

## ***Distribution Sub-Group (2019) Paper 13 - Post-16 learning difficulties and/or disabilities specialist placements phasing exemplification***

**This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.**

### **Post-16 learning difficulties and/or disabilities specialist placements phasing exemplification**

#### **Summary**

1. This paper considers the phased transfer into the settlement of funding for post-16 learning difficulties and/or disabilities specialist placements and an exemplification of the potential phasing.

#### **Views sought**

2. Members are asked to give their views on the potential methodology for phasing this funding onto the adjusted Special Education formula.

#### **Related papers**

3. Distribution Sub-Group (2019) – Paper 7 – Post-16 LDD specialist placements exemplification
4. Distribution Sub-Group (2019) – Paper 3 – Post-16 LDD specialist placements
5. Distribution Sub Group (2018) – Paper 28 – Post-16 LDD Specialist placements
6. Distribution Sub-Group (2018) - Paper 17 – Post-16 LDD specialist placements

#### **Background**

7. Annex A contains relevant background information on the ALNET (Wales) Act and the discussions with DSG (up to January 2019) on the potential transfer of funding into the settlement for post-16 learning difficulties and/or disabilities specialist placements.
8. At the May meeting of the DSG, the group specified that they would like to see an analysis of the data on individual placements, investigating the full cost of funded applications for the most recent year, which would enable an exemplification of a phased approach onto Special Education formula (adjusted for additional year groups). This paper provides that exemplification.
9. The figures provided in this paper are for illustrative purposes only and further consideration of the quantum and actual distribution will need to be given as details of the potential transfer are finalised.

#### **Analysis**

#### **Methodology**

10. The latest available data for the full cost of funded applications is the provisional data for academic year 2018-19. The methodology outlined below attempts to use this data to roll these figures forward and convert into financial years, in order to phase into the settlement on the (adjusted) Special Education formula.

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### 11. Methodology:

- i. Set out the total cost (broken down by year group) of funded placements for academic years 2017-18 and 2018-19 (provisional)
  - ii. For the 2018-19 figures, using a 5-year average of yearly 'drop-off rates', roll the Wales total figures forward, to estimate the Wales total by year group of funded application costs in 2019-20 academic year. Continue to do this until 2022-23, where no previously funded placements remain.
  - iii. Convert the academic-yearly costs into financial-yearly costs by using the ratios of 5/12 and 7/12, up to 2023-24, where there will be zero cost.
  - iv. For 2018-19, the financial year cost has been calculated to be £14,284,807 (outside of the settlement). For subsequent years, remove the costs calculated in step iii, to leave a Wales total amount for each year, to be phased into the settlement.
  - v. Distribute these amounts on the adjusted<sup>1</sup> Special Education formula.
12. The resulting, exemplified, phased transfer can be found in table 1 in annex B. Table 2 in annex B shows the year on year change in the phased funding.
13. In addition, table 3 in annex C shows the combined distribution of the modelled funding, inside and outside of the settlement<sup>2</sup>.

### Distribution

14. Table 1 in annex B shows an exemplification of the potential phased transfer of funding for post-16 learning difficulties and/or disabilities specialist placements into the settlement. These figures increase steadily as more funding is transferred into the settlement, with the committed funding outside of the settlement reducing to zero.
15. Table 2 in annex B shows the year-on-year difference in the funding as it is phased in. The relevant share of funding across authorities is constant over time, as the same formula is being used, but this table illustrates how much additional funding is transferring in each year.
16. Table 3 in annex C shows the combined distribution of the funding both inside and outside the settlement, in an attempt to show the change in distribution as this funding is phased into the settlement.
17. Comparing the funding outside the settlement, in 2018-19 to the funding once fully phased in, in 2023-24, there is a redistribution of around £4.5 million.
18. Wrexham loses the most funding at £1.147 million (or 65%), while Swansea sees the largest monetary increase (£891 thousand). Merthyr Tydfil sees the largest percentage increase (1,383%) as a result of having a very small allocation of £19 thousand in 2018-19.

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<sup>1</sup> Special Education formula adjusted to expand the 3-16 age group to 3-25.

<sup>2</sup> The funding outside of the settlement has been calculated by taking the Wales costs in step ii, distributing these across authorities using the previous year's funded applications data and then converting into financial years, as in step iii.

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19. Table 4 in annex C shows the year-on-year change the combined distribution of the funding both inside and outside the settlement, with the largest redistribution occurring in 2020-21 and 2021-22.

**Conclusion**

20. Bearing in mind that this is just an illustrative exemplification, members are asked to give their views on the potential methodology for phasing this funding into the settlement on the adjusted Special Education formula.

**Local Government Finance and Workforce Partnerships  
Welsh Government**

**Background to the ALNET (Wales) Act and discussions with DSG to January 2019**

1. The Additional Learning Needs and Education Tribunal (Wales) Act 2018 (“the ALN Act”) makes provision for a new statutory framework for supporting children and young people with additional learning needs (ALN). This replaces existing legislation surrounding special educational needs (SEN) in schools and the assessment of children and young people with learning difficulties and/or disabilities (LDD) in post-16 education and training. The ALN Act gained Royal Assent on 24 January 2018 and it is intended that implementation will begin in September 2020, over a three year period to summer 2023.
2. As a result of the ALN Act, the current arrangement whereby Welsh Ministers secure specialist post-16 educational provision for young people with LDD will cease, and responsibility for this will transfer to local authorities (LAs). Along with this transfer of responsibility will be the transfer of funding to support LAs to deliver their duties.
3. In January 2019 Welsh Government Additional Learning Needs Transformation Policy officials provided data on the number of pupils requiring specialist placements and historical expenditure. They highlighted the data does not align with population data and there is no obvious trend as costs depend on the needs of the individual learner. It was agreed the data would need further insights in determining a distribution.
4. DSG members discussed the possibility of using the current Special Education Needs formula and amending this to include post 16 education. It was agreed to look into this at the next DSG meeting as it would be helpful to get clarity on the distribution as soon as possible. The paper will treat the transfer as if it were happening now, for illustrative purposes.
5. The current scheme is a demand led budget. The Welsh Government (in exercising the duties of Welsh Ministers under the Learning and Skills Act 2000) secures specialist provision for post-16 learners with LDD where such needs have been identified. Due to this, the current expenditure sometimes exceeds the budget for prior years.
6. Where appropriate given the needs of the young person and the type of provision required, the Welsh Government seeks to negotiate joint funding arrangements with relevant LA social services department and/ or Local Health Board. The Welsh Government contribution is therefore only a part of the overall cost of such placements. The expectation is that these types of joint-funding arrangements would continue, once responsibility transfers to LAs.

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**Annex B**

**Table 1: Modelled distribution of phased transfer into the settlement**

Unitary Authority	Exemplification of phased transfer					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Anglesey	0	46	155	260	298	299
Gwynedd	0	93	313	524	602	604
Conwy	0	73	246	411	473	474
Denbighshire	0	66	221	370	425	426
Flintshire	0	106	355	595	684	685
Wrexham	0	95	319	535	615	617
Powys	0	80	269	451	519	520
Ceredigion	0	62	208	349	400	402
Pembrokeshire	0	83	276	463	532	534
Carmarthenshire	0	126	422	707	813	815
Swansea	0	175	587	984	1,130	1,134
Neath Port Talbot	0	99	330	553	636	638
Bridgend	0	95	319	534	614	616
Vale of Glamorgan	0	84	283	474	544	546
RCT	0	181	606	1,016	1,167	1,170
Merthyr	0	44	148	247	284	285
Caerphilly	0	132	443	743	853	856
Blaenau Gwent	0	51	170	285	328	329
Torfaen	0	67	224	375	431	433
Monmouthshire	0	57	192	322	369	370
Newport	0	106	354	593	682	684
Cardiff	0	286	958	1,605	1,844	1,849
<b>Total Unitary Authorities</b>	<b>0</b>	<b>2,209</b>	<b>7,399</b>	<b>12,398</b>	<b>14,245</b>	<b>14,285</b>

£'000

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**Annex B**

**Table 2: Difference in modelled distribution of phased transfer into the settlement**

Unitary Authority	£'000				
	Difference in exemplification of phased transfer				
	2019-20	2020-21	2021-22	2022-23	2023-24
Anglesey	46	109	105	39	1
Gwynedd	93	220	211	78	2
Conwy	73	172	166	61	1
Denbighshire	66	155	149	55	1
Flintshire	106	249	240	89	2
Wrexham	95	224	216	80	2
Powys	80	189	182	67	1
Ceredigion	62	146	141	52	1
Pembrokeshire	83	194	187	69	1
Carmarthenshire	126	296	285	105	2
Swansea	175	412	397	147	3
Neath Port Talbot	99	232	223	82	2
Bridgend	95	224	215	80	2
Vale of Glamorgan	84	198	191	71	2
RCT	181	425	410	151	3
Merthyr	44	104	100	37	1
Caerphilly	132	311	299	111	2
Blaenau Gwent	51	120	115	43	1
Torfaen	67	157	151	56	1
Monmouthshire	57	135	130	48	1
Newport	106	248	239	88	2
Cardiff	286	672	647	239	5
<b>Total Unitary Authorities</b>	<b>2,209</b>	<b>5,191</b>	<b>4,999</b>	<b>1,847</b>	<b>40</b>

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**Annex C**

**Table 3: Combined distribution of modelled funding, inside and outside the settlement**

Unitary Authority	Exemplification of combined phased distribution						Difference 2023-24 to 2018-19	
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	£'000	
Anglesey	240	252	259	280	299	299	59	25%
Gwynedd	63	177	371	543	603	604	541	861%
Conwy	898	735	649	534	475	474	-424	-47%
Denbighshire	752	633	522	437	426	426	-326	-43%
Flintshire	1,512	1,344	1,050	769	687	685	-827	-55%
Wrexham	1,764	1,702	1,216	753	619	617	-1,147	-65%
Powys	989	879	740	588	522	520	-469	-47%
Ceredigion	326	292	351	389	401	402	75	23%
Pembrokeshire	490	378	415	494	533	534	43	9%
Carmarthenshire	258	396	618	778	814	815	557	216%
Swansea	243	447	760	1,034	1,132	1,134	891	367%
Neath Port Talbot	296	397	485	586	637	638	341	115%
Bridgend	146	234	406	559	614	616	469	321%
Vale of Glamorgan	886	866	772	631	548	546	-340	-38%
RCT	383	433	712	1,041	1,168	1,170	787	205%
Merthyr	19	44	148	247	284	285	266	1383%
Caerphilly	563	644	757	839	855	856	292	52%
Blaenau Gwent	230	258	310	329	329	329	99	43%
Torfaen	407	422	461	454	433	433	26	6%
Monmouthshire	568	533	441	388	371	370	-197	-35%
Newport	606	705	748	720	684	684	78	13%
Cardiff	2,645	2,515	2,092	1,891	1,850	1,849	-796	-30%
<b>Total Unitary Authorities</b>	<b>14,285</b>	<b>14,285</b>	<b>14,285</b>	<b>14,285</b>	<b>14,285</b>	<b>14,285</b>	<b>0</b>	<b>0%</b>

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**Annex C**

**Table 4: Difference in combined distribution of modelled funding, inside and outside the settlement**

<b>Unitary Authority</b>	<b>Diff. in exemp. of combined phased distribution</b>				
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Anglesey	13	6	21	19	0
Gwynedd	115	194	172	60	1
Conwy	-164	-85	-115	-58	-1
Denbighshire	-119	-111	-86	-10	0
Flintshire	-169	-294	-281	-82	-2
Wrexham	-62	-485	-464	-134	-3
Powys	-109	-139	-152	-66	-1
Ceredigion	-35	59	38	12	0
Pembrokeshire	-112	37	79	39	1
Carmarthenshire	138	222	160	36	1
Swansea	205	313	274	97	2
Neath Port Talbot	100	88	101	51	1
Bridgend	88	171	153	55	1
Vale of Glamorgan	-20	-94	-140	-84	-2
RCT	49	279	329	126	3
Merthyr	25	104	100	37	1
Caerphilly	80	113	82	16	0
Blaenau Gwent	28	52	19	0	0
Torfaen	15	39	-7	-21	0
Monmouthshire	-35	-91	-53	-17	0
Newport	99	43	-28	-36	-1
Cardiff	-130	-423	-201	-41	-1
<b>Total Unitary Authorities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>