

Distribution Sub-Group (2019) Paper 07 - Post-16 learning difficulties and/or disabilities specialist placements exemplifications

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.

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Summary

1. This paper considers the inclusion of the funding for the specialist placements to be included as part of the special education indicator based assessment.
2. The paper also provides thoughts on next steps in regards to providing local authorities with the funding for the first year of specialist placements, where the Welsh Government would remain responsible for the placements that it had already agreed.

Views sought

3. Members are asked to give their views on the potential distribution of using population estimates as an indicator to distribute this funding.
4. DSG are asked to give further consideration to the wider issues associated with the option of combining this funding within the special education IBA, in particular the option to re-asses the indicators and weightings of the special education formula as a whole.

Related papers

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

Background

7. 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.
8. 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.
9. 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

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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.

10. 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.
11. 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.
12. 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.

Analysis

Distributing the funding

13. The exemplification in Annex A provides the expenditure by LA for 2017/18 and how this funding would look if it was distributed on population aged 16-25.
14. The analysis assumes the funding provided would meet the previous expenditure.
15. As the DSG suggested, the population projections could be used to distribute the funding. The exemplification in Annex A shows the financial impact compared with the historic funding provided for 2017-18.
16. The percentage changes range from a 67% (or £730k) reduction in Denbighshire to a 2905% (or £675k) increase in Gwynedd.
17. In order to add the funding for specialist placements to the special education indicator based assessment, we would have to rebase the current weightings used within the special education IBA as a whole.
18. A weighting of 6.3%, would be ascribed to 16-25 population projection data, by calculating the percentage of the funding for specialist placement out of itself and the total special education IBA for 2017-18
19. This method provides a transparent and simple procedure to explain the new weighting, however, this might provide an opportunity to revisit the indicators, and/or the weighting ascribed to them within the special education formula.
20. By keeping the weighting of the indicators the same, there would be an assumption that the new indicator has no bearing on the other indicators used in the regression model.

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21. Members are asked if they would like to look at re-calibrating the weightings for the special education IBA formula to ensure that the relationship with any new indicator and the currently defined ones are considered more generally. This could also provide the opportunity to look at up-to-date indicators for the IBA as a whole.

Providing funding for the 1st year.

22. Welsh Government Policy officials proposed that the Welsh Government could continue to fund all cases which have already been agreed for the duration of their study (including 2020-21). They also explained that they propose that Local Authorities will need to plan in 2020-21 for cases which they will begin to fund in 2021-22.

23. The group wished to investigate the potential mechanism of how this would work in practice.

24. Some examples of how this funding could be provided to LAs for the first year of funding are: LAs to retain the left over funding from the Welsh Governments committed amount, use the historic drop off rates to calculate the first year share, LAs to be given the estimated first year funding amounts for the subsequent year.

25. As the current mechanism is a demand led budget, the funding sometimes exceeds the budget for prior years. The possible options above could possibly lead to a budget pressure being placed on either Welsh Government or Local Government.

26. As a Comprehensive spending review is currently expected for this year, the grant funding allocations for subsequent years have not been formally agreed by Welsh Governments Ministers.

27. It's recommended that, once the funding levels have been formally agreed and ministerial agreement has been placed on Welsh Government retaining the funding for cases which have already been agreed for the duration of their study, Welsh Government officials bring back another paper to further discuss the possibilities of providing funding for the first year of specialist placements.

Conclusion

28. The group have previously outlined the complex nature in distributing the funding for the special education due to the high costs nature with a relative small number of clients using the service.

29. Members of the group have previously stated that at a political level this has not yet been agreed. For this purpose the group are asked to only consider the distribution mechanism and not the Act as a whole or the quantum.

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

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Annex A – Funding for specialist placements distributed on predicted cost and population 2017/18 (£)

£0s

Local Authority	Funding 2017/18 (1)	Population 16-25 (2)	Difference (2)-(1)	% change
Isle of Anglesey	240,608	243,382	2,774	1%
Gwynedd	23,222	697,893	674,670	2905%
Conwy	1,035,322	404,820	- 630,503	-61%
Denbighshire	1,089,827	359,691	- 730,136	-67%
Flintshire	1,638,627	595,225	- 1,043,402	-64%
Wrexham	1,663,431	576,176	- 1,087,255	-65%
Powys	1,086,463	460,145	- 626,319	-58%
Ceredigion	424,958	602,206	177,248	42%
Pembrokeshire	640,511	467,748	- 172,764	-27%
Carmarthenshire	180,032	732,997	552,966	307%
Swansea	160,011	1,378,802	1,218,791	762%
Neath Port Talbot	229,224	552,912	323,689	141%
Bridgend	133,962	577,513	443,552	331%
Vale of Glamorgan	793,209	497,815	- 295,394	-37%
Rhondda Cynon Taf	439,172	1,102,609	663,437	151%
Merthyr Tydfil	46,139	245,775	199,635	433%
Caerphilly	494,035	755,644	261,609	53%
Blaenau Gwent	235,426	282,830	47,404	20%
Torfaen	521,601	374,330	- 147,272	-28%
Monmouthshire	513,604	336,252	- 177,352	-35%
Newport	455,584	685,875	230,291	51%
Cardiff	2,389,577	2,503,905	114,328	5%
Wales	14,434,546	14,434,546	-	0%