

EXTERNAL REVIEW OF SUTTON'S SPEND ON CHILDREN AND YOUNG PEOPLE WITH HIGH NEEDS:

EXECUTIVE SUMMARY:

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INTRODUCTION:

1. This review was commissioned by Fiona Phelps and Kieran Holliday (Senior Officers: London Borough of Sutton), in consultation with Schools Forum. It has been precipitated by Sutton's significant growth in spend on High Needs (HN) over the last few years. This has had an increasing impact on mainstream school and early years budgets and is not sustainable in the context of a finite allocation of HN funding from central government and broader financial pressures.
2. The review involved interviews with a wider range of stakeholders (LA officers/ service managers; mainstream Heads and SENCOs; parents/carers; Health and Social Care); visits to all of Sutton's specialist and alternative providers; and analysis of relevant data and documentation.
3. The review report provides:
 - An overview of Sutton's current spend on HN
 - Comparisons of spend against other similar Authority areas
 - An analysis of key issues contributing to current budget pressures
 - Recommendations as to how these can be addressed in a financially sustainable way that meets children's needs more effectively and efficiently

CONTEXT:

4. A significant number of Local Authorities are reporting overspends on their High Needs Block allocations. However, Sutton receives considerably more than its comparator Authorities (£853 per 2-18 resident compared with £643 for Outer London Boroughs; £622 for statistical neighbours; and £618 for a sample of other LAs with a selective school system). It should therefore be in a better position to withstand current pressures.
5. The Government announced an increase in HN funding in December 2018 to help address budget issues. Sutton is receiving around £500k for this financial year and for 2019/20. While this helps address immediate pressures, it does not resolve the

likelihood of further growth, indicated by current trends, particularly in relation to rising costs of provision for the 16-25 age group.

6. The management of successive overspends on the High Needs Block has led to reductions in capacity at local level: in terms of the ability of mainstream schools/ settings to include pupils with more complex needs, the capacity of the Local Authority to provide advice and support, and the level of funding that is available to local specialist providers. As a consequence, a number of pupils are still needing to be placed in independent/non-maintained special schools outside the Borough at higher cost.
7. This review indicates that creating additional places in local specialist provision (at lower cost) will not in itself resolve current issues. There has been significant expansion in levels of provision already and this has had only a marginal impact on use of the independent/non-maintained special school sector.

REASONS FOR HIGH/INCREASING SPEND

8. Numbers of children and young people with EHC¹ plans who live in Sutton have risen significantly (from 1116 in 2014/15 to 1646 current). This increase is too large to be attributed simply to the extension of statutory duties beyond 16 or to growth in levels of need.
9. The percentage of pupils with EHCPs is above the national average (3.3% vs 3.0% for England). This is likely to mean that some pupils being funded through the HNB will have needs that are not easily distinguishable from others. In these circumstances, there are risks that funding can be driven by demand (from individual schools/parents) rather than just by levels of need.
10. Sutton has an above average percentage of children and young people in specialist provision (1.36% vs 0.98% England average²). The percentage in special schools is slightly above average, but Sutton also has a significantly higher number of pupils in mainstream units/opportunity bases. In addition, comparisons with similar Boroughs indicate a higher percentage of pupils funded by the HNB in alternative provision (particularly in the secondary phase).
11. The significant majority of HNB funding nationally is spend on specialist and alternative provision (around 80% of Sutton's current spend, including transport). Authorities with a higher number of pupils attending these types of schools are therefore likely to have a higher HN spend.

¹ Education, Health and Care

² CSIE data (2017): in press

12. There is evidence from this review that increasing the number of places in local specialist provision has not led to a corresponding reduction in the number of pupils placed in out of Borough special schools. For example, in March 2008, there were around 90 pupils with ASD in independent/non-maintained special schools, compared to just under 60 in 2019. However, over the same period, 280 new places have been created for pupils with this type of need (80 in special schools and 200 in opportunity bases).
13. Clearly, the overall number of pupils identified as having ASD has also increased substantially during this time. However, not all of these have needs that are complex and significant. There was evidence from the review of an overlap between the level of needs being met in some opportunity bases and those being provided for in other local mainstream schools.
14. Comparisons of provision costs against schools in a sample of other Local Authorities suggest that Sutton specialist/alternative providers are generally not funded at an excessive level. In fact, some are funded below average for their particular kind of provision. However, there is a need to ensure that costs are more closely aligned to the range of needs that individual providers are expected to meet/should be expected to meet in future.

KEY ISSUES

Strategic leadership

15. Over the last few years, there have been discontinuities in strategic leadership of SEND by the Local Authority. This has led to a number of issues which were identified in the OfSTED local area SEND inspection and which are now being addressed. The strategic gap has led to the system becoming less professionally coherent and more driven by market forces. Some consumers (parents) are finding that they are struggling to get the provision their children need and feel that the only way of achieving this is through statutory procedures (EHC needs assessments and appeals to tribunals). Some providers (schools) are setting their own parameters regarding what they should offer/who they should have. There is not a strong and broadly accepted understanding of what should be provided universally (in all mainstream schools) or clarity about progression pathways for different types/levels of need.

Universal offer

16. A significant amount of money is delegated to Sutton mainstream schools for pupils with additional/special educational needs. Notional SEN budgets range from £102k to £729k in primary (£12.47m in total) and from £154k to £1.01m in secondary (total = £8.28m). There is a need to ensure that this funding is properly targeted and used as effectively as possible. The review indicated:
- Limited understanding of delegated SEN budgets and transparency about their use
 - Significant variation between schools in levels of investment in ‘in-house’ provision for SEND and in their capacity to meet a broad range of needs themselves
17. There is a need for some re-definition of expectations to help ensure greater consistency in levels of in-school support and to strengthen the quality of the universal offer. This is becoming more difficult to achieve with more limited capacity for external challenge and support.

Coherence of provision system

18. Sutton’s existing pattern of specialist provision has developed over time and has not been reviewed as a whole to assess the degree of match with current needs. There is a need to revisit the focus and funding of this provision so that it:
- Caters more routinely for needs that are complex and significant
 - Supports the development of more effective local mainstream provision for pupils with more modest difficulties
 - Helps ensure that needs can be met locally, without recourse to higher cost out of Borough alternatives
19. Provision needs to be better aligned across phases (early years, primary, secondary, post 16) so that there are clearer and more predictable progression pathways. At present, there is a lot of ‘choice’ for parents and providers at points of transition about where children should go, but this is currently leading to negative experience (sense of rejection), loss of parental confidence in the local system and a greater likelihood that they look for out of area alternatives.

Pathways to adulthood

20. There is a strong emphasis in Sutton on the value of ‘staying on’ in education for young adults with SEND. There is less clarity about the purpose of this activity, which needs to lead to more positive outcomes rather than being a reflection of uncertainty about the next stage of children’s lives. There needs to be a more ambitious agenda around the potential for paid or supported employment, and the

development of greater independence/resilience. Some young people have experienced extended education in independent/non-maintained schools and colleges out of Borough and still face significant challenges when the time comes for them to return to adult life in their own local community. They need better preparation for this reality.

21. Parents/carers need to be more actively involved in collaborative design of local pathways that meet the needs of the range of young people with HN and support the development of more positive transitions and local opportunities. This could be a key area for strategic 'co-production' as proposed in the national SEND reforms.

Collective responsibility

22. Sutton needs to move towards a more managed approach to HN expenditure, that is more effective and equitable and delivers better value for money from what is already a considerable investment. This cannot be achieved by the Local Authority alone. There is a need for a strong partnership approach where the Authority is able to provide more consistent strategic leadership and schools are willing to work together to help achieve the necessary change.
23. This will require greater transparency, clearer communication and more productive dialogue, and shared access to key management information (data/costs) on a regular and ongoing basis. Change will be a difficult process and will require patience, trust and mutual respect.

RECOMMENDATIONS:

Universal offer

24. The Authority should consider how information on school SEN budgets could be made more transparent. This would be consistent with national moves to strengthen mainstream SEN accountability.
25. In order to support the further development of mainstream school capacity and consistency of approach, the Authority should consider the introduction of the concepts of 'predictable and exceptional needs'. This implies a greater degree of devolution of HN funding for the range of needs that all schools should reasonably be able to meet (including some that are currently funded additionally through EHC needs assessments). A smaller proportion of funding would then be retained for those with exceptional needs (ie those that would be challenging for any school in Sutton to meet).

26. Sutton should explore alternative systems used for targeting additional funding, which involve a greater degree of peer moderation. These approaches help develop greater consistency of expectations and enable schools to share/extend positive practice as opposed to emphasising deficits. It is recommended that developments are driven by a joint working group of officers and mainstream Heads.

Recommissioning specialist and alternative provision

27. The Authority should develop a clearer map of the provision it wants to commission, in discussion with key stakeholders. This should be followed by more detailed discussions with individual providers, with regard to role/focus, number of places, delivery of other services (eg outreach) and costs. Discussions should also include the potential impact of developments on existing models of provision.
28. Clearer information should then be provided to parents about expected progression pathways, with opportunities for more focused/targeted visits and discussions prior to transfer (rather than the existing 'shotgun' approach).

Developing a local model for 16-25 progression

29. The Authority should convene a working group of relevant stakeholders (including parents/carers) to help redesign the local post 16 offer so that this is more coherent and progressive and leads to more positive transitions. It is suggested that scenarios are considered for different levels of need which set out ambitious pathways to adulthood (employment; access to leisure/social opportunities; independence) while recognising the need for different levels of support.

Capacity

30. It is recognised that this is a daunting agenda for LA officers and schools/settings that face a number of day to day challenges. Additional capacity may need to be provided by the Authority corporately to support these developments. While such financial investment is a challenge at these times of budget constraint, significant additional costs could be incurred (both for the Authority and schools/settings) if the status quo is allowed to continue.