distinguished from an early age, enabling health and social care to plan ahead;

- centralising education, social care and health funding;
- pooling funding and making use of multi-agency resource panels.

It was noted that in a specialist FE setting, a local authority secured contributions from social care budgets where co-operative providers had broken down the costs of differing elements of support and/or where providers are offering 600 directed learning hours and the opportunity to purchase additional social or independence activities through an adult care budget. Young adult learners could also access support directly from adult care/health during times not in college as they may be in college for 3 or 4 days per week, enabling them to access other provision/support at other times.

Question 9

How will the way funding is allocated to institutions impact on local authorities' ability to offer personal budgets for SEND provision?

A total of 133 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	68
School/college	20
Educational organisation	12
Parent	7
Other	26

Some respondents thought that funding allocations would have no effect at all on local authorities' ability to offer personal budgets for SEND provision, but others considered that the way funding is allocated would have an impact.

Some of those that thought it would have an impact gave the following reasons:

- there is insufficient funding in the high needs block to allow local authorities to be more active in the development of personal budgets;
- more clarity and a breakdown of the actual cost of the school place would be needed so the personal budget can be removed from the fees paid to the school;
- if a school's top-up funding were to be integrated into a personal budget for aspects of an EHC plan it would not necessarily mean that the implementation of the plan would better achieve the specified outcomes;
- the regulations referring to personal budgets for education are so restrictive there is limited flexibility on how they can be used;
- it will be hard to establish personal budgets in post-16 education for students whose assessments are late or whose funding status is uncertain. College experience of the disabled students allowance in higher education confirms that personal budgets can improve motivation and help students ensure continuity of support but there are some necessary pre-conditions. There needs to be clarity up front about the rules, there needs to be appropriate and on-time assessment, and there needs to be advice available for decision-makers. Arrangements also need to be made to ensure continuity of employment for the specialist staff who offer support;

- clarity is needed on which elements of high needs education provision are eligible. It is assumed that place-led allocations are not since these can be occupied by another child with similar needs.

Other views expressed included:

- local authorities currently have the flexibility to ensure that a sufficient element of high needs funding is set aside to provide for personal budgets;
- one local authority has a system in place which allows schools to use any aspect of their funding to provide a personal budget, including top-up funding and the school's notional SEN budget;
- maintaining the current high needs funding system should enable institutions and the local authority to be clear on which funding could be eligible for a personal budget.

Question 10

How are local authorities allocating funding to early years providers (schools as well as the private, voluntary and independent sector) for both low cost and high level SEND? Are authorities using the early years block of funding within the dedicated schools grant (DSG) or the high needs block? How are they calculating the funding required (e.g. are they using formula factors, or assessing the cost of support required on an individual basis, or taking a different approach)?

A total of 126 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	70
School/college	16
Educational organisation	9
Parent	7
Other	24

A wide range of examples of different practice was received. These included the following:

- a variety of methods are being used to allocate SEND resources to early years providers including funding from both the high needs and early years block;
- the methodology for allocation to early years providers is the same as schools. The funding comes from the early years block with the exception of funding for costs in excess of the £6k threshold;
- the funding allocated from the early years block is to all providers in the maintained, private and voluntary early years sector. An inclusion factor was introduced to the early years funding formula ensuring that all settings received a budget to support their inclusive practice. The formula is calculated on the assumption that 20% of a year's cohort of children will have additional needs;
- a universal banding system is applied for 0 to 25 years together with a consistent process for all early years providers for school age and post school students. As the funding for the free entitlement has no specific SEND funding (albeit some deprivation funding) the local authority has not deducted the equivalent of the £6,000 provider contribution when calculating the top up funding they receive and therefore the funding they are provided with for individual children is effectively for all SEND support costs. If there was a way

to use proxy indicators to funding for a level of SEND support, as they do for deprivation, that would be a good step forward;

- pre-school children who have an EHC plan are allocated funding out of the high needs block on an individual basis. From April 2015 pre-school children (aged 3 and 4) who have additional needs but do not have a EHC plan are to be offered short term support (6-12 weeks) funding from the early years block;
- the 3 and 4 year old deprivation amount per hour includes the notional SEN funding. The pre-assessment of 2, 3 and 4 year olds is funded from the early years block and post-assessment is funded from the high needs block (i.e. cost of support required on an individual basis);
- a one-off transition funding for all two year olds with severe and complex needs who are eligible for the funded early education entitlement (two year old trajectory funding). If more funding is needed, settings are able to apply to a central funding panel.

Local authorities' approaches to capital investment

Question 11

What are the different approaches that local authorities are taking towards capital investment to create specialist provision – in special schools, special units attached to mainstream schools, and similar types of provision in academies and colleges – and what are the drivers behind these?

A total of 69 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	50
School/college	9
Educational organisation	3
Parent	0
Other	7

Approaches to capital investment include: opening new schools, including facilitating free school applications which the local authority assists by providing the sites required; expansions of existing special schools, including added a sixth form to extend the age range and opening satellite classes at a mainstream school; development of resource bases/specialist hubs in mainstream schools and increasing accessibility; and repairing or rebuilding existing provision as an 'in-house' resource.

Often spending tends to be reactive and targeted where it has been identified that there is a specific need, because of the limited funds available. It does not anticipate future need, other than through general population projections. However, a very small number of responses did advise that a forecast of future SEN in the short to medium term and a comparison with projected capacity was done, to help secure best value for money decisions.

Limited responses were received specifically in relation to post-16 capital investment, but the few responses received typically outlined work with local specialist colleges, local general further education colleges and special schools to share best practice and resources in further developing the local offer.

The driver for capital investment most frequently mentioned was the needs of the children coming through the system and how those needs can be best met. Respondents highlighted the increased complexity of need increasing demand (including parental demand) for special school places.

The current capacity (and the limits to that capacity), condition and suitability of accommodation were also frequently mentioned. Another factor was the increase in the child population nationally, but also on a local level the fact that existing successful provision attracted pupils and families from outside the local authority area. Capital expenditure decisions were often based on an “invest-to-save” business case to avoid out of authority residential placements (which are generally higher cost) and to fund new places where there is a lack of specialist provision locally (especially for children and young people with complex autism, sensory processing difficulties and mental health difficulties).

A small number of responses mentioned the need to balance the provision across the area to reduce transport costs and such strategies were being implemented at a local level.

Question 12

What sources of capital funding do local authorities use to create specialist provision, and what factors affect this?

A total of 59 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	50
School/college	3
Educational organisation	1
Parent	0
Other	5

The majority of respondents stated that basic need allocations, targeted basic need funding, capital grants and prudential borrowing (with use of the DSG to support borrowing costs) are the main source of capital funding to create specialist provision since no specific funding stream is available. Many also said that general local council funding, including capital receipts, are utilised. EFA capital programmes such as the Priority School Building Programme (PSBP) were also used, where bids had been successful.

A small number of respondents advised that DSG reserves, non-ring-fenced budgets, small contingencies on the high needs budget, developer contributions, capital maintenance and section 106 funding were also used to support small to medium sized projects.

Very limited responses were received specific to 16-19 provision. They suggested that new specialist provision for this age group had been funded from colleges' and providers' own funding sources, with some contribution from the 16-19 Demographic Growth Capital Fund.

The majority of responses indicated that the overwhelming priority for capital funding is basic need. Projects are prioritised alongside all other demands for capital funding (both within education and across the local authority, depending on the funding source), with bids relating to local authorities statutory responsibilities for the supply of school places being prioritised over non-statutory requirements. A small number of responses indicated that "invest-to-save" initiatives aimed at reducing out-of-authority placements were driving capital funding, and again a small number of responses indicated that longer term forecasting was taken into account.

Question 13

What factors drive local authorities' decisions to invest capital in additional specialist provision – as opposed to using revenue funding for placements in existing mainstream/specialist provision, or placements in another local authority or in the independent sector?

A total of 71 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	56
School/college	5
Educational organisation	3
Parent	0
Other	7

The most significant factors driving local authorities to invest in additional specialist provision is the desire to keep pupils within the local area to reduce costs, both in terms of transport and expensive residential placements (particularly in the independent sector); and a growing number of children with complex needs who need specialist provision.

Other factors included the ability to expand existing successful schools (although this could be hindered by schools not wanting to expand), and the poor quality of some of the available provision, with numerous respondents advising that investment in new provision was to improve outcomes for young people, owing to concerns about the outcomes achieved elsewhere.

Practical considerations regarding the suitability of the school estate, such as the lack of physical space to expand local special schools, the availability of land and/or suitable buildings, the availability of health services (which cannot operate in some places), access to capital funding, and the longer term revenue implications are also taken into account when new provision is considered.

Question 14

Do local authorities take into account the cost of transport for pupils and students with SEND when making decisions about capital investment, and compare this investment with the cost of residential provision out of the area?

A total of 76 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	57
School/college	8
Educational organisation	4
Parent	0
Other	7

The overwhelming response was that the cost of transport is one factor taken into account as part of the overall financial assessment. Some respondents stated that this was due to the statutory framework requiring authorities to consider the efficient use of resources. Some respondents, however, said that it is not considered as it falls within a separate budget outside the DSG, or that it is not the only factor considered.

A small number of responses said that for pupils living near local authority borders, it can be less expensive to transport the pupil to out-of-area provision than in-area provision. Finally, the point was made by a few that transport cost considerations are less relevant for children with highly complex needs.

Question 15

What specific criteria do local authorities use in allocating capital funding for specialist provision?

A total of 54 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	50
School/college	1
Educational organisation	0
Parent	0
Other	3

Respondents advised that local authorities look at the current capacity, both within specialist provision and mainstream schools, taking account of short term and medium term demand, gaps in local specialist provision to cater for specific needs across the authority (to help prevent out-of-area placements), and (given there is not a specific capital funding stream for SEN) other calls on limited capital funding.

Several respondents advised that local authorities prefer to expand current provision (rather than building new), and when so doing the criteria include: suitability, adaptability, condition, geography, space for expansion, Ofsted good/outstanding rating and track record of inclusion – i.e. the suitability of staff and the willingness of the head teacher/governors to support the proposal. When capital funding is required to meet the needs of an individual child, local authorities largely look at the cost to meet the very specific needs of that pupil.

Question 16

What data do local authorities collect and hold on current capacity and forecast pupil numbers for different types of specialist provision?

A total of 66 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	52
School/college	4
Educational organisation	3
Parent	0
Other	7

There was broad agreement that local authorities keep a record of the capacities of their specialist provision, which are updated as required.

However there was a mix of responses around local authorities' ability to forecast pupil numbers. Producing accurate forecasts is a work in progress within some local authorities and for those with a forecast in place, the complexity of the approach varies. Some authorities will use data from the census (or ILR for post-16 pupils) and take an all pupil growth approach, setting a percentage of these numbers as requiring a special school place based on previous trends, and using national population projections to make their forecasts.

Others maintain detailed data on current pupils with SEND (including requests for assessment, statements and EHC plans, pupils by provision, age/year group and type of SEN) and project this data forward to determine future capacity requirements.

The most complex forecasts showed local authorities working with health trusts to share early years data in order to predict future needs over a longer term. This is especially useful for preparing for cases of very complex need. Longer term planning uses available data on rates of diagnosis and trends in factors, such as Disability Living Allowance claimants, low birth weights, and educational psychologists' observations.

Question 17

**Do local authorities pool capital funding to create shared specialist provision?
If not, should this be considered and what are the barriers?**

A total of 71 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	55
School/college	5
Educational organisation	3
Parent	0
Other	8

The majority of responses confirm that capital funding is not currently pooled as local provision is preferred, but there could be advantages in considering it for cross border/residential provision to meet the needs of low incidence/high cost pupils, and in dense urban areas where transport costs would not be prohibitive.

Several responses said that pooling had been considered but not pursued, and some had discussed with a neighbouring authority but did not progress plans further. However a small number of examples of shared specialist provision were given.

Numerous barriers to creating shared specialist provision were cited, not least of which was the issue of ownership, both of the provision and places (for example, where half the provision was under-used by one local authority when the other local authority had more need than its agreed share of places). There was a strong feeling that such provision would require central government funding, as the current funding arrangements do not support such joint ventures.

Question 18

What approach should the Education Funding Agency take in allocating capital funds for specialist provision?

A total of 79 responses were received to this question: the table below shows a breakdown by organisation type.

Organisation type	No. of responses
Local authority	57
School/college	10
Educational organisation	3
Parent	0
Other	9

Three main approaches to allocating capital funds for specialist provision were identified:

- 1) Non-ring fenced capital funding allocations, to give the authority flexibility to meet demand. This could be a subsection of basic need allocations specifically for additional SEN provision, which considers the current numbers and future SEN forecasts along with the complexity of need within a local area, and reflects the high cost of providing specialist places. Priorities on capital funding should be recommended by the schools forum alongside a strategic overview of other capital needs and the local SEN strategy;
- 2) Bidding rounds on SEND basic need open to all provider types. The bidding process should be based on objective criteria, such as: local need and forecast information, improved outcomes for children and young people, value for money, condition/capacity/suitability of existing buildings, incidence of children within the local authority with a specific type of SEN, the long term savings to revenue budgets that capital investment could produce, distance to specialist provision out of borough, innovation and partnership between local authorities and specialist providers;
- 3) A balanced mix of allocations and bidding rounds.

Several responses also indicated the need for a centrally held pot of funding to meet capital requirements of pupils with highly complex needs. There was also a call for capital funds to be allocated over a longer period, e.g. on a 3 year basis, to give greater scope for forward planning.

Annex A: List of organisations that responded to the call for evidence

Organisation
4Children charity
ABA Access4All
Academies Enterprise Trust
Achievement for All
Adviza
Ambitious about Autism
Association of Colleges
Association of School and College Leaders
ATL
Bath and North East Somerset Council
Bedford Borough Council
Berkshire college of Agriculture
Birmingham City Council
Blackburn with Darwen Borough Council
Blackpool and The Fylde College
Blackpool Council
Bolton Council
Bristol City Council
Bristol Sensory Support Service
British Association for Adoption and Fostering
Buckinghamshire County Council

Burton and South Derbyshire College
Cambridgeshire County Council
Cann Bridge School, Plymouth
Cheshire West and Chester Council
City of York Council
Cleeve Park School
Coventry City Council
Croydon Council
Derbyshire's Schools Forum
Derwen College
Dorset
Dudley Metropolitan Borough Council
East Midlands LAs
East Riding of Yorkshire Council
East Sussex County Council
Essex County Council
Exeter Royal Academy for Deaf Education
f40
Family Action
Family Voice Norfolk
Fortune Centre of Riding Therapy
Gipsy Hill Federation of Schools
Gloucestershire County Council

Hadrian School, Newcastle upon Tyne
Hampshire County Council
Hertfordshire County Council
Independent Consultant/s
Independent Researcher, Nottingham
Independent Schools Council
Islington Children's Services
K&A Associates
Kent County Council and the Kent Schools' Funding Forum
Knowsley MBC
KTS Academy
Leicester City Council
Leicester College
Leicestershire County Council
Lincolnshire County Council
Lindridge CE Primary School
Liverpool LA
London Borough of Barking and Dagenham
London Borough of Bexley
London Borough of Camden
London Borough of Enfield
London Borough of Hackney
London Borough of Harrow

London Borough of Hounslow
London Borough of Lewisham
London Borough of Redbridge
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Councils
Manchester City Council
Manchester schools
Mary Hare School
Mencap
Milton Keynes Council
NAHT
NASUWT
National Association of Independent Schools
National Network of Parent Carer Forums
National Sensory Impairment Partnership
National Star College
Natspec
Newcastle-under-Lyme College
Norfolk LA
North Yorkshire County Council
Northamptonshire County Council
Northumberland County Council

Nottingham City Council
NUS
Oldham Council
Ombersley Endowed First School
Orchard Hill College's
Oxfordshire County Council
Paediatric Continence Forum
Parent/s
Pre-school Learning Alliance
Principal, Royal National College for the Blind
Rochdale Borough Council
Rocklands School
Salford City Council
Sandwell Council
Sefton MBC
SENCO
Severndale Specialist Academy, Shrewsbury
Shaw Education Trust
Sheffield City Council
Shenstone Special School
Shropshire Council
Somerset County Council
South and West Association of Leaders in Special Schools (SWALSS)

South Gloucestershire, North Somerset and Gloucestershire.
Staffordshire County Council
Stockport Council
Surrey County Council
Surrey Secondary Phase Council
Swindon Borough Council
The Association of Directors of Children's Services Ltd
The British Psychological Society
The Dyslexia SpLD-Trust
The Guide Dogs for the Blind Association
The William Henry Smith School
Trinity & St Michael's CE Methodist Primary School
UNISON
University College London: Institute of Education
Voice
Wandsworth Council
Wessex Group of Sixth Form Colleges
Westminster Academy
Wigan Life Centre
Wirral Council
Worcestershire Association of Governors
Worcestershire County Council



Department
for Education

© Crown copyright 2015

This document/publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3
email psi@nationalarchives.gsi.gov.uk
write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries www.education.gov.uk/contactus
download www.gov.uk/government/consultations

Reference: DFE-00219-2015



Follow us on Twitter:
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:
facebook.com/educationgovuk