



30 September 2010
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Use of Resources in Special Schools Welsh Assembly Government

Use of Resources in Special Schools

I have prepared and published this report in accordance with paragraph 21 of Schedule 8 of the Government of Wales Act 2006.

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While special schools generally make good use of available funds, many councils' funding and support arrangements do not reflect the changed context in which schools operate

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Summary

- 1** The Assembly Government, as part of its review of Special Educational Needs¹ (SEN), is developing a good practice guide on the management of SEN expenditure for councils in Wales. To support this work, the Assembly Government commissioned the Wales Audit Office to examine the resourcing of special schools² maintained by local authorities in Wales, and to identify examples of good practice.
- 2** Special schools form part of a continuum of provision to cater for pupils with SEN. This continuum includes, in most councils:
 - a** one or more special schools;
 - b** varying numbers of resourced units³, located within mainstream schools; and
 - c** support for individual pupils in mainstream classes.
- 3** About one-fifth of pupils in schools have SEN at any given time. Special educational provision varies according to the type and severity of each pupil's needs. The overwhelming majority of pupils with SEN receive additional provision and support within a mainstream school.
- 4** About 14,000 pupils (three per cent of the total) have their special educational needs and the provision to meet those needs set out in a statement of SEN⁴. Over two-thirds of these pupils are taught in mainstream schools, with almost all the remainder attending special schools.
- 5** In 2007⁵, we reported on the use and impact of SEN funding by councils across the whole continuum of provision. We concluded that: 'There is no clear link between the level of expenditure reported by local authorities and the quality of SEN provision. Councils are not yet able to tell whether or not their SEN provision is cost effective but there are good examples of initiatives that have the potential to improve the understanding of this.'
- 6** Councils in Wales set SEN budgets totalling £335.4 million (including grants) for 2009-10. This represented about 13.5 per cent of total budgeted expenditure on education. The present study builds on our previous work by considering in more detail the use of that portion of the total SEN budget (approximately 21 per cent on average) that councils use for provision in special schools.

1 The term special educational needs (SEN) is applied to children and young people who need special educational provision because they have learning difficulties. Pupils with SEN are of all ability levels and have a diverse range of needs.

2 Special schools cater for a very small minority of pupils whose SEN are so severe and complex that they cannot be effectively met in a mainstream school. Special schools are organised specifically to make special educational provision for pupils with SEN. Most special schools are maintained by local authorities, the rest being either independent or non-maintained.

3 Resourced units are classes that are located within mainstream schools but which are resourced at a higher level than other classes so that they might provide for pupils with special educational needs

4 Sections 323 and 324 of Part IV of the Education Act 1996 set out the circumstances under which a local authority may be required to issue a Statement of Special Educational Needs for a particular child. Any such statement should set out the authority's assessment of the child's special educational needs and the provision needed in order to meet those needs.

5 Good Practice in Special Educational Needs Funding (Wales Audit Office, July 2007).

- 7 Councils in Wales currently maintain 43 special schools. The 43 schools are distributed across 21 of the 22 councils. However, ten of these councils maintain only one special school each.
- 8 Special schools vary in size between 14 places and 225 places. They also vary widely in terms of the type of pupils and special needs⁶ for which they provide. About two-thirds teach pupils spanning the entire 3-19 age range. About 30 per cent offer some residential provision. Almost 70 per cent of special schools are classified as 'generic', in that they provide for a range of types of special needs. The others provide for specific types of needs such as autistic spectrum disorders or social, emotional and behavioural difficulties. These variations have significant implications in terms of the staffing levels and specialist resources necessary to deliver the National Curriculum and to provide adequate levels of care.
- 9 While the total number of pupils attending mainstream schools has fallen in recent years, the number of pupils attending special schools has increased. In 2009/10, maintained special schools were funded to provide for about 4,130⁷ pupils aged between three and 19 years. This number represents a nine per cent increase on 2005-06, in contrast to a fall of about four per cent in pupil numbers in primary and secondary schools over the same period. Numbers have increased despite the trend across Wales of teaching pupils with less severe SEN in mainstream schools. Special schools are therefore, on average, larger than before and cater for pupils with increasingly diverse and complex needs.
- 10 The total funding delegated to be managed by special schools (the Individual Schools Budget) increased by 18 per cent (from £59.4 million to £70.1 million) between 2006-07 and 2009-10. In the same period, there was a much lower increase of 11.9 per cent in the Individual Schools Budget for all schools⁸.
- 11 In addition to this £70 million delegated funding, councils estimated that they would spend a further non-delegated £30 million in 2009-10 in the form of direct provision in special schools. This sum includes the cost to council education budgets of providing for pupils educated outside the authority, whether in council-maintained schools elsewhere or in independent schools.
- 12 In 2009-10, the special schools' delegated funding represented about £17,000 per pupil. The funding for pupils aged 3-16 in special schools is determined by councils and allocated through each council's funding formula. The Assembly Government makes a funding allocation to councils for special school provision for pupils aged 16-19, which is informed by estimates drawn from each council's special school funding formula.
- 13 All councils must publish annually the basis of their special school funding formulae in their Section 52 (Part 2) statements. This information shows that the average cost per pupil of a maintained special school place varies according to the type of provision made, the age range of pupils in the school and the types of need for which the school

6 Special educational needs may be grouped into the four broad areas of:

- cognition and learning;
- communication and interaction;
- sensory and/or physical; and
- behavioural, emotional and social development.

We provide further explanation of the main characteristics of these areas of need in Appendix 1.

7 Data taken from local authority Section 52 statements.

8 These sums include devolved specific grants.

caters. Costs range from less than £10,000 per pupil in an 11-19 school for pupils with moderate learning difficulties to over £30,000 per pupil in an 11-16 school with residential provision for pupils with emotional and behavioural difficulties.

14 Our preliminary analysis of Section 52 statements suggested that special schools making similar provision for pupils with similar needs may be funded at significantly different levels, between and even within authorities.

15 In order to find out more about these differences, we sought to answer and find examples of good practice in relation to the question: 'Are schools and councils using resources well to meet the needs of pupils in special schools in Wales?'

16 We concluded that while special schools generally make good use of available funds, many councils do not reflect the changed context in which special schools operate in their funding and support arrangements.

Although there is considerable variation in the funding available to special schools that provide for pupils with similar needs, individual special schools generally make good use of the funding available to them

17 Councils across Wales provide varying levels of funding to special schools that provide for pupils with broadly similar special educational needs. Some, but not all of that variation in funding may be attributed to factors such as whether or not the school has residential provision.

18 The delegated budgets for special schools do not, in all cases, fund the costs of all the staff working at these schools. Many councils provide additional staff, paying their salaries

from central budgets. When taking account of these additional costs, it increased the variation in total funding levels between schools providing for pupils with similar needs.

19 In 2008-09, the 15 special schools we visited spent, on average, almost 90 per cent of their delegated budgets on staffing costs. Variations between schools arise mostly from differences in the ratio of support staff to pupils and/or in the salary scales for these staff. Schools that receive higher levels of funding per pupil spend more on teaching assistants than schools where funding is lower. Differences in staffing levels may be justifiable because of the nature of the needs of individual pupils or groups. However, it is not clear that staffing levels are reviewed frequently enough to ensure that staffing levels at particular schools continue to reflect the needs of the cohort of pupils currently on roll.

20 Almost all special schools receive additional income by raising funds and from donations. The sums raised in addition to council funding are typically between £20,000 and £30,000 per year. Schools providing for pupils with social, emotional and behavioural difficulties and schools in rural locations find it more difficult than other schools to raise additional income. Though significant, income from voluntary contributions is small in comparison with council funding.

21 Special schools generally make good use of the funding available to them. Estyn inspection judgements about outcomes for pupils, the quality of provision and the efficiency of the use of resources are positive in almost all maintained special schools. School managers work well with their councils to monitor spending carefully and levels of

reserves in special schools at the end of 2008-09 were generally prudent at 5.8 per cent on average.

- 22** Though funding is used well at school level, we found only a few examples of councils that had compared the costs of their special school provision with that in other councils. Such analysis helps to ensure that spending on special schools represents good value for money in the context of the wider council budget.

Despite a clear need to do so, many councils do not reflect the changed context in which schools operate in their funding and support arrangements

- 23** Existing guidance to councils on the funding of special schools is over 20 years old. Much has changed since the guidance was issued in terms of legislation, policy and the organisation of public services in Wales. These changes include the introduction of Local Management of Schools⁹, whereby school governors are responsible for the use of a delegated budget, and the requirement that pupils in special schools should follow the National Curriculum.
- 24** Over the same period, there has been an increase in the severity and complexity of the needs of pupils attending special schools. As a result of the combined impact of these changes, the basis on which resources are allocated to special schools in many councils is no longer appropriate. While there are examples of good practice, highlighted in this report, many councils have been slow to reflect contextual changes in their budget allocations and funding formulae for special schools.

- 25** Funding arrangements for students aged 16-19 differ from those for pre-16 places. The Assembly Government makes a funding allocation to councils for 16-19 special school provision, informed by councils' estimates. Under these arrangements, councils specify the provision necessary through a student's SEN statement, but the funding responsibility lies with the Assembly Government. Following year-on-year increases in demand, the Assembly Government made an initial allocation of 85 per cent of councils' estimated expenditure for 2010-11.

- 26** Councils have dealt with these reduced funding levels in different ways and with different consequences for schools and pupils. In some councils, schools have had to reduce staffing in direct response to the reduced funding, compromising their ability to deliver the provision specified in pupils' SEN statements.

- 27** Arrangements for the allocation of the Assembly Government's Better Schools Fund specific grant to special schools are inconsistent and, in some cases, lack transparency. In contrast, the allocation and use of the specific grant for 'Unlocking the Potential of Special Schools' have been clear and effective.

- 28** The apportionment of centrally retained budgets to special schools in councils' Revenue Account (RA) Forms continues to provide an unreliable basis for comparing the total cost of special school provision across councils in Wales. We found examples of costs that had been apportioned to special schools but which far exceeded the level of service available to them.

⁹ Local Management of Schools was introduced as a result of the Education Reform Act, 1988

- 29** Local government reorganisation in 1996 increased the number of county and county borough councils from eight to 22, with the result that there is wide variation between councils in the number of special school places available and in the type of special needs for which they provide. As a result of this uneven distribution of provision, all councils rely to varying degrees on being able to procure places for some of the pupils for whom they maintain statements in schools outside the council's boundaries. Most 'out-of-county' provision is in schools maintained by other councils, but all councils also place some pupils with very complex needs in independent special schools.
- 30** In most cases, the arrangements for procuring places in maintained special schools in neighbouring councils work well, even though they introduce an additional layer of bureaucracy. However, the cost of out-of-county placements, whether in maintained or independent schools, is generally higher than it would be if the provision were available in the 'home' authority. The cost of out-of-county provision, particularly in the independent sector, is often a cause of overspending in councils' SEN budgets.
- 31** A few councils have acted to reduce their reliance on out-of-county placements by introducing new provision within their own locality. Overall, however, councils have been slow to work together in planning special school provision across regions.
- 32** Special schools are broadly content with the availability of council support services, but many report difficulty in accessing adequate levels of health service support to meet pupils' medical needs. Difficulties in accessing

health service support are more acute for pupils who are placed in schools in areas served by a different Local Health Board from the area in which they live. This is a particular issue for residential special schools.

- 33** There are nevertheless good examples of health service support in some areas. In others, schools and councils have made alternative arrangements by, for example, employing their own nurse or speech and language therapist.

Recommendations

Councils in Wales and maintained special schools should:

- 1** Obtain detailed and accurate information to inform the planning of services for pupils with SEN, including:
 - a** the needs of pupils in special schools, within and outside the authority;
 - b** the provision they receive; and
 - c** the full costs of special school provision, including the cost of all services provided for the direct benefit of pupils in special schools, whether or not they are charged to schools' delegated budgets.

Councils should:

- 2** Use up-to-date information on needs and comparative costs to inform a fundamental review of the funding for pupils placed in special schools within and outside the authority.
- 3** Work together to secure the effective procurement, where necessary, of places in schools outside their boundaries.

- 4 Work closely with local health boards to develop clear and specific service level agreements for provision of health support services in special schools.

The Assembly Government and councils should work together to:

- 5 Ensure that Section 52 statements and Revenue Account returns report in a consistent manner a clear and accurate account of all planned expenditure on special schools, and compare this data with other councils.
- 6 Bring together data on current needs and provision, and use it to inform the strategic planning of special school places across Wales.
- 7 Draw on the good practice highlighted in this report to promote and support reviews of special school funding, including the funding for post-16 pupils, in order to secure a range of provision that consistently meets pupils' needs and gives value for money.
- 8 Foster collaboration between councils and, where appropriate, the introduction of regional arrangements for special school provision.
- 9 Promote better collaboration between councils and Local Health Boards in order to provide a consistent level of health support for pupils in special schools throughout Wales.

Part 1 - Although there is considerable variation in the funding available to special schools that provide for pupils with similar needs, individual special schools generally make good use of the funding available to them

There is considerable variation in the funding available to special schools that provide for pupils with similar needs

- 1.1** Councils across Wales apportioned £99.9 million to special schools within their 2009-10 education budgets, including grants. This sum includes both delegated and non-delegated funding and represents about 4.8 per cent of the £2.1 billion budgeted in total for expenditure on schools.
- 1.2** Delegated budgets for special schools totalled £70.1 million in 2009-10. However, we found that special schools providing for pupils with apparently similar needs receive different levels of delegated funding from councils across Wales. Factors such as whether or not the school provides residential provision account for some, but not all, of these differences.
- 1.3** In addition to schools' delegated budgets, many councils provide staff who work at a special school but who are paid for by the council from a centrally held SEN budget. It is not possible from published data to obtain accurate figures for the cost of such staff but, during our fieldwork, we have obtained information about the number of centrally-funded staff at the schools we visited and have added an estimate of their salary costs to schools' published delegated budgets. This provides a more reliable basis for comparing funding levels at the schools we visited.
- 1.4** The following tables exemplify the differences found in the average funding per pupil provided by councils to special schools that provide for pupils with similar needs. Each table shows two values for the funding provided to each school:
- a** planned expenditure per pupil for 2009-10 identified in councils' Section 52 budget statements; and
 - b** an estimate of the expenditure per pupil in 2009-10 that includes, where appropriate, the cost of additional staffing provided from central SEN budgets.
- 1.5** In calculating our estimates of expenditure per pupil, we have used as a denominator the number of pupils actually on roll in March 2010 rather than the pupil numbers shown in the section 52 statement, on which budget allocations were calculated.
- 1.6** About 70 per cent of special schools in Wales provide for pupils with generic learning difficulties. **Table 1** shows the variation in average expenditure per pupil between the nine of these schools that we visited. A few pupils in these schools have moderate learning difficulties, but the majority have severe learning difficulties, profound and

multiple learning difficulties and/or autistic spectrum disorders. Many of these pupils also have challenging behaviour and/or serious medical and health needs, and require individual support to keep them safe and well in school.

1.7 The unit costs in all-age day schools show the widest variation, with the highest funded school (B) receiving over twice as much per pupil as the lowest funded school (E).

1.8 There are seven special schools in Wales that provide for pupils with social, emotional and behavioural difficulties. **Table 2** shows the average expenditure per pupil for the three schools that we included in our fieldwork.

These schools provide day and residential education. Many pupils in these schools have additional learning needs, including moderate learning difficulties, specific learning difficulties and speech, language and communication difficulties.

1.9 The difference in funding between these three schools can, in part, be accounted for by the different proportions of day and residential provision in each school.

1.10 **Table 3** shows the average funding per pupil in all three schools in Wales that provide predominantly for pupils with autistic spectrum disorders.

Table 1 - Schools for pupils with generic learning difficulties

School	Provision	Average cost per pupil in 2009-10	
		Planned expenditure ¹⁰	Revised estimate ¹¹
School A	3 to 19 years, day and residential	£18,852	£18,040
School B	3 to 19 years, day	£22,910	£34,059
School C	3 to 19 years, day	£22,092	£21,463
School D	3 to 19 years, day and residential	£16,572	£16,706
School E	3 to 19 years, day	£16,382	£15,815
School F	3 to 19 years, day	£14,967	£16,559
School G	3 to 11 years, day	£14,261	£14,261
School H	11 to 19 years, day	£11,926	£12,674
School I	11 to 19 years, day and residential	£14,169	£13,968

¹⁰ Taken from Section 52 statements that use estimated pupil numbers.

¹¹ Including the estimated cost of any centrally-funded staff, and based on actual pupil numbers in March 2010.

Table 2 - Schools for pupils with social, emotional and behavioural difficulties

School	Provision	Average cost per pupil in 2009-10	
		Planned expenditure	Revised estimate
School J	5 to 16 years, 90% day, 10% residential.	£19,930	£20,484
School K	11 to 16 years, 2/3 residential, 1/3 day.	£30,250	£32,719
School L	8 to 16 years, residential only.	£28,102	£35,716

1.11 Schools M and N provide for similar pupils, and have a similar mix of day and residential provision. Despite this similarity, school N receives nearly 50 per cent more funding per pupil than school M.

1.12 The differences in planned expenditure per pupil arise because of differences between councils in the delegated budgets they determine for their special schools. Later in the report, we discuss how councils determine and distribute the delegated funding for special schools. Across all types of special school in our sample, the variation between schools in our revised estimate of expenditure per pupil is even wider than the variation in planned expenditure.

1.13 There is wide variation between councils in their policies on funding unfilled places in special schools. Most councils recognise the need to protect special schools' budgets from excessive volatility by providing funding for slightly more pupils than are expected to be on roll. However, the number of additional funded places varies widely, from up to 10 per cent in schools B, F and L to less than three per cent in the others.

1.14 Councils also vary in their policies on providing funding from central budgets for enhanced staffing support for specific pupils. In 2009-10, these central costs ranged from zero in six schools to over £300,000 in schools B and N. Centrally borne staffing costs in the remaining seven schools were

Table 3 - Schools for pupils with autistic spectrum disorders

School	Provision	Average cost per pupil in 2009-10	
		Planned expenditure	Revised estimate
School M	3 to 19 years, day and residential	£20,057	£19,248
School N	3 to 19 years, day and residential	£24,602	£28,395
School O	3 to 11 years, day	£21,648	£21,648

between £30,000 and £60,000. The fact that additional funding of this type is not readily identifiable from published budget data contributes to the difficulty of accurately benchmarking costs between schools and across councils.

- 1.15** In addition to the funding provided by councils, almost all special schools receive income or equipment from voluntary sources. Such donations may come from fund-raising events by parents, pupils and staff or from the wider community, including local businesses and charities.
- 1.16** The availability of voluntary funding varies considerably according to the type of special need for which the school provides and the location of the school. Schools catering for pupils with generic learning difficulties find it easier to raise funds than those catering for pupils with social, emotional and behavioural difficulties. In general, schools in urban areas benefit from higher levels of support from the local community than those in more rural locations. All schools reported that the overall level of voluntary donations had reduced in response to the economic recession.
- 1.17** The majority of schools in our sample reported receipts of between £20,000 and £30,000 a year, most of which had been raised by staff and parents through 'Friends' charitable groups. However, three schools had benefitted from donations of well over £100,000. In a few examples, very proactive school business managers have been able to access significant additional funds by, for example, applying to the council for a specific grant to improve the car park. Overall, the funds raised through voluntary funding are significant, but are small in comparison with council funding.

Special schools generally make good use of the funding provided directly and indirectly by their councils

- 1.18** Estyn's inspections indicate that special schools make good use of their delegated budgets, supplemented by any additional resources provided by their council. These inspections show that pupils' standards of achievement are good or outstanding in almost all maintained special schools. Judgements of the quality of provision and of the efficiency of use of resources are similarly positive. Overall, inspection outcomes do not show any evidence of a link between outcomes for pupils, the quality of provision and the overall level of funding available.
- 1.19** Although the council determines the overall level of funding for each school, the school's governing body decides how to spend the budget in order to meet pupils' needs and run the school. Governors, working closely with head teachers, are ultimately responsible for determining the staffing requirements, management structure, expenditure on accommodation and learning resources and development priorities in their schools. In 2008-09, the special schools in our sample spent, on average, 88.5 per cent of their delegated budgets on staffing costs.
- 1.20** Where there is variation between schools in the total spent on staffing, it usually arises from differences in the ratio of support staff to pupils, and/or in the salary scales for these staff. For example, higher-funded schools employ more teaching assistants on a higher salary scale, whereas lower-funded schools tend to have fewer teaching assistants and/or offer posts at lower pay scales. Differences in staffing levels between broadly similar

schools may be justifiable because of the nature of the needs of individual pupils or groups. Similarly, variations in pay structures may be appropriate, depending on the responsibilities of staff. However, schools and local authority staff do not review staffing levels regularly enough to ensure that they continue to reflect the needs of the cohort of pupils currently on roll.

- 1.21** All special schools in our fieldwork sample of 13 have a similar senior management structure, comprising a non-teaching head teacher and a deputy head teacher. Most of these schools also have an assistant head teacher, typically with responsibility for outreach provision¹². This structure is generally proportionate to the school's needs and circumstances, and represents an efficient use of resources.
- 1.22** Head teachers and governing bodies monitor their school's spending carefully against the budget. In most councils, there is a constructive working relationship between special schools and council finance officers that helps schools to stay within budget. Where such a post exists, school business managers make a strong contribution to the overall financial management of the school.
- 1.23** At the end of the 2008-09 financial year special schools held, on average, 5.8 per cent of the year's delegated budget allocation in reserve. However, there was considerable variation between councils, ranging from an overspend of eight per cent of budget to an underspend of 18.4 per cent. Most schools in our sample reported that they intend to draw on reserves to meet essential costs over the next two financial years.

- 1.24** While schools and councils generally work well together to monitor expenditure against the budget, we found only a few examples (see [Case Studies 5 and 6](#)) of councils that analysed costs and compared them with those in other councils. Such analysis is necessary to ensure that, even where financial management within the school is sound, the expenditure represents good value for money in the context of the wider council budget.

Special schools use well any additional funding they are able to raise to enhance pupils' experiences

- 1.25** Special schools make good use of any additional funding or equipment that they receive from voluntary sources to provide pupils with extra equipment and activities. Typically, schools use money from fund-raising to finance visits and holidays for pupils, Christmas events and parties. Other examples include using funding to improve an outdoor play area, to build a sensory garden and to buy rebound equipment. One school had received a substantial gift of audio-visual equipment from a local business and many special schools use minibuses originally donated by local or national charities.
- 1.26** Schools that have been particularly successful in fund-raising have worked closely in partnership with their councils, parents and the wider community ([Case Study 1](#)). These schools have successfully funded large projects, including new buildings and hydrotherapy pools that are of great benefit to pupils.

¹² 'Outreach provision' is the term used to describe the work undertaken by many special schools to support the work of mainstream schools by, for example, helping to train staff to cater more effectively for pupils with more complex special needs.

Case Study 1 - Ysgol Crug Glas and City and County of Swansea Council¹³

Working in partnership to raise additional funding and using it to improve facilities in a special school

Ysgol Crug Glas, supported by the City and County of Swansea Council, has a strong history of successful fund-raising to pay for significant improvements to its accommodation and specialist facilities.

The hydrotherapy pool was financed partly by the Council, following extensive fund-raising by parents and friends of the school. The pool has been of great benefit to pupils at Ysgol Crug Glas since its completion over 20 years ago.

It is also used by members of the wider community, including pupils in six other schools, Swansea Stroke Swimming Club, individual disabled people and their families, Water Babies- a pre-school hydro-group - and the community paediatric physiotherapy team and its clients.

The school is currently working in partnership with the Friends of Crug Glas and the Council to raise funds to pay for major improvements to the pool's changing and waiting areas. The project, entitled 'Changing for the Better', aims to provide additional larger changing areas, ceiling-mounted hoists, dedicated wheelchair storage bays, a public entrance separate from the school and more attractive and modern facilities for all users. The project team has already raised over £70,000 towards the target of £450,000, and aims to start work on the improvements in 2012.

Funding for a new building at the school, opened in 2003, was raised by the Friends of Ysgol Crug Glas working in close partnership with the Council. Fund-raising generated about 60 per cent of the total needed (£420,000), and the Council provided the rest (£330,000). The new building accommodates three senior classrooms, a nursing and medical suite, a specialist art room, therapy rooms, parents room, staff room and training facility. The building won a design award for its accessibility for people with disabilities.

¹³ This case study and others included in this report are available on the Wales Audit Office Good Practice Exchange (<http://www.wao.gov.uk/goodpracticeexchange.asp>), along with contact details for further information.

Part 2 - Despite a clear need to do so, many councils do not reflect the changed context in which schools operate in their funding and support arrangements

Changes since 1990 in the context in which special schools operate mean that in many councils, the resourcing of special schools requires review

- 2.1** In 1990, the Welsh Office issued Circular 58/90, Staffing for Pupils with Special Educational Needs. Circular 58/90 provides advice on the number of teachers and learning support assistants necessary in order to meet the needs of pupils with various types of SEN. The guidance describes five 'bands' of need, allocating different levels of staffing resource to each band. This model has since become known as a 'banding system'.
- 2.2** Over the last 20 years, there have been many changes in legislation, policy and the organisation of public services in Wales that have altered the context in which councils and special schools work. At the same time, councils and their special schools have seen a rise in the severity and complexity of their pupils' special needs. As a result of the combined impact of these changes, in many councils the basis on which resources are allocated to maintained special schools is no longer appropriate for the current circumstances.
- 2.3** Legislative changes include duties and requirements on schools and councils in respect of:
- a** Local Management of Schools;
 - b** the National Curriculum, including the teaching of Welsh;
 - c** provision of bilingual services;
 - d** safeguarding children and vulnerable adults; and
 - e** increased entitlement to support for pupils with SEN and disabilities.
- 2.4** The arrangements for Local Management of Schools (LMS), introduced shortly after the publication of Circular 58/90, changed the relationship between schools and their councils, and in the case of special schools, made it more complex. Under LMS, the council determines the budget share for special schools and the formula by which it is distributed, while the governing body in each school decides on the school's spending plans and is ultimately responsible for decisions about the organisation, staffing and management of that school. However, the council has a duty to ensure that the requirements of pupils' statements of SEN are met and therefore, in practice, determines which pupils to place in its special schools.

- 2.5** This relationship requires councils and special schools to work very closely together to ensure that provision and resourcing are appropriate for pupils' needs, and that they remain appropriate as pupils leave each school and new pupils arrive.
- 2.6** The past 20 years have also seen significant developments in the curriculum in all schools, including maintained special schools, in Wales. These developments have included successive changes to the content of the National Curriculum, together with the entitlement of all pupils to have full access to the National Curriculum, including bilingual education and the teaching of Welsh. More recently, special schools have begun to offer the Foundation Phase curriculum and/or 14-19 learning pathways, as appropriate, to their pupils. These changes have introduced significant training and development needs for staff in special schools and have increased the need for detailed individual planning and assessment. These changes also have implications for the way in which pupils are grouped together for lessons.
- 2.7** The developments in legislation, policy and practice in safeguarding children and vulnerable adults have required special schools to provide individual support for more pupils and more training for staff, for example in manual handling, physical intervention, first aid and child protection procedures.
- 2.8** Successive changes to the legislation and policy for SEN and disability have strengthened the entitlement of children, young people and parents to appropriate support and provision, both in mainstream and in special schools. These changes have again influenced the roles of staff in special schools, increasing significantly the teacher's responsibilities beyond those of direct teaching.
- 2.9** In response to the current legislation¹⁴ and guidance¹⁵, councils have made more provision in mainstream schools for pupils with SEN, including many whose needs would formerly have been met in a special school. At the same time, councils have seen an increase in demand for provision for pupils with very complex needs, and it is these pupils who now take the majority of special school places, either those maintained by a council or in the independent sector.
- 2.10** Special schools, particularly those providing for generic learning difficulties, report a steadily increasing demand for places for pupils with profound and multiple learning difficulties and with autistic spectrum disorders. These pupils often have additional medical or behavioural needs, and need a high level of personal support to help them learn and keep them safe in school.
- 2.11** Special schools for social, emotional and behavioural difficulties find that their pupils come from very complex backgrounds, including many who are looked-after children¹⁶. More of these pupils have additional learning needs, such as dyslexia, dyspraxia and speech and language difficulties.
- 2.12** Taken together, these trends have significant implications for the way in which councils plan provision and determine funding for all pupils with SEN and for those in special schools in particular. However, although councils are aware of these trends, most have yet to tackle the challenges they face.

¹⁴ Special Educational Needs and Disability Act, 2001

¹⁵ Special Educational Needs Code of Practice for Wales, 2002

¹⁶ Looked-after children are subject to care orders or are accommodated under the terms of the Children Act 1989.

- 2.13** A few councils, including Flintshire County Council (**Case Study 2**) and the Vale of Glamorgan Council (**Case Study 3**), have considered the future of their special schools as part of their overall strategic planning for school improvement. In Flintshire, effective planning and project management over the past five years have already brought about improved special educational provision and better value for money. The Vale of Glamorgan Council is planning to improve its special schools as part of the overall schools' modernisation programme in the authority.

Case Study 2 - Flintshire County Council

Increasing opportunities for inclusion and delivering better value for money through modernising special schools

Through its strategic planning and project management of the reorganisation of its special schools, Flintshire County Council has:

- a** provided outstanding facilities and learning opportunities for pupils with severe and complex learning needs;
- b** increased the opportunities for pupils in special schools to learn alongside their mainstream peers;
- c** enabled staff and pupils in mainstream schools to work more closely with special school staff; and
- d** improved the value for money of its special educational provision.

In September 2009, Flintshire County Council closed its three all-age special schools for pupils with moderate, severe and profound/complex learning needs, and replaced them with two new special schools, one primary and one secondary, located close to each other in Flint.

The new primary special school, Ysgol Pen Coch, shares a site and an entrance area with an established mainstream primary school, whilst Ysgol Maes Hyfryd, the new secondary special school is next door to an established secondary school.

The Council used the School Building Improvement Grant to fund its special schools modernisation programme. The project was well managed and was completed to time and to budget. Officers, head teachers and staff are delighted with the accommodation and resources in the new schools, and believe that the project delivered excellent value for money.

Case Study 3 - Vale of Glamorgan Council

Planning to improve special schools as part of the wider programme of modernising schools

As part of the schools' modernisation programme, the Vale of Glamorgan Council is planning to build a new special school for pupils who have autistic spectrum disorders and/or severe and profound difficulties. The Council intends that the new school will be on the same site as a new mainstream secondary school and, in time, will replace the three existing special schools. By this means, the Council intends to improve the condition of its special schools, and to increase opportunities for pupils with SEN to be included in mainstream learning. The Council is also considering ways of using the new building to increase its capacity to provide disabled children and their families with multi-agency support, residential education and respite care according to their needs.

While there are examples of good practice, many councils have been slow to reflect contextual changes in their budget allocations and funding formulae for special schools

- 2.14** Each council determines the overall budget allocation for its special schools according to its overall priorities and pattern of organisation of special educational provision across mainstream and special schools. This budget is then distributed to special schools according to the council's funding formula.
- 2.15** In about two-thirds of councils, the special schools' budget allocations and funding formulae have not been fundamentally reviewed in the past five years. Several councils reported that they first set their special schools' budgets and funding formulae in the 1990s, and have made no fundamental changes since that time. As a result, these councils cannot be sure that their

arrangements are appropriate for current circumstances and whether they give good value for money.

2.16 In most councils, the funding formula uses a combination of:

- a** place numbers, weighted according to pupils' level of needs;
- b** pupil numbers; and
- c** school and/or site-specific factors, including funding for residential provision where applicable.

2.17 Many councils determine the funding for weighted places by using a banding system derived from the guidance in Circular 58/90. Several councils have adapted this over time, for example by adding, removing or re-designating bands. However, the unit value allocated for each band is different in different councils, largely because these values are determined by each council's total special schools' budget, rather than by a detailed needs analysis. The differences between special schools in the level of available funding as illustrated in tables 1, 2 and 3 arise primarily from differences between councils in the total special schools' budget allocation, rather than from differences in the funding formula.

2.18 In a majority of schools in our sample, the council regularly provided additional funding to support individual pupils whose needs could not be met from within the school's delegated budget. This is an effective strategy for meeting individual pupils' needs, as defined in their statements of SEN. The central funding of some support staff also provides councils with the flexibility to be able to redeploy such staff to other schools should

the level of need at a special school fall. However, the unplanned allocation of additional funding makes it more difficult for councils to control their central SEN budgets¹⁷.

2.19 The arrangements for funding post-16 places in special schools are different from those for pre-16 places. The Assembly Government makes a funding allocation to councils for 16-19 special school provision, which is informed by estimates drawn from each council's special school funding formula.

2.20 Under these arrangements, councils specify the necessary provision through the young person's statement, but funding responsibility lies with the Assembly Government. This division of responsibilities has introduced into the system a perverse incentive for councils to specify the need for more costly provision than might be the case if they were also responsible for meeting that cost.

2.21 Year-on-year increases in demand for post-16 special school funding from councils have proved to be unsustainable. The Assembly Government therefore decided in February 2009 to limit the funding for post-16 pupils in special schools to a level below the estimated expenditure in both 2009-10 and 2010-11. Subsequently it was decided to provide full funding for 2009-10, and to make an initial allocation of 85 per cent of the estimated expenditure for 2010-11.

¹⁷ Good Practice in Special Educational Needs Funding: Wales Audit Office, July 2007.

- 2.22** In order to manage this reduction in the expected funding, councils have adopted a range of strategies that include:
- a** passing on the full reduction to special schools, leaving the governing bodies to reprioritise expenditure;
 - b** sharing the reduction across all schools and thereby protecting the special schools from significant loss in income;
 - c** planning to reduce the out-of-county expenditure and preserve special schools' budgets; and
 - d** planning to reprioritise spending within the council as a whole and maintain special schools' budgets.
- 2.23** These strategies have very different consequences for schools, pupils and for councils. Where councils passed on the reduction to schools, head teachers planned to make immediate savings by reducing the number of teachers and teaching assistants in the school. However, it was then unclear how the council would continue to fulfil its statutory duties towards post-16 pupils with statements of SEN in these circumstances.
- 2.24** There are examples of good practice (**Case Studies 4-6**) in reviewing arrangements for special school funding. Four councils have reviewed their arrangements in the past two years, and three others are in the process of doing so.
- 2.25** Very few councils have succeeded in comparing the value for money of their special school provision with that in other councils, though many have attempted to do so. A number of factors underpinning this difficulty that were identified in our earlier report¹⁸ were also found in this study, including:

Case Study 4 - Caerphilly County Borough Council

Fundamental review of the special school funding formula to meet pupils' needs

Officers in Caerphilly have worked very closely over several years with the Governing Body, Senior Management Team and staff of Trinity Fields School and Resource Centre to conduct a fundamental review of the basis on which the school's budget is determined. As a result, the Council has substantially revised the funding model for the school. The new formula is based on clear and accurate information about the needs of each pupil and of the school as a whole. The Council and the school regard the new formula as much fairer, more transparent and more appropriate to pupils' needs than the previous arrangements.

The budget for Trinity Fields School is made up of elements for:

- a** basic staffing within each group (pupil-led funding): one teacher, one teaching assistant (TA3) and one teaching assistant (TA1) for every eight pupils;
- b** additional funding for each pupil (place-led funding): allocated according to a detailed annual assessment of each pupil's actual level of need; and
- c** school-related costs, including those for buildings maintenance and service level agreements.

The Council allocates the place-led budget element according to a five-band system that is designed to provide a graduated level of additional funding according to each pupil's needs. The number of pupils in each band is determined annually by reference to a special pupil assessment matrix, supplemented by a behaviour needs assessment and pupil handling risk assessment. This matrix is kept up to date through the normal assessment processes in the school, and by the annual review system. The school has discretion in the way it uses funds to meet pupils' individual needs, including those for personal support, specialised equipment or additional administrative costs.

¹⁸ Good Practice in Special Educational Needs Funding: Wales Audit Office, July 2007

- a limited availability of outcome data for pupils with SEN; and
- b inconsistencies and lack of detail in the reporting of planned expenditure on SEN in Section 52 statements and RA returns.

2.26 Despite these difficulties, we found two councils (**Case Studies 5 and 6**) that had recently succeeded in comparing their special school expenditure with that in similar authorities.

Case Study 5 - Cardiff Council

Using benchmarked information to compare expenditure on special schools with that in similar authorities and to inform a review of budget allocation

In 2008, Cardiff Council reviewed the funding arrangements for its seven special schools by conducting a financial benchmarking exercise, and by comparing its own provision and needs with those in 1996. The Council found that, when compared with statistically similar councils and special schools in England, it placed a similar proportion of pupils in special schools, had similar banding arrangements but overall delegated a lower percentage of the total budget to its special schools. The Council maintains the same number of special school places as it did in 1996, but these places are taken up by pupils with increasingly severe and complex levels of need, including a greater proportion of pupils with profound and multiple learning difficulties and with autistic spectrum disorders. Correspondingly, the Council's mainstream schools provide for pupils who, in 1996, would probably have been educated in a special school.

The outcome of this review has been a decision by the Council to increase the total special schools' budget by £500,000 over three years. The additional funding will be distributed to schools by increasing the unit values of each of the eight bands in the funding formula. As a result, special schools' delegated budgets are likely to become better aligned to the current needs of the pupils.

Case Study 6 - Trinity Fields Schools and Resource Centre and Caerphilly County Borough Council

Using benchmarked information to compare expenditure on special schools with that in similar authorities and to inform a review of budget allocation

Several years ago, the governing body of Trinity Fields School and Resource Centre considered that the budget for the school was insufficient to meet pupils' needs, and that the budget-setting process lacked clarity. In response, Caerphilly commissioned independent consultants to compare the total funding for the school in 2008-09 with that allocated to nine similar special schools in other councils. Seven of these schools are in Wales, and two in England; all cater for pupils with severe learning difficulties, profound and multiple learning difficulties and autistic spectrum disorders.

The consultants used the average cost per pupil as the core value by which to compare schools in this benchmarking exercise. The average cost per pupil was calculated by adding:

- a the total delegated budget;
- b any extra funding allocated by the council to be used at the discretion of the governing body; and
- c any extra resource allocated for individual pupil needs.

The total was then divided by the number of pupils on roll at the time. Grant-related funding was excluded from the calculation.

The consultants found that the overall level of funding for the school compared very well with the other Welsh schools studied, and was exceeded only by one of the English schools. They also made recommendations to help the Council to improve the clarity and responsiveness of the budget-setting process. In particular, they strongly supported the work to develop the pupil assessment matrix.

The Council, working closely with the school, acted promptly on the consultants' recommendations by changing the formula for determining the school's budget from 2009-10 onwards. The governors are now confident that the delegated budget is fair and adequate and that the new mechanism for determining the total funding is appropriate, transparent and capable of responding to changes in pupils' needs over time. Correspondingly, the Council has greater assurance that the overall budget is set at the right level and that it achieves value for money.

Arrangements for the allocation of non-delegated funding to special schools are inconsistent and, in some cases, lack transparency

2.27 The arrangements for allocating non-delegated funding to special schools, for example from grants and centrally retained budgets, are variable and not always clearly understood by schools.

2.28 In our earlier study¹⁹, we found that budgeted expenditure on SEN, as reported via RA forms and through Section 52 statements did not provide an adequate or reliable basis for comparison between councils. There have been improvements in the budget reporting requirements, but this remains the case, particularly in respect of the share of non-delegated funding apportioned to special schools. As a result, the published costs of special school places, per pupil, do not always fully reflect the actual costs of provision, and are difficult to compare across schools and councils.

2.29 The most common reasons for inaccuracy are that the information provided to the Assembly Government:

- a** may include a portion of the costs of central services, such as the music service or sports centre facilities, that far exceeds the actual level of service provided to special schools;
- b** may include the costs of SEN support services that are provided in mainstream schools and Pupil Referral Units²⁰, but not in special schools; and

- c** does not include the full cost of additional staffing provided from central budgets.

2.30 Councils include within all schools' delegated budgets a share of certain specific grant income such as Better Schools Fund (BSF). The amount of BSF grant, per teacher, that is passed on to special schools varies between councils, and sometimes between schools in the same authority. Schools generally use their allocation in accordance with the grant conditions to part-fund the training needs of teachers and teaching assistants, but head teachers and governors are not clear how their school's share of this grant is determined or why it is distributed unequally.

2.31 In contrast, councils and their special schools have very clear and effective arrangements for using Assembly Government specific grant funding for the Unlocking the Potential of Special Schools programme. Estyn²¹ reports that the first phase of this programme was used very effectively to provide mainstream schools with access to the expertise and resources of special schools. Special schools and councils are continuing to use this funding effectively by helping to build the capacity of mainstream schools to meet the needs of pupils with a range of special educational needs.

2.32 Councils that provide special school pupils with additional staffing support from a central budget generally have clear arrangements for doing so. Usually such arrangements involve an application to the council's SEN resource allocation panel. However, councils rarely include the full costs of this additional provision in their planned expenditure on special schools, usually because they are not able to forecast pupils' needs accurately enough. As a result, their budget statements

¹⁹ Good Practice in Special Educational Needs Funding, Wales Audit Office, 2007

²⁰ Pupil Referral Units are centres for pupils who, for varying reasons, are temporarily unable to attend a mainstream or special school.

²¹ The impact of 'unlocking the potential' funding on promoting the use of special schools as community-focused resource bases. Estyn, April 2009

underestimate the likely expenditure on special schools. This underestimation of the likely in-year costs therefore contributes to the overspending on SEN provision that is common in many councils.

Councils have been slow to work together in order to improve the value for money of in-authority provision

2.33 In the main, the current pattern of maintained special schools across Wales pre-dates local government reorganisation in 1996. As a result, there is wide variation between councils in the number of special schools and resourced units they maintain, and in the type of needs for which they provide.

2.34 One council has no special schools. Nine councils each maintain one all-age special school for boys and girls with generic learning difficulties, but no special schools for pupils with social, emotional and behavioural difficulties. Conversely, one council has one special school for secondary-aged boys with social, emotional and behavioural difficulties, but no school for pupils with generic learning difficulties.

2.35 Residential special school provision is also unevenly distributed across Wales. There are 13 special schools with residential facilities, across 11 councils. Two of these schools are for pupils with autistic spectrum disorders, four for pupils with social, emotional and behavioural difficulties and the remaining seven for pupils with generic learning difficulties.

2.36 As a result of this uneven distribution of provision, all councils rely to some extent on being able to procure places in out-of-county provision, either in schools maintained by other councils or in the independent sector. These placements are necessary to fulfil statutory duties in respect of individual pupils' statements. They are often determined by parental preference and occasionally directed by the SEN Tribunal for Wales²².

2.37 In most cases, the arrangements for obtaining maintained special school places in neighbouring councils work well, even though they introduce a layer of bureaucracy that is not present for pupils without SEN who attend schools outside the authorities in which they live. Councils have clear procedures for dealing with applications from other councils and for arranging and charging fees for places in their schools; officers work closely together to arrange these placements. However, there are also examples of poor communication between councils on admission criteria, the availability of places and the fees to be charged.

2.38 All councils rely to some extent on placements in independent special schools, indicating that there is not enough capacity in maintained special schools. Pupils placed in the independent sector have very complex needs, often arising from autistic spectrum disorders or social, emotional and behavioural difficulties, and need residential provision.

2.39 The costs of out-of-county placements, whether in the maintained or in the independent sector, are normally higher than the costs of in-county provision. Factors that add to the expense include higher home-to-school transport costs, the additional 'overhead' charges applied by councils via their recoupment formula, and, especially, the high cost of independent school provision.

²² The SEN Tribunal for Wales was established in 2003 to hear and decide appeals by parents against SEN decisions made by councils. It also investigates claims of disability discrimination against responsible bodies.

2.40 Although councils try to arrange out-of-county placements that are close to home, in reality this is not always possible. As a result, the costs of home-to-school transport are inevitably far higher than for in-authority pupils.

2.41 There is considerable variation between councils in the method used to calculate recoupment charges for their maintained special school places. Most councils calculate the fees for places in their special schools by taking the unit cost of the place, including any additional support, and adding a sum, as a percentage of the unit cost, to cover the council's central costs for administration and support associated with the school. These additional costs vary between councils. Most councils add between five per cent and 15 per cent to the unit cost when recouping income from other councils and a small minority recoup at unit cost only. However, we found two councils that add over 20 per cent to the unit cost, thereby increasing the relative cost of their special school places to other councils.

2.42 In a previous study²³, we found that the cost of out-of-county provision was a major cause of overspending in councils' SEN budgets. At the same time, the limited availability of outcome data for pupils with SEN meant that councils were unable to judge the value for money of different types of provision. There has been little progress to resolve these two related issues.

2.43 A few councils have taken effective action to increase their own capacity to provide for pupils' special needs, thereby reducing their reliance on out-of-county provision (**Case Studies 7 and 8**). As a result, these councils have gained better control of their SEN budgets.

Case Study 7 - Neath Port Talbot County Borough Council

Taking effective action to increase in-authority special school capacity and reduce the need for more expensive out-of-county provision

As part of its overall strategy for school improvement, Neath Port Talbot County Borough Council has significantly enhanced its capacity to meet the special needs of pupils within its own maintained schools over the past five years. The Council has responded to the changing pattern of need for special school provision by creating more provision for pupils with profound and multiple learning difficulties, for autistic spectrum disorders and for social, emotional and behavioural needs.

Improvements include a new Learning Support Centre at Gnoll Primary School for 14 key stage 2 pupils with autistic spectrum disorders. Within the secondary sector the Learning Support Centre based at Sandfields Comprehensive School, which had catered for 12 pupils with a hearing impairment, has been redesignated to support pupils with autistic spectrum disorders. A new resource has also been opened, in Cwmtawe Comprehensive School for pupils with autistic spectrum disorders. This resource initially provided places for seven pupils but in September 2010 it will have capacity for 14 children.

New provision at Velindre Community School for 14 pupils with social, emotional and behavioural difficulties has also opened. The Council has also opened a primary Learning Support Centre for eight pupils at Ysgol Hendre Special School, which provides for pupils of primary school age with social, emotional and behavioural difficulties.

Ysgol Hendre Special School has also seen an increase in planned places from 90 to 100. There are nine more places at the Maes-y-Coed Special School for pupils with profound and multiple learning difficulties and severe learning difficulties with a further increase being considered. These carefully planned developments have enabled the Council to reduce the need for expensive out-of-county placements from 40 in 2005-06 to 28 in 2009-10.

²³ Good Practice in Special Educational Needs Funding: Wales Audit Office, July 2007.

Case Study 8 - Cardiff Council

Taking effective action to increase in-authority special school capacity and reduce the need for more expensive out-of-county provision

Cardiff Council plans to increase its provision for pupils of secondary school age with autistic spectrum disorders by establishing a specialist centre at Bishop of Llandaff Church in Wales High School that will eventually cater for between 35 and 42 pupils aged 11 to 19 years.

In developing these plans, the Council considered very carefully:

- a the increasing number of pupils with autistic spectrum disorders;
- b the need to provide pupils with choice and flexibility in accessing mainstream and special education;
- c the capacity and suitability of provision in its own special schools; and
- d the availability and cost of specialist provision in special schools maintained by neighbouring councils and in the independent sector.

The Council has obtained capital funding from the Assembly Government for 2010-11 and 2011-12 to cover 75 per cent of the project costs. The remaining funding is to be secured through prudential borrowing. The Council plans to finance the borrowing by reducing expenditure on out-of-county placements that would otherwise be inevitable.

The Council also plans to improve provision and increase the capacity of Tŷ Gwyn Special School. The school will transfer into purpose-built premises in 2010. Alongside the new school buildings will be a new eight-bed respite provision for youngsters, which the Council hopes will reduce the need for pupils to be placed in residential special schools out of county.

2.44 However, although individual councils are starting to plan additional provision, there is little evidence of a co-ordinated approach to planning provision across regions. Overall, councils have been slow to respond to the recommendation in our previous report to: 'Work together, within and across councils, to secure the effective procurement, where necessary, of places in schools outside their boundaries²⁴.'

Special schools are broadly content with the availability of council support services but many report difficulty in accessing adequate levels of health service support to meet pupils' medical needs

2.45 Councils provide their special schools with a range of support services, some of which are generic and others more specialised. Special schools are generally satisfied with the availability and value for money of generic services, such as finance, governor support, buildings and grounds maintenance. These services are usually subject to a service level agreement and generally work as well in special schools as they do in mainstream schools.

2.46 Special schools value the advice and general support of their school improvement officers. However, the support they receive about matters such as the curriculum, assessment, and evaluating outcomes is rarely based on an expert understanding of the needs of pupils with SEN.

24 Recommendation R6, Good Practice in Special Educational Needs Funding, Wales Audit Office, July 2007.

- 2.47** Special schools also value the support they receive from educational psychologists, but report considerable variations in the time allocated and the type of support provided. In one council, the educational psychologist visits the special school each week and offers a consultation service and training for staff. In a similar school elsewhere, the educational psychologist's time allocation is much more limited, and used for casework and reviews of pupils in year 6 as they prepare for secondary education.
- 2.48** Special schools receive very different levels of health service support in different parts of Wales. Although there are examples of good practice in north Wales, special schools in most councils consider that the time allocated for school nursing, speech and language therapy, physiotherapy and occupational therapy is less than is required in order to meet their pupils' needs.
- 2.49** Schools with a high proportion of pupils with profound and multiple learning difficulties generally have good access to school nursing support, though a few do not. Special schools for pupils with social, emotional and behavioural difficulties find it very difficult to access support from their local Child and Adolescent Mental Health Service.
- 2.50** Different councils have different criteria and funding arrangements for providing specialised equipment, such as communication aids and seating, for disabled pupils. In one council, the school's delegated budget includes funding for all equipment. Several other councils pay for equipment from a central budget, subject to agreement via a moderation panel, and may require the school to pay a contribution, typically £100-£150. Elsewhere, the Local Health Board may provide the equipment from a central store, or pay a contribution towards costs.
- 2.51** The main impact of these differences is in the time taken to obtain the equipment. Schools with direct control over funding are able to provide the necessary items to pupils far more quickly than those that must wait for funding to be agreed or equipment to be provided.
- 2.52** In general, special schools find it difficult to access health service support for pupils placed out of county, particularly if those pupils live in an area served by a different Local Health Board. This is a particular issue for residential special schools, many of whose pupils live a long way from the school.
- 2.53** Where schools and councils are unable to obtain the necessary health service provision, they have adopted a range of alternative strategies to meet pupils' needs. In a few special schools, the decision to employ a school nurse, a speech and language therapist and/or a social worker directly has been of great benefit to the schools and pupils, and appreciated by parents. In other schools, the health service has provided training for support staff to enable them to care for specific pupils. In others, the speech and language therapy service has provided useful training to teachers and teaching assistants.
- 2.54** In a few cases, the lack of access to health service support to fulfil the requirements of pupils' statements has proved costly for councils. One council reported that the SEN Tribunal for Wales had directed it to place a child in an independent special school in order to access physiotherapy and occupational therapy.
- 2.55** Councils and Local Health Boards do not have effective service level agreements to underpin the appropriate level and type of health service support in special schools.

Where service level agreements exist, they pre-date the current Local Health Board arrangements and do not always include support for special schools. Council officers are aware of the need to review these arrangements, but report that the recent reorganisation of the health service has slowed their progress in joint working.

Case Study 9 - Collaboration in North Wales

Effective joint working between councils and the Local Health Board to secure good health service support for pupils with SEN

In north Wales, the constructive working relationships between council officers and Local Health Board managers have helped to deliver good health service support for pupils with SEN and disabilities, including those placed in maintained special schools.

Pupils at Ysgol y Bont, Isle of Anglesey, benefit from the provision of a full-time school nurse and three nursing assistants, fully funded by the Betsi Cadwaladr University Health Board. Pupils have good access to speech and language therapy, physiotherapy and occupational therapy, according to their needs. Paediatric and dental clinics are held at the school, which is of benefit to pupils and their families, and also to other children in the area. Where pupils need specialised equipment, such as chairs and communication aids, these are normally provided by the Local Health Board.

There are positive working relationships between Flintshire County Council's inclusion service, including the finance officers, and their counterparts in the Local Health Board. These have led to successful joint funding agreements for services, equipment and additional support in the two special schools. Pupils in Ysgol Pen Coch and Ysgol Maes Hyfryd benefit from a very good level of service from school nursing. This provision is subject to joint funding agreements between Flintshire County Council and the Local Health Board. The Local Health Board contributes towards 1:1 support for specific children with identified health/medical needs in Flintshire special schools, and provides helpful training for education staff.

There are clear and long-standing arrangements in Denbighshire County Council for making decisions to place pupils out of county, and an agreement that the costs of such placements will be funded jointly by the Council and the Local Health Board.

Appendix 1 - Characteristics of types of special educational needs

1 Cognition And Learning

1.1 Specific Learning Difficulty (SPLD)

'Specific learning difficulties' is an umbrella term which indicates that pupils display difficulties in specific aspects of their learning. Pupils with SPLD may have a particular difficulty in learning to read, write, spell or manipulate numbers so that their performance in these areas is below their performance in other areas. Pupils may also have problems with:

- a** fine or gross motor control skills;
- b** tasks involving specific abilities such as sequencing, organisation or phonological or short-term memory abilities;
- c** language development;
- d** forming concepts, especially when information requires first-hand sensory experiences; and
- e** frustration and/or low self-esteem, taking the form, in some cases, of behaviour difficulties.

Pupils with SPLD cover the whole ability range, and the severity of their learning difficulty varies widely.

Specific learning difficulties include:

Dyslexia

Pupils with dyslexia may learn readily in some areas of the curriculum but have a marked and persistent difficulty in acquiring accuracy or fluency in learning to read, write and spell. Pupils may have poor reading comprehension, handwriting and punctuation. They may also have difficulties in concentration and organisation and in remembering sequences of words. They may mispronounce common words, or reverse letters and sounds in words.

Dyscalculia

Pupils with dyscalculia have difficulty in acquiring mathematical skills. Pupils may have difficulty understanding simple number concepts, lack an intuitive grasp of numbers and have problems learning number facts and procedures.

Dyspraxia

Pupils with dyspraxia are affected by an impairment or immaturity of the organisation of movement, often appearing to be clumsy. They find gross and fine motor skills hard to learn and difficult to retain and generalise. They may have poor balance and co-ordination, and poor awareness of body position. Their language may be late to develop, and they may have immature articulation.

1.2 Moderate Learning Difficulty (MLD)

Pupils with moderate learning difficulties will have attainment well below expected levels for pupils of similar age in all or most areas of the curriculum, despite appropriate interventions. They have much greater difficulty than their peers in acquiring basic literacy and numeracy skills, in understanding concepts, in dealing with abstract ideas and generalising from experience. They may also have problems with:

- a developing speech and language skills;
- b low self-esteem;
- c concentration and attention; and
- d social skills.

1.3 Severe Learning Difficulty (SLD)

Pupils with severe learning difficulties have significant intellectual or cognitive impairments. This has a major effect on their ability to participate in the school curriculum without support. They may also have associated difficulties in mobility and co-ordination, communication and perception and the acquisition of self-help skills.

Pupils with SLD will need support in all areas of the curriculum. They are likely to require teaching of self-help, independence and social skills. Some pupils may use sign and symbols but most will be able to hold simple conversations and gain some literacy skills. Their attainment may be below level 1 of the National Curriculum for much of their school careers.

1.4 Profound and Multiple Learning Difficulty (PMLD)

Pupils with profound and multiple learning difficulties have a profound cognitive impairment/learning difficulty, leading to significant delay in reaching developmental milestones. In addition, they display one or more of the following:

- a significant motor impairments;
- b significant sensory impairments; and/or
- c complex health care needs/dependence on technology.

The inter-relationship of these disabilities increases the complexity of need, in turn affecting all areas of learning.

Pupils with PMLD need a distinctive curriculum to help them to develop sensory, motor, social and communication skills all through their school careers, and into adult life. Some pupils communicate by gesture, eye pointing or symbols, others by very simple language. Pupils require a very high level of adult support, both for their learning needs and also for personal care.

2 Social, Emotional And Behavioural Difficulties (SEBD)

Pupils with social, emotional and behavioural difficulties cover the full range of ability, and a continuum of severity. Their emotional needs and behaviours present a barrier to learning and persist despite the implementation of an effective school behaviour policy, pastoral support and the personal/social curriculum.

Pupils may be:

- a withdrawn or isolated;
- b disruptive and disturbing;
- c hyperactive and lacking in concentration;
- d immature in social skills;
- e unable to form and maintain positive relationships with peers and/or adults; and/or
- f presenting challenging behaviours.

3 Communication And Interaction Difficulties

3.1 Speech, Language and Communication Difficulties (SLCD)

Pupils with speech, language and communication needs cover the whole ability range. They have difficulty in understanding and/or making others understand information conveyed through spoken language.

Speech and language difficulties may show themselves in the following ways:

- a problems with the production of speech;
- b difficulty in finding words and joining them together in meaningful and expressive language;

- c problems in communicating through speech and other forms of language;
- d difficulties or delays in understanding or responding to the verbal cues of others;
- e difficulties with the acquisition and expression of thoughts and ideas;
- f difficulty in understanding and using appropriate social language; and
- g frustrations and anxieties arising from a failure to communicate, possibly leading to apparent behavioural difficulties and deteriorating social and peer relationships.

3.2 Autistic Spectrum Disorders (ASD)

Autistic spectrum disorders are characterised by a triad of impairments in social relationships, social communication and imaginative thought, and may show themselves in the following ways:

- a difficulties in attuning to social situations and responding to normal environmental cues;
- b evidence of emerging personal agendas which are increasingly not amenable to adult direction;
- c a tendency to withdraw from social situations and an increasing passivity and absence of initiative;
- d repressed, reduced or inappropriate social interactions extending to highly ego centric behaviour with an absence of awareness of the needs or emotions of others;
- e impaired use of language, either expressive or receptive; this may include odd intonation, literal interpretations and idiosyncratic phrases and may extend to more bizarre expressive forms and limited expression, reducing the potential for two way communication; and

f limitations in expressive or creative peer activities extending to obsessive interests or repetitive activities.

Pupils with autistic spectrum disorder cover the full range of ability and the severity of their impairment varies widely. Some pupils also have other learning difficulties or disabilities, making identification difficult.

There are a number of sub-groups within the spectrum of autism, including, for example, pupils with Asperger's syndrome.

4 Sensory And Physical Difficulties

4.1 Hearing Impairment (HI)

Pupils with a hearing impairment range from those with a mild hearing loss to those who are profoundly deaf. Pupils cover the whole ability range.

It is possible for specialists to assess and quantify pupils' hearing loss and in many cases this will have been done before children reach statutory school age. However, the level of hearing loss alone does not determine the level of difficulty which pupils experience in school. It has to be set alongside other indicators more directly related to the classroom.

For educational purposes, a pupil is regarded as having a hearing impairment if he or she requires hearing aids, adaptations to their environment and/or particular teaching strategies in order to access the concepts and language of the curriculum.

4.2 Visual Impairment (VI)

Pupils with a visual impairment range from those with partial sight to those who are blind. Pupils cover the whole ability range.

It is possible for specialists to assess and quantify pupils' visual loss and in many cases this will have been done before children reach statutory school age. However, the level of visual impairment alone does not determine the level of difficulty which pupils experience in school. It has to be set alongside other indicators more directly related to the classroom.

For educational purposes, a pupil is regarded as having a visual impairment if he or she requires adaptations to their environment or specific differentiation of learning materials in order to access the curriculum.

4.3 Multi-sensory impairment (MSI)

Pupils with multi-sensory impairment have a combination of visual and hearing difficulties. They are sometimes referred to as deaf blind, but may have some residual sight and/or hearing. Many also have additional disabilities but their complex needs mean that it may be difficult to ascertain their intellectual abilities.

4.4 Physical and Medical Difficulties (PMED)

There is a wide range of physical and medical difficulties, some temporary and others permanent. Pupils cover the whole ability range.

Some children who experience physical or medical difficulties have no problems in accessing the curriculum and learning effectively. In such cases, therefore, simply having a medical diagnosis does not imply that the child has special educational needs.

On the other hand, some children enter school with identified physical needs or a medical diagnosis and well-understood educational difficulties. They may have received an educational assessment and early educational intervention, and may also have a statement of special educational need. Schools clearly need to monitor their educational needs extremely carefully, but will already be highly alert to this requirement.

There are a number of medical conditions associated with physical disability that can affect a pupil's mobility. These conditions include cerebral palsy, spina bifida and muscular dystrophy. Pupils with physical disabilities may also have sensory impairments, neurological problems or learning difficulties.

The impact of physical or medical difficulties on a child's education range from mild to severe may become apparent in the following ways:

- a** evidence of difficulties in the other areas of special educational need;
- b** impact of the physical or medical difficulty on the pupil's confidence, self-esteem, emotional stability or relationships with peers;
- c** impact of the physical or medical difficulty on classroom performance (for example, through drowsiness, lack of concentration, lack of motivation); and
- d** impact of the physical or medical difficulty on participation in curriculum activities.

Appendix 2 - Wales Audit Office methodology

Project initiation

- 1 As part of the development of the project, we held an Issues Analysis meeting in December 2009 with representatives from the Assembly Government, maintained special schools and councils. This led to the development of a hierarchy of questions designed to answer the key question:

‘Are schools and councils using resources well to meet the needs of pupils in special schools in Wales?’

Stage 1: Data collection and analysis

- 2 At this stage and subsequently, we analysed:
 - a data from the Assembly Government about the size, type and location of maintained special schools in Wales;
 - b S52 and RA returns provided to the Assembly Government by councils in 2009, giving information about the planned expenditure in maintained special schools in 2009-10;
 - c information from councils on the actual expenditure in maintained special schools in 2008-09; and
 - d the outcomes of Estyn inspections of maintained special schools in the period 2004-2010.

- 3 We asked the 21 councils that maintain one or more special schools to supply us with more detailed financial data by returning a questionnaire in February 2010. We received and analysed responses from 19 of these councils.

Stage 2: Council and special school fieldwork

- 4 On the basis of the initial analysis we identified a representative sample of 17 day and residential special schools in 13 councils in Wales, and grouped the schools according to the type of needs and provision.
- 5 We visited 15 schools and 13 councils to discuss the study questions and to explore specific areas arising from the initial data analysis. We held discussions with head teachers, school business managers, school governors and council officers.
- 6 Before visiting each council and school, we drew together the information from the returns they had sent to the Assembly Government and data drawn from statistical updates published by the Assembly Government in order to highlight areas that we wished to discuss during the visit.

7 We visited the following councils and special schools:

Councils	Schools
Bridgend County Borough Council	Héronsbridge School
Caerphilly County Borough Council	Trinity Fields School and Resource Centre
Cardiff Council	The Hollies Special School
Carmarthenshire County Council	Ysgol Rhydygors
Denbighshire County Council	Ysgol Plas Brondyffryn
Flintshire County Council	Ysgol Pen Coch Ysgol Maes Hyfryd
Isle of Anglesey County Council	Ysgol y Bont
Monmouthshire County Council	Mounton House Special School
Neath Port Talbot County Borough Council	Ysgol Hendre
Powys County Council	Brynllwarch Hall School Ysgol Cedewain
Rhondda Cynon Taff County Borough Council	Ysgol Tŷ Coch
City and County of Swansea	Ysgol Crug Glas
Vale of Glamorgan Council	Ashgrove School

Conclusion of the study

8 Following completion of the fieldwork, we held a Drawing Conclusions meeting in April 2010 to discuss emerging conclusions from the study. The meeting was attended by representatives from the Assembly Government, councils, maintained special schools and Estyn.