

## Appendix 2.1

### External review of Hammersmith & Fulham's spend on children and young people with High Needs

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#### 1. BACKGROUND TO THE REVIEW

##### National context

- 1.1 Funding for children and young people with 'high needs' (HN) is provided to local areas by central government. It is a defined block within the area's Dedicated Schools Grant (DSG), which also includes delegated funding for mainstream schools (Schools Block) and core funding for Early Years settings (Early Years Block).
- 1.2 Funding covers the costs of placements in specialist and alternative provision (state-maintained and independent/non-maintained special schools, mainstream units/resource bases and pupil referral units (PRUs)) along with additional provision for children and young people with High Needs in mainstream schools, early years settings and FE colleges. It also includes the costs of some specialist support services for children with special educational needs and disabilities (SEND).
- 1.3 The amount of funding is set by central government and is based on the amount of money Local Authorities were spending on this kind of provision at the point when the DSG was created. The Government is currently consulting on proposals to distribute HN funding to local areas on the basis of formula indicators (as part of its 'Fairer Funding' initiative). However, despite the reported growth in numbers of children and young people with HN, and in the severity of needs, funding has remained relatively stable with only modest increases to take account of inflation and the rise in overall child population.
- 1.4 Local Authorities retain a responsibility to keep HN spending under review, to ensure that it meets the needs of children with significant and complex SEND in a cost-efficient and equitable way. Over recent years, it has been possible for them to manage increasing demands and pressures through use of 'headroom' funding (spare capacity within the DSG). As DSG has become increasingly constrained, Authorities have had to start drawing on available reserves or seeking Schools Forum approval to transfer money from other blocks (Schools or Early Years). This approach is not sustainable in the longer-term.
- 1.5 The Government's SEND reforms have generally been welcomed in terms of making provision and services more child/family-centred. However, there is already evidence of a significant increase in parental expectations, which has not been matched by a corresponding injection of additional funding. Financial pressures are compounded by

the extension of statutory responsibilities to the full 0-25 age range, again with no increase in funding to meet this extended period of education.

- 1.6** In this context, most Local Authorities are needing to give urgent consideration to how they can make the best use of available HN funds, working in partnership with education providers, parents/carer and other agencies. The Government has provided additional funding this year to support such strategic activity.

### **Local context**

- 1.7** Tri Borough Children's Services have been jointly commissioned by Hammersmith & Fulham, Kensington & Chelsea and Westminster Councils. Since their formation, officers have sought to develop the Local Offer for children with SEN and disabilities so that this provides services that are streamlined and cost-effective, as well as meeting local requirements. There has also been a desire to ensure that there is greater equity in provision across the three Boroughs, and that children can have their needs met as locally as possible, without having to travel a long way from home.
- 1.8** Examples of developments include the commissioning of a single provider (TBAP) to deliver provision and services for pupils at risk of permanent exclusion/with social and mental health needs, and the recent proposal to develop more local special school provision for children with learning disabilities in Kensington & Chelsea so they do not have to attend schools further afield.
- 1.9** Officers are keen to ensure that developments in services and provision across the 3 Boroughs take account of the following principles:
- 1) Match with the changing nature of local needs
  - 2) Broad recognition of the importance of meeting these within finite resources (including funding delegated to mainstream schools and settings as well as that provided additionally from the High Needs Block), and of achieving best value for money
  - 3) Equity in resource access for children and families living across the area (while accepting some local differences in the nature of provision available)
  - 4) Appropriate levels of funding for schools and specialist providers, that take account of the above
  - 5) The need to continue to strengthen local capacity in order that needs can be met closer to home, and to reduce reliance on more distant high cost alternatives
  - 6) The need to ensure that provision and funding leads to the best possible outcomes for local children with SEND, both in the short-term but also achieving positive transitions to a more independent adulthood.
- 1.10** HN budget pressures are being experienced in all 3 Boroughs, but are particularly acute in Hammersmith & Fulham, where a £3 million pound overspend is predicted for this financial year. As a short term measure, Schools Forum has agreed a transfer of £750k from the Schools Block for 2017/18. However, other significant measures will be needed to help manage future spend within the budget available.

## 2. REVIEW FOCUS AND METHODOLOGY

2.1 To assist them in these developments, the Tri Borough has commissioned an external review, which has been carried out by Peter Gray (SSCYP) who has significant knowledge and experience of both SEND and financial issues. Initial discussions with senior officers suggested the following focus for the review:

- 1) A comparative analysis of current spend on HN, across the 3 Boroughs and their statistical neighbour Authorities, to include top-up rates for local state-funded specialist provision (special schools, mainstream resource bases and TBAP), additional funding provided for children in mainstream schools, early years and post 16 settings, and spend on pupils placed out of Borough (in other state-funded and independent/non-maintained special schools).
- 2) An independent review of the Borough's current approach to funding SEND, at a number of levels:
  - *Mainstream schools:*
    - formula funding model
    - process for targeting additional funds to individual pupils with higher level needs (statements/EHC plans etc)
  - *Specialist provision:*
    - funding and focus of resourced provision/specialist units in mainstream schools
    - funding and focus of the Tri Borough's special schools
    - use of/spend on out of Borough provision
  - *Other services:*
    - advisory/support service inputs (pupil/school level)
    - commissioning/funding of therapy support

2.2 It is expected that the funding review will contribute the following:

- a) a range of accessible benchmarking data that will allow officers and schools to evaluate the current level of spend against other similar LAs and across the Tri Borough area as a whole.
- b) an independent evaluation of the Borough's funding and organisation of SEND provision and services, from its expectations of what should be ordinarily available in local mainstream schools and settings, through to provision for children and young people with more complex needs
- c) recommendations as to how existing funding systems and approaches could be improved and how expectations (practice/outcomes) could be more clearly

expressed and understood at all funding levels, so that local provision and services are more clearly aligned to the principles identified above

- d) an overall report of key findings and recommendations across the 3 Boroughs, with more specific summaries available for further discussion at individual Borough level

**2.3** This report provides a summary of the position for Hammersmith & Fulham. It is based on the following:

○ ***Phase 1:***

- examination of a range of statistical and financial data
- interviews with key senior officers (with responsibility for Finance and SEND; and with the chair of Schools Forum
- survey of provision and spend in a sample of LA comparators (email and phone follow-up)
- visits to all specialist provisions across the Tri Borough (special schools, mainstream resource bases and alternative providers)

○ ***Phase 2:***

- Interviews/discussions with a range of professionals and stakeholders<sup>1</sup>
  - *Local authority officers/services:*
  - *Mainstream school/setting managers:*
  - *Parents/carers and IAS<sup>2</sup> officers:*
  - *Other agencies (Health and Social Care)*
- Consideration of relevant data and documentation
- Sampling of current processes and decision-making.

**2.4** The consultant also attended a number of meetings with officers, Schools Forum and other groups during the process of the review to provide an update on progress and emerging issues, and to share perspectives on the likely impact of national proposals.

### **3. HAMMERSMITH & FULHAM'S HIGH NEEDS BUDGET:**

***What does it receive from central government and how does this compare to other similar authorities?***

**3.1** When the DSG was created, Local Authorities received funding for High Needs (HNB) to cover the costs of a range of specialist provision and services for children and young people in their area. The position became more complicated in 2013 when the Government introduced the 'place-plus' system. State-funded special schools,

<sup>1</sup> A full list is provided in Appendix 1

<sup>2</sup> Information, Advice and Support (previously Parent Partnership)

alternative provision/PRUs and mainstream resource bases now receive £10k for each designated place and then ‘top-ups’ for individual pupils accessing the provision.

- 3.2** The Government provides overall funding for HN to each local authority area, but the EFA (Education Funding Agency) then makes deductions so it can pay for places in academies<sup>3</sup>. The new system also abolished inter-Authority recoupment (which was used to recover costs for pupils attending provision from other areas). In the first year of the new system, the EFA adjusted High Needs budgets to take account of the number of places occupied by out of Area children. However, this was a ‘one-off’, with subsequent cross-border changes not taken into account.
- 3.3** In making comparisons between budgets allocated to different Authority areas, it is therefore important to look at funding *before* EFA deductions are made, and to recognise that areas with higher ‘net import’ of pupils should receive higher than expected allocations.
- 3.4** Table 1 (below) shows HN budget allocations (prior to deductions) to Hammersmith & Fulham and its statistical neighbour Authorities (all London Boroughs). These are adjusted for overall size (using 0-19 resident population figures<sup>4</sup>).
- 3.5** Hammersmith & Fulham receives the second lowest level of HNB funding in the comparator group. This is despite the fact that it is a high ‘net importer’ of pupils from other Boroughs who attend its special school provision. Overall it is providing 189 places more for out of Borough pupils than it uses elsewhere. It would be reasonable therefore to expect an uplift of 189 x £10k per place = £1.89m, leading to an additional £51 to its adjusted figure (= **£562** nearer to the average for the group).
- 3.6** The Government’s current proposals for a ‘fairer’ system suggest that the Borough would gain only £600,000, which does not match the shortfall implied by these figures. This is mainly because of the amount of protection provided to higher-funded Authorities through the proposed ‘funding floor’ and use of ‘historical factors’ in the proposed distribution formula<sup>5</sup>.
- 3.7** It should be noted however that mainstream school budgets in Hammersmith & Fulham are significantly higher than average for the comparator group (see data for 2013/14 in Table 2). The DSG arrangements currently allow some flexibility for movement between the funding blocks. Higher mainstream funding can be linked to

<sup>3</sup> Deductions are also made for places in Alternative Provision free schools once these have been established for two years.

<sup>4</sup> Office for National Statistics (ONS) 2015

<sup>5</sup> The proposals also include an annual ‘import/export’ adjustment that should mean that cross-border placements are properly taken into account. However, the adjustment also includes pupils with statements/EHC plans placed in ordinary mainstream schools. It can be questioned whether this is appropriate given the variation in thresholds used for statutory assessment and the fact that the ‘£6k’ is a nominal allocation rather than being a recognisable part of the HNB.

higher expectations of mainstream capacity for inclusion, although this is not necessarily the case. The Government's 'fairer funding' proposals imply some reduction in mainstream school budgets in the Borough, and this may indicate a need to rebalance the blocks to provide a higher level of HN funding, while the flexibility to do so remains in place<sup>6</sup>. This would help address the current HN funding shortfall.

**Table 1: High Needs Budgets (before EFA deductions) for Tri Borough Authorities and statistical neighbours (adjusted for 0-19 resident population<sup>7</sup> and ordered from highest to lowest):**

Local authority	HNB (before deductions) (£m) (2016/17)	Resident population (0-19)	HNB adjusted for size (£)
Wandsworth	42.72	65,830	649 <sup>8</sup>
Camden	32.28	52,065	620 <sup>9</sup>
Tower Hamlets	43.98	72,059	610
Lewisham	43.97	73,717	596
Islington	25.80	45,583	566
Kensington & Chelsea	17.48	31,285	559 <sup>10</sup>
Southwark	38.91	69,752	558
Hackney	36.44	66,474	548
Greenwich	39.10	72,548	539
Lambeth	36.90	68,748	537
Hammersmith & Fulham	19.03	37,238	511
Westminster	24.23	47,645	509
<i>Average</i>			567

**3.8** Looking at the other two Authorities in the Tri Borough, Westminster is also funded at a comparatively low level. However it is a net exporter to specialist provision (63 places x £10k = £630,000, so could expect to be £13 higher on adjusted figure = **£522**). This still puts it in the bottom two in the comparator group<sup>11</sup>. The current Government fairer funding proposals imply an increase of only £160k in Westminster's HNB.

**3.9** RBKC receives an average amount of HNB funding for the group. However, this includes the costs of hospital school provision which is a resource for children

<sup>6</sup> The Government's proposals will reduce this flexibility from 2018/19.

<sup>7</sup> ONS mid year estimates 2015

<sup>8</sup> High net importer to specialist provision

<sup>9</sup> Includes £42 for hospital schools (Great Ormond St etc)

<sup>10</sup> Includes £37 for hospital schools (Chelsea Royal etc)

<sup>11</sup> It also has a special free school (St Marylebone Bridge). Places there are currently funded by the EFA additionally to the HNB

admitted from a wide geographical area. With this element removed, RBKC's HN allocation (adjusted for size) is £522, which is below average for the group. However, the Borough is a net exporter of pupils to specialist provision in other Authority areas (29 places x £10k = £290k)<sup>12</sup>, so would expect to be £15 higher on adjusted figure: net effect of both these elements would mean an expected adjusted figure of **£537**). The Government's proposals show no change to Kensington & Chelsea's HNB.

**Table 2: Funding for mainstream schools (basic pupil element and SEN related factors) in Hammersmith & Fulham and a sample of comparator LAs (data taken from DFE LA data proforma 2013/14)**

LA	Basic entitlement (£ per pupil)				Deprivation (£ per pop)	Prior attainment (£ per pop)	Dep + PA (£ per pop)	Overall £ per pop
	Primary	KS3	KS4	TOTAL				
Camden	3355	4560	5014	3914	1176	204	1380	5294
Greenwich	3009	4209	5201	3517	1013	45	1058	4575
<b>H&amp;F</b>	<b>3594</b>	<b>5113</b>	<b>5113</b>	<b>4106</b>	<b>1277</b>	<b>157</b>	<b>1434</b>	<b>5540</b>
Islington	3576	4635	4635	3940	899	116	1015	4955
K&C	4043	6132	6132	4684	302	48	350	5034
Wandsworth	3680	4637	5741	4122	462	330	792	4914
Westminster	3330	4911	5593	3977	557	288	845	4822
<i>Average (comps)</i>	<b>3512</b>	<b>(4885)</b>	<b>(5347)</b>	<b>4037</b>	<b>812</b>	<b>170</b>	<b>982</b>	<b>5019</b>
<i>Average England</i>	2922	4065	4621					

#### 4. OVERVIEW OF HAMMERSMITH & FULHAM'S HIGH NEEDS SPEND:

*What does it spend on different types of provision and how does this compare to other similar authorities?*

**4.1** This has been one of the most difficult aspects of the review, as it is important to ensure data on costs and provision usage are accurate and defined in similar ways. Officers are increasingly hard-pressed and it can be difficult to get other Authorities to give priority to comparator surveys that are not their immediate concern, even if these are seen to provide potentially useful information. The exercise would have been easier if there had been collective agreement at the outset that this was valuable for all, and if officers across the comparator group had been more involved in the survey design.

**4.2** The survey asked LAs for information on the following<sup>13</sup>:

<sup>12</sup> This includes 'import' into RBKC places funded at Parkwood Hall

<sup>13</sup> Including funding deducted from the HNB allocation and paid to academies/AP free schools

- (i) **Additional funding to mainstream schools**<sup>14</sup> (in and out of Borough) and number of pupils receiving this kind of support: this included any funding devolved to schools (eg for pupils with lower level needs)
- (ii) Number of places in **mainstream resource bases** (in and out of Borough), top-up rates and numbers of pupils accessing this provision
- (iii) Number of places in **state-funded special schools** (in and out of Borough), pre 16 and post 16, top-up rates and numbers of pupils accessing this provision
- (iv) Number of places in **alternative provision/PRUs** (in and out of Borough), top-up rates and numbers of pupils accessing this provision
- (v) Number of pupils in **independent/non-maintained special schools**, pre 16 and post 16, and overall costs (High Needs budget only<sup>15</sup>)
- (vi) Number of students in **independent specialist colleges** (ISPs), and overall costs (as above)
- (vii) Additional expenditure for children in **Early Years** settings (HNB)
- (viii) Top-ups for students with High Needs in **mainstream FE colleges**<sup>16</sup>
- (ix) Spend on hospital schools (if any)
- (x) Spend on SEN support services<sup>17</sup> (High Needs budget only)

**4.3** A breakdown of Hammersmith & Fulham's spend on High Needs for 2016/17 is provided in Table 3 (below). It can be seen that this has significantly exceeded the available budget. A high proportion of spend is on specialist and alternative provision (71% of overall total). A total of £2.23m is spent on children and young people placed in specialist provision in the independent/non-maintained sector, most of which is out of the local area, meaning additional transport and/or residential costs. However, due to the range of local state-funded special schools, relatively few placements need to be made in such provision in other Authorities.

**4.4** Table 4 (below) compares Hammersmith & Fulham's spend profile with the other Tri Borough Authorities. Adjusted spend is used, which takes account of different population sizes (0-19 as before). Overall spend in the other two Boroughs is currently well within the budget available. Hammersmith & Fulham spends significantly more on state-maintained specialist provision (pre and post 16) and on alternative/specialist provision for pupils with behaviour/mental health issues (at TBAP). While some of the difference can be explained by levels of import from other Authorities, the Borough has a higher number of its residents in state-funded specialist and alternative provision than RBKC and Westminster, and in specialist/alternative provision overall (see Table 5 below).

<sup>14</sup> Including 6<sup>th</sup> forms

<sup>15</sup> Some pupils are jointly funded by Health and/or Social Care

<sup>16</sup> Currently colleges receive Element 2 funding (£6k) for students with statements/EHC plans direct from the EFA. This funding will transfer in 2017/18 to the HNB LAs where colleges are located, with the EFA making deductions on the basis of agreed numbers of places. The Government is proposing that cross-border usage will be part of the planned methodology for annual import-export adjustment.

<sup>17</sup> Including any contracts with therapy service providers



**Table 3: Hammersmith & Fulham's HN spend, broken down by types of provision**

Type of provision	Spend (£)	% of overall spend
Additional funding in mainstream	3,748,306	16.5
Mainstream resource bases	1,584,770	7.0
State funded special schools (pre 16)	7,215,893	31.8
Alternative provision/PRUs	4,196,542	18.5
I/NM <sup>18</sup> special schools (pre 16)	1,307,217	5.8
State funded special schools (post 16)	866,778	3.8
I/NM special schools (post 16)	528,067	2.3
Independent specialist colleges	393,713	1.7
Mainstream FE colleges	535,889 <sup>19</sup>	2.4
Early Years (HNB)	351,535	1.5
Hospital schools	0	0
SEN support services (HNB)	1,998,009	8.8
<b>TOTAL</b>	<b>22,726,719</b>	
<i>Budget</i>	<i>19,030,605</i>	
<i>Surplus/deficit</i>	<i>- 3,696,114</i>	

**Table 4: Hammersmith & Fulham's HN spend (adjusted for 0-19 population) compared to other TriBorough LAs**

Type of provision	Hammersmith & Fulham (£ per 0-19)	Kensington & Chelsea (£ per 0-19)	Westminster (£ per 0-19)
Additional funding in mainstream <sup>20</sup>	100.66	93.24	96.78
Mainstream resource bases <sup>21</sup>	42.56	25.66	33.93
State funded special schools (pre 16)	193.78	55.16	107.57
State funded special schools (post 16)	23.28	18.58	9.47
Alternative provision/PRUs	112.70	67.12	44.34
I/NM <sup>22</sup> special schools (pre 16)	35.10	58.76	60.15
I/NM special schools (post 16)	14.18	37.65	18.02
Independent specialist colleges	10.57	16.46	2.44
Mainstream FE colleges	14.39	22.27	24.66
Early Years (HNB)	9.43	7.79	9.87
Hospital schools	0	37.24	6.24
SEN support services (HNB)	53.66	70.17	48.69
<b>TOTAL</b>	<b>610.31</b>	<b>510.10</b>	<b>462.15</b>
<i>Budget</i>	<i>511</i>	<i>559</i>	<i>509</i>
<i>Surplus/deficit (approx.)</i>	<i>(-99)</i>	<i>+49</i>	<i>+47</i>

<sup>18</sup> Independent/non-maintained. Places in non-maintained special are paid by the EFA before HN allocations are made to local authority areas. LAs only pay top-up. LAs pay the full costs for independent special schools.

<sup>19</sup> Includes William Morris 6<sup>th</sup> Form

<sup>20</sup> Including mainstream 6<sup>th</sup> forms

<sup>21</sup> Includes funding for ASD bases at Fulham Primary and Fulham Boys/Cross (managed by Queensmill)

<sup>22</sup> Independent/non-maintained. Places in non-maintained special are paid by the EFA before HN allocations are made to local authority areas. LAs only pay top-up. LAs pay the full costs for independent special schools.

**Table 5: Numbers of pupils resident in each of the TriBorough LAs attending specialist or alternative provision**

	<b>LBHF</b>	<b>RBKC</b>	<b>WCC</b>	<i>Total</i>
<b>Resource bases</b>	66	27	74	167
<b>State-funded special (pre 16)</b>	217	69	235	521
<b>State-funded special (post 16)</b>	19	9	11	39
<b>PRU/AP</b>	171	80	80	331
<b>INM special (pre 16)</b>	27	50	84	161
<b>INM special (post 16)</b>	10	15	21	46
<b>INM specialist college</b>	8	10	4	22
<b>Total</b>	<b>518</b>	<b>260</b>	<b>509</b>	1,287
<i>% 0-19 in state-funded specialist/ alternative provision</i>	1.27	0.59	0.84	
<i>% 0-19 in INM specialist provision</i>	0.12	0.25	0.23	
<i>% 0-19 in all types of specialist/ alternative provision</i>	1.39	0.83	1.07	

**4.5** Table 6 (attached) extends this analysis to a wider group of LA comparators. The broader comparison confirms the Borough's higher than average spend on state-funded special schools and alternative provision, and the lower spend on school-age placements in the INM special school sector.

*More detailed analysis of spend areas*

**State-funded special schools**

**4.6** Hammersmith & Fulham has 4 local special schools which are all maintained by the Authority. Table 7 (below) shows the number of funded places for 2016/17 and occupancy (FTE pupils). The schools receive £10k for each place, with 'top-ups' paid for each pupil attending by the LA where he/she resides. While each school caters for a range of levels of need, the top-up is set at a uniform level based on average costs. Current top-up levels are provided in Table 7.

**Table 7: Special schools in Hammersmith & Fulham: Numbers and costs per pupil**

School	Number of funded places	Occupancy	LBHF pupils	Other TriB pupils	Other LA pupils	Top-up rate
Cambridge	75	69	25	28	16	£13,923
Jack Tizard	70	71	49	15	7	£24,481
Queensmill	132	160	87	47	26	£17,189
QM 19-25	10	6	3	2	1	£40,000
Woodlane	98	97	53	24	20	£9,500
<b>TOTAL</b>	<b>385</b>	<b>403</b>	<b>217</b>	<b>116</b>	<b>70</b>	

- 4.7** Nearly half of the pupils attending Hammersmith & Fulham special schools live in other neighbouring Authorities. The place costs for these pupils count against the Borough's High Needs Budget. This is contributing significantly to current budget difficulties as level of import is not being adequately reflected in the Authority's received HN allocation (see 3.5 above).

*Nature of provision and rationale for current funding*

- 4.8** Both Cambridge and Woodlane are secondary only. Jack Tizard and Queensmill are 3-19. Queensmill is in the process of developing a post 19 provision, linked to Adult Social Care and on a separate site.
- 4.9** The range of pupils attending each of the schools has changed over the years. Queensmill was originally a primary school for children with moderate learning difficulties (MLD). With greater mainstream inclusion of these kinds of pupils and falling numbers on roll, the school developed a specialism for ASD (autistic spectrum disorders) and this designation was formalised around 2004. The age range was then extended to secondary and beyond.
- 4.10** Cambridge and Woodlane were secondary school equivalents (MLD). With falling numbers, Cambridge started to admit a broader range of learners, including some with significant behaviour difficulties. This was a major challenge for the school at this stage and it went through a difficult period, leading to a fall in numbers of admissions. With a new head teacher and staff changes/organisational developments, the school is improving. It still takes a range of pupils but they generally now have some level of learning difficulty.
- 4.11** Woodlane's admissions have been more stable, although pupils now tend to have a broader range of associated difficulties (ASD; physical/sensory needs).
- 4.12** Jack Tizard was originally a traditional school for children with severe/profound learning disabilities. However, greater mainstream inclusion and the shift towards broader admissions in the MLD school sector have meant that admissions are now generally more complex. Jack Tizard also played an early role in the Authority's strategy of reducing reliance on out of Borough placements. It developed greater capacity for meeting significant health care needs and providing for pupils with severe learning disabilities whose behaviour was particularly challenging.
- 4.13** Changes to the profile of special school admissions have been reflected in top-up rates, with an increase of £7,341 per pupil at Cambridge (over a 5 year period), £9,951 at Jack Tizard, £5,596 at Queensmill, and £2,249 at Woodlane. At the beginning of this review, Tri Borough officers were concerned that these increases might have made a significant contribution to the Borough's HN overspend.

However, comparison of unit costs against a sample of schools for children with significant/complex difficulties in other London Boroughs would indicate that these are broadly in line with similar provision (see Table 8 below).

**Table 8: Unit costs (place + top-up) for sample of special schools in London Boroughs**

School	LA	Needs type	Age range	Average pupil cost
QE11 Jubilee	Westminster	SLD/PMLD	5-19	£31,000
Jack Tizard	Hammersmith&F	SLD/PMLD	3-19	£34,481
Queensmill	Hammersmith&F	ASD	3-19	£27,189
Richard Cloudesley	Islington	PD/PMLD	2-19	£30,052
The Bridge	Islington	LD/ASD	2-19	£28,000
Cherry Garden	Southwark	SLD/PMLD	2-11	£31,634
Tuke	Southwark	SLD/PMLD	11-19	£29,629
Stephen Hawking	Tower Hamlets	SLD/PMLD	2-11	£29,429
Beatrice Tate	Tower Hamlets	SLD/PMLD	11-19	£31,170
Phoenix	Tower Hamlets	LD/ASD	3-19	£31,170
The Garden	Hackney	LD/ASD	2-16	£35,178
Ickburgh	Hackney	SLD/PMLD	2-19	£32,109
Swiss Cottage	Camden	SLD/PMLD/LD/ASD	2-19	£31,089
Charlton Park	Greenwich	SLD/PMLD/LD/ASD	2-19	£27,202
Watergate	Lewisham	SLD/PMLD	3-11	£36,000 approx <sup>23</sup>
Greenmead	Wandsworth	PD/PMLD	2-11	tbc
<b>Average</b>				

**4.14** It is more difficult to make comparisons for Cambridge and Woodlane as Authorities vary in their special school admission thresholds and the range of needs that ‘MLD plus’ schools are now tending to cater for.

**4.15** With the number of special school places available within Borough, Hammersmith & Fulham makes relatively little use of special schools in other LAs. 29 pupils are placed in such provision, partly because of proximity and parental preference but also because of particular specialisms (eg Linden Lodge in Wandsworth, for severe visual impairment and learning disabilities).

### **Mainstream resource bases**

**4.16** Hammersmith & Fulham currently has 5 resource bases for children with HN situated in local mainstream schools. 3 of these (Fulham Primary, Fulham College Boys and Fulham Cross Girls) are staffed and managed by Queensmill special school, which receives their budget allocation<sup>24</sup>. The other two (Miles Coverdale and Queens Manor) operate in a more traditional manner, with the budget going to the mainstream

<sup>23</sup> Due to reduce by around £2000 per pupil in 2017/18

<sup>24</sup> A small amount goes to the mainstream school for day to day materials and equipment

school. Table 9 (below) shows the number of funded places for each provision in 2016/17 and current occupancy. The schools receive £10k for each place, with ‘top-ups’ paid for each pupil attending by the LA where he/she resides. While each school caters for a range of levels of need, the top-up is set at a uniform level based on average costs. Current top-up levels are also included in Table 8.

**Table 9: Resource bases in Hammersmith & Fulham: Numbers and costs per pupil**

School	Needs	Number of funded places	Occupancy (FTE)	LBHF pupils	Other TriB pupils	Other LA pupils	Top-up rate
Miles Coverdale	SLCN	18	16	14	0	2	£4,256
Queens Manor	LD	20	17	13	3	1	£10,985
Fulham Primary	ASD	30	29	21	8	0	£12,500
Fulham Boys	ASD	12	16	10	5	1	£14,292
Fulham Cross	ASD	6	5	2	3	0	£12,500
<i>Total</i>		86	83	60	19	4	

- 4.17** Around a quarter of the resource base places in Hammersmith & Fulham are currently taken up by pupils living outside the Borough (mainly from the other Tri Borough Authorities). This is particularly true for the Fulham ASD bases managed by Queensmill. This appears to be partly linked to these bases being able to provide for a more significant level of needs<sup>25</sup>.

*Nature of provision and rationale for current funding*

- 4.18** Miles Coverdale is a relatively traditional resource base provision for children with speech and language difficulties. The original focus was on those with specific speech and language impairment, but some are now admitted with a broader range of needs. The expectation is that speech and language will be the primary area of difficulty. Almost all of the children live within the Borough, with parents now expected to provide their own transport. Although a reasonable number come from the local area, analysis of pupil addresses indicates a geographical spread (including several from the White City estate).
- 4.19** The base is intended to provide for children from Early Years to the end of KS1. At this point, they are expected to return to mainstream: most to their nearest primary, with a few staying on in the main school. Admissions used to be on a more informal/‘assessment’ basis. There is now an expectation that pupils will have completed EHC plans. This has led to fewer admissions, with children arriving later, sometimes after having experienced initial difficulties in their local mainstream. The children are taught in two separate classes, with some opportunities for mainstream access. The provision is overseen by the Assistant Head who is also school SENCo.

<sup>25</sup> Millbank (primary ASD base in Westminster and Kensington Aldridge Academy (secondary ASD base in RBKC have tended to expect a higher level of ability to participate in mainstream class activities

- 4.20** The top up rate for Miles Coverdale has remained relatively stable, and is appropriate for this level of needs (comparable to similar provision in Westminster and elsewhere).
- 4.21** Queens Manor was originally a provision for 30 primary pupils with moderate learning difficulties (MLD) and, like Miles Coverdale, has been established for some time. It has now reduced to a resource base for 20 pupils who tend to have more complex learning needs (a number have Down's syndrome). Children are taught separately in two classes (younger and older), with provision more personalised to their individual needs. The redesign of the current school site will mean an improvement in the facilities available, so that these are more appropriate for the current pupil population<sup>26</sup>.
- 4.22** Children are admitted at any time from YR to Y6. Those arriving later have usually experienced significant difficulties in their local mainstream primary. The majority come from the north of the Borough and not from the local area. Most leavers go on to special school (Cambridge or Woodlane with the occasional transfer to Jack Tizard). Although some parents would prefer an equivalent provision in mainstream secondary, this option has never been formally discussed.
- 4.23** The top-up rate for Queens Manor resource base has increased substantially over the last few years to reflect its changing population.
- 4.24** The bases at Fulham Primary, Fulham College Boys and Fulham Cross have been set up more recently, in response to the rising numbers of pupils with ASD, and the Authority's aim of reducing reliance on out of Borough provision. This development was also led by a desire to provide inclusion opportunities for some of the children placed at Queensmill, who were seen to be capable of accessing a mainstream school curriculum.
- 4.25** Fulham Primary was originally set up as a conventional resource base with the budget delegated to the mainstream school and staff appointed there. However the first cohort of children admitted remained on the Queensmill roll<sup>27</sup>. Progressively over time, the base and budget<sup>28</sup> have come under the management of Queensmill, with regular discussions about day-to-day management and deployment of staff with the mainstream Head. This model has also been adopted by the two secondary bases at Fulham College Boys/Fulham Cross, which have been developed to provide an all-

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<sup>26</sup> The site will also include a Borough Resource Centre, which will provide respite/activity options after school and at weekends for a broader range of children with learning disabilities.

<sup>27</sup> The Head had previously been at Queens Manor Primary and both schools have had ongoing concerns about the impact of low attainment data on judgements about school quality.

<sup>28</sup> Part of the budget is still delegated to Fulham Primary, to pay for staff that were historically appointed to the school. This is expected to change over time.

through pathway for pupils with this kind/level of needs. The children are taught in three separate classes with some level of access to mainstream lessons, planned on an individual basis.

- 4.26** Most admissions to the Primary base have come through Queensmill and this is the route preferred by the mainstream Head Teacher, who feels that children need to develop more settled patterns of behaviour at the special school before accessing their new mainstream environment. Those placed direct from other mainstream schools may have experienced a significant period of difficulties which, in her view, need addressing before access to the resource base is considered.
- 4.27** Transfer to the new secondary bases is the expected pathway for leavers, although one or two pupils may return to Queensmill at that stage or go to a more local secondary mainstream if this is appropriate and preferred.
- 4.28** The secondary bases are relatively small at the moment (12 places at Fulham Boys and 6 at Fulham Cross), but numbers are expected to increase as the first cohort of pupils work their way through to Y11. Levels of need are reasonably complex and appropriate for this kind of provision. Pupils are taught in separate classes of around 6 pupils, with varying access to mainstream lessons, linked to individual strengths and interests.
- 4.29** Cost comparisons with similar provision in other LAs are difficult to achieve, due to variation in the focus of resource bases, expected levels of need and degree of access to mainstream classes. However, a survey of resource bases carried out a few years ago for another London Borough would suggest that costs/top-up rates are reasonable.
- 4.30** Hammersmith & Fulham makes relatively little use of resource bases in other LAs. Only 6 pupils are placed in this kind of provision out of Borough.

#### **Alternative provision/PRUs:**

- 4.31** The main provider of AP for Hammersmith & Fulham pupils is TBAP. This is now a multi-academy trust, with a number of sites across the Tri Borough, serving all three Authorities<sup>29</sup>. It provides a broad continuum of support, including short-term (one term maximum) intervention for pupils at risk of exclusion, full-time/longer-term placements as an alternative to permanent exclusion, and a small number of specialist provision places for children with SEMH (social, emotional and mental health needs). The majority of places are for secondary pupils, but there is some capacity for primary. Numbers of places commissioned by Hammersmith & Fulham are shown in Table 10 (below).

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<sup>29</sup> The Trust has now extended to offer AP provision in other Authorities (in London and elsewhere)

**Table 10: Places commissioned at TBAP by Hammersmith & Fulham (2016/17)**

	Short-term intervention	Alternative provision	SEMH provision	Total
<b>KS3/4</b>	25	140	15	180
<b>KS1/2</b>	0	8	8	16
<b>Total</b>	25	148	23	196 <sup>30</sup>

- 4.32** The top-up rate for AP placements (for both secondary and primary) is £7,680, which is comparable to similar provision in other London Authorities (typical top-up range is £5k - £10k per pupil). The cost of SEMH placements is much higher: £25,000 top-up for secondary and £36,771 for primary (equivalent to £35k pa and £46.8k pa total cost respectively). This rate is much higher than the average cost for Local Authority SEMH special schools. However, the justification for setting rates at this level is that the provision is expected to meet the needs of pupils with the most significant and complex needs who might otherwise have to be placed in high cost schools in the independent/non-maintained sector. Use of SEMH placements is determined by the Authority and all pupils accessing these have completed EHC plans.
- 4.33** TBAP recognises that it is expected to admit pupils with a high level of behaviour difficulties/concerns. However it is reluctant to admit those for whom behaviour is not the primary need (eg where this might relate to other conditions (ASD) or where pupils' attainment levels are outside the mainstream range). TBAP bases are used flexibly across the Tri Borough area in order to meet individual pupil needs and help address difficulties in relationships/group dynamics. One of the sites (Portobello) is used for pupils who are more emotionally vulnerable.
- 4.34** Short-term intervention is funded differently. The Borough commissions places but secondary schools have to pay the top-up cost. This is organised through a service level agreement with individual schools that involves booking and paying for places in advance (range is 1-3 per school).
- 4.35** Hammersmith & Fulham commissions a significantly higher number of places than the other Tri Borough Authorities. Westminster commissions 73 AP places (65 secondary, 8 primary) and 14 SEMH (10 secondary, 4 primary). Kensington & Chelsea commissions 63 AP and 17 SEMH (all secondary<sup>31</sup>). This is a major area of difference which is contributing significantly to the Authority's current HN overspend (see 4.5 above).

<sup>30</sup> In practice, only 171 places are used, with TBAP refunding the LA for 25 of those identified by the EFA. The rationale for this arrangement was unclear.

<sup>31</sup> In practice, Kensington & Chelsea is making use of some of the primary places at the Courtyard site. It is unclear whether the Borough is recovering full costs for these at present, and this may require some further adjustment to the number of places each Authority is commissioning.



- 4.36** When TBAP was visited in December 2016, a number of secondary commissioned places were unoccupied (20/140 AP and 7/15 SEMH). Primary provision was full. However, it was pointed out that numbers of placements tended to increase through the academic year as problems in mainstream started to escalate. Clearly, if there are continuing vacancies, place numbers may need to be revised<sup>32</sup>.
- 4.37** Hammersmith & Fulham also hosts an AP Free School (Westside) which has recently relocated from Westminster. Relatively little use of this provision is made by the Authority, with current pupils mainly coming from mainstream secondary schools in the other two Boroughs and beyond. The Government's approach to funding this kind of provision<sup>33</sup> is to link place costs to LAs where pupils are resident. Therefore Hammersmith & Fulham's HN budget is not affected by other Boroughs' use.
- 4.38** Recent developments across the TBAP multi-academy trust include a residential provision based in Crawley. This is currently funded by the DFE Social Innovations Fund and some pupils from the Tri Borough have access to it at no additional cost. Longer-term funding implications for this provision are unclear. The Trust has also opened a 16-19 provision for more academically able students with emotional needs.. Places are currently funded additionally by the EFA but costs will transfer to the host LA when 16-19 place funding is added to the HNB in 2017/18. These developments could potentially bring further pressures to the Authority's HN budget, with no clear indication from Government that transfer of responsibility will be associated with an appropriate enhancement to HNB funding.

### **Independent/non-maintained special schools and colleges**

- 4.39** Hammersmith & Fulham has taken significant steps to reduce reliance on INM (independent/non-maintained) special school provision. Numbers (FTE) in pre 16 provision were down to 27 in 2016/17, with a further 18 in post16/specialist colleges. This is considerably fewer than in the other Tri Borough Authorities (RBKC: 50 + 25; WCC: 84 + 25). Average cost per pupil/student was around £50k pa<sup>34</sup>, with costs significantly higher for some individual placements.
- 4.40** It was not possible within the scope of this review to carry out a detailed analysis of the reasons for recent placements in the INM sector. However, interviews with officers suggested that a number of these related to multi-agency decisions, or Tribunal appeals. A large number of different placements are used for particular individuals, with no clear preferred provider.

<sup>32</sup> This would need to happen in consultation with the Education Funding Agency (EFA) given TBAP's academy status.

<sup>33</sup> After they have been established for 2 years (funding is 'free' for the initial period)

<sup>34</sup> HNB contribution only. Some placements are jointly funded by Health and Social Care (12/45), so full costs are higher. Average cost to LAs is reduced by the fact that the EFA currently funds places in non-maintained special schools direct, and additionally to the HNB (topsliced from the available national budget)

## Mainstream provision

### *Schools*

#### *(i) Additional funding*

- 4.41** The Borough spends about average overall (£3.75m) on additional provision for individual pupils with high needs in mainstream schools (including school nurseries and 6<sup>th</sup> forms). This figure includes funding for those with statements/EHC plans and funding for ‘contingency’. This has been a relatively recent development within the Tri Borough. Money is provided either to support children with significant needs during the process of statutory assessment, or to provide a period of short-term intervention for those who may not need a statement/plan if sufficient progress is made.
- 4.42** The figure also includes the payments that are made to mainstream schools with statemented pupils to fund the ‘first £6k’ (element 2) of their provision. The Borough still pays these out of the HNB, whereas, in most LAs, funding has been transferred to the Schools Block, with schools having to find this sum from their delegated budget. The rationale for this approach is that funding can be better targeted (formula indicators would leave some schools receiving this money that had no pupils with statements/EHC plans, and others with a number of such pupils having insufficient funding to meet the provision requirements specified)<sup>35</sup>.
- 4.43** While this approach has some merit, it needs to be recognised that it is inconsistent with current national expectations. It also contributes to the current pressures on the Borough’s HNB which is significantly overspent.
- 4.44** Hammersmith & Fulham currently funds 323 pupils additionally in its own local mainstream schools, and a further 46 in schools in other Authority areas (22 in RBKC/WCC; 24 elsewhere). This is slightly higher than in the other two Tri Borough Areas (0.99% of 0-19 population vs 0.78 in RBKC and 0.88 in Westminster). This figure also needs to be set against its relatively high percentage of pupils in specialist/alternative provision<sup>36</sup>.
- 4.45** It was reported that there has been a 13% growth in spend on this type of provision over the last 4 years. Clear trends for numbers in mainstream with statements/EHCPs have been difficult to access. However, there has been significant growth in numbers receiving contingency funding (45 to 87 pupils between 2015/16 and 2016/17 (26 to

<sup>35</sup> Funding is devolved on an annual basis using numbers at the January schools census. Schools do not gain (or lose) if numbers change during the financial year. Only pupils with statements/EHCPs are included.

<sup>36</sup> A report for the Tri Borough by Ernst & Young (March 2016) indicated that the overall number of statements/EHC plans maintained by Hammersmith & Fulham was above average for Inner London (3.4% vs 2.9%). Westminster and RBKC had 2.7% and 1.9% respectively.

48 fte)) and associated costs (£196k to £328k), and further increases are predicted. There is no clear evidence that the introduction of contingency funding has led to a reduction in numbers of statutory assessment/statutory assessment requests<sup>37</sup>.

- 4.46** Decisions about additional funding are made by a Panel that meets regularly to consider statutory assessment (and contingency funding) requests and determine whether a supported mainstream placement is appropriate. The Panel consists of LA officers, support service representatives and representatives from mainstream schools/ settings. While this enables contributions from a number of perspectives, it places considerable demands on time. The representative role tends to be shared by a number of individuals, which can lead to some inconsistency in the way in which decisions are made.
- 4.47** The provision of additional support does not always lead to children's needs being met. A number of parents interviewed raised questions about the quality and training of LSAs (learning support assistants) and the ways in which such support is being used. And, in their experience, although statutory assessment could lead to more formality in school-parent relationships, it did not necessarily improve the quality of communication or change attitudes.

*(ii) Capacity*

- 4.48** Decisions about additional funding are inextricably bound to expectations of what should be 'ordinarily available' in mainstream schools. The evidence from this review suggested that there is currently no clear common understanding across the Borough about the range of needs that mainstream should be expected to meet, and the provision they should have in place. Although the Local Offer sets out to describe this, the general view of those interviewed was that this was not matched by actual practice, and that more needed to be done to achieve broader agreement about the capacity generally required.
- 4.49** On the positive side, the Authority's 'Communications Champion' initiative (delivered jointly by Education and Health) has been well-received and has helped clarify all schools' responsibilities towards pupils with speech, language and communication needs. On the other hand, skills, confidence and attitudes towards pupils with ASD (autistic spectrum disorders) were reported to be more variable.
- 4.50** There was a general lack of knowledge about funding available for SEND within schools' delegated budgets, and this contributed to parents (and SENCos/SEN governors) finding it difficult to know what it was reasonable to expect. Heads and

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<sup>37</sup> There was an increase in number of statutory assessment requests in LBHF from 93 in 2015 to 138 in 2016. 94% of requests during this period were agreed. The majority of requests (57%) were from schools.

SENCOs tended to refer in discussions to additional funding or ‘the first £6k’ rather than how they were using their broader budget to meet the wider range of SEND.

**4.51** Schools’ formula budgets in Hammersmith & Fulham include sums for deprivation, low prior attainment, English as an additional language (EAL) and numbers of looked after children. Deprivation is the main indicator used to reflect differences in school demography and is over and above the amounts allocated through Pupil Premium. Table 11 (below) shows the amount of money distributed through each factor for each school phase. The highest allocation in the primary phase is to Wormholt Park (£524k deprivation + £98k prior attainment) and, in secondary, to Burlington Danes (£1.93m deprivation + £131k prior attainment<sup>38</sup>). Lowest allocations in primary are £42k for deprivation and £13k for prior attainment and, in secondary, £428k and £28k respectively.

**Table 11: Funding for SEND delegated to mainstream schools through Hammersmith & Fulham’s local funding formula (£m)**

	Deprivation	Prior attainment	EAL	LAC	Total (SEN-related)	Notional SEN
<b>Primary</b>	8.81	1.68	0.81	0.02	11.32	4.92
<b>Secondary</b>	9.72	0.73	0.28	0.03	10.76	3.99
<b>Total</b>	18.52	2.42	1.09	0.05	22.08	8.91

**4.52** Local Authorities are also required to provide information to the DFE on schools’ ‘notional SEN budgets’ which tend to include an element of the funding for numbers of pupils (Age-Weighted Pupil Unit). In Hammersmith & Fulham, the notional SEN budget is based on a percentage of the AWPU (2.95% primary and 2.53% secondary), a proportion of funding for deprivation and 100% of funding for the other SEN-related factors. Notional budgets are significantly lower than the funding distributed through SEN-related formula factors (£4.92m total for primary vs £11.32m in formula; £3.99m for secondary vs £10.76m in formula). Notional SEN figures range from £48k to £245k at primary; and from £20k to £635k in secondary.

**4.53** Given the relatively high rate of AWPU funding in Hammersmith & Fulham (higher than the two other Authorities in the Tri Borough, and the significant amounts of money provided additionally for SEN-related formula factors, it is reasonable to expect a good level of SEN provision in every school. Greater transparency about this funding would help support clearer expectations for all mainstream schools to have the capacity to meet a broad range of SEND<sup>39</sup>.

<sup>38</sup> Figures also include Burlington Danes primary school

<sup>39</sup> Especially as the ‘first £6k’ for pupils with statements/EHCPs in LBHF is provided additionally, whereas, in most other Authorities, these need to be found from the notional SEN budget as well.

### *Early years*

- 4.54** Early years provision in Hammersmith & Fulham is a mixed economy with a combination of nursery schools, mainstream nursery classes and PVI (private, voluntary and independent) settings. A small number of places are also available for children with very significant needs in the early years classes at Queens Mill and Jack Tizard. There are a number of Children's Centres, some of which are based at nursery schools.
- 4.55** Historically, children with high needs in early years settings did not access additional funding, except through the statementing process (which was often not completed until children were about to transfer to statutory school provision. Some children were directed to Children's Centres which were generally better funded. Access to other early years provision depended on attitudes, skills and physical capacity.
- 4.56** As funding for early intervention has reduced nationally, alternative systems for supporting children with high needs have had to be developed across the sector. The Tri Borough has developed two mechanisms: contingency funding for individuals (without the need for an EHCP) and additional funding to specific early years settings through the 'enhanced offer'. This involves an allocation of £40k pa with the expectation that the setting will admit pupils with more complex SEND as well as acting as a 'resource centre' providing advice and training. The enhanced offer has been targeted at 3 nursery schools, which receive a total of £120k.
- 4.57** Both of these initiatives have been welcomed by the Early Years sector. However, there is uncertainty about the long term future of the enhanced offer which has only been funded for 2 years. Contingency funding has helped to ensure that support is available more promptly. However, there have been delays in payment and inconsistency in decisions about backdating allocations. For the PVI sector in particular, this has caused some financial anxieties. There is also concern about the potential impact on funding/support of the Government's proposals for entitlement to full-time childcare, with, as yet, no associated enhancement to HNB to reflect this expectation.
- 4.58** As with schools, there is no clarity at present about what level of provision should be available universally across the sector or the range of needs that all settings should be able to meet. There may be variability therefore in levels of inclusion and access to support, particularly in the PVI sector where there can be a high turnover of staff and less experienced SENCOs. The level of support for SEND development at institutional level is very limited and there does not appear to be a systematic approach to capacity-building in this sector.
- 4.59** Early years providers have tended to complain that they have no equivalent to the delegated SEND funding that schools receive (and that mainstream nursery classes

can benefit from). The Government's proposals for a new Early Years Inclusion Fund (drawn from the DSG) provide a new opportunity for the Authority to establish a longer-term approach to supporting children with HN at this phase, linked to clearer common expectations of the universal offer. It will also be important to ensure that full access is gained to other national funding streams (eg Disability Fund; Early Years Pupil Premium<sup>40</sup>).

- 4.60** Parents reported variable experience of early years provision, with a range of attitudes and levels of knowledge/skill. There is currently limited external support to children with HN at this phase, which links partly to weaknesses in the transfer of information to Education from Health, and partly to changes to the funding and capacity of SEN support services (see paras 4.73ff below)<sup>41</sup>.

### *6<sup>th</sup> forms/FE colleges*

- 4.61** Funding for students with HN in school 6<sup>th</sup> forms was traditionally allocated by Local Authorities, and the 'top-up' system applies as for school-aged pupils. Funding for FE and 6<sup>th</sup> form colleges was organised regionally/nationally (through the Further Education Funding Council). Now, top-ups are paid by the student's home Local Authority from the High Needs Block, and place costs ('element 2' = £6k) are funded by the Education Funding Agency direct (based on reported figures). The Government is proposing that place funding in future will transfer to the HNB, with place numbers determined through local discussion<sup>42</sup>.
- 4.62** Hammersmith & Fulham has a number of students with statements/EHCPs in mainstream 6<sup>th</sup> forms. The data for these is included in the mainstream (local/preferred) section of this report. In addition, it funds 78 students in mainstream 6<sup>th</sup> form/FE colleges in and out of the Borough. A number of these attend William Morris, which is technically a sixth form school. The Authority has agreed a number of places at this provision (currently 50). It is not clear if these are deducted from the Borough's HNB or funded additionally (as is the case for mainstream colleges)<sup>43</sup>.
- 4.63** William Morris is seen as a positive placement for a range of vulnerable learners, due to its relatively small size and strong pastoral tradition. About half of last year's Woodlane leavers transferred there last year, along with a number from Cambridge special school and from provision for pupils with mental health needs<sup>44</sup>. The school

<sup>40</sup> It is not clear that settings are fully benefitting from their entitlement at present

<sup>41</sup> Settings also reported that monitoring of additional funding was limited and parents were concerned whether this was always being used to the best effect.

<sup>42</sup> Place funding will still pass through the EFA but costs will be deducted from the HNB of the area where the college is located. It is assumed that cross-border usage will be picked up through the proposed methodology for 'import-export adjustment'.

<sup>43</sup> Priority is given to LBHF residents. However, applications are now being received from a number of other Authorities, as a result of the school's popularity.

<sup>44</sup> Hospital special schools and medical unit at Woodlane

provides a broader range of courses than most other local school 6<sup>th</sup> forms. However, these do not extend below NVQ Level 1, and if students do not progress beyond this level after a year, they have to transfer to other FE provision.

- 4.64** Provision for students with more complex/significant difficulties is available at local FE colleges. City & Westminster has discrete courses for students on Entry levels, as well as support for individuals with additional support needs on mainstream courses. West London College is developing opportunities for students to undertake supported internships, linking to a range of local employers. The College is also keen to develop a dedicated provision for students with complex/significant needs, to enable young people to remain in local education, and potentially from 19-25.
- 4.65** Top-up levels range widely, from £2-3k for students with more moderate difficulties, to £20-£30k for individuals with very significant physical and learning issues. Top-up levels are decided by an Authority Panel, following an assessment by the College of the individual's particular needs and course access requirements.
- 4.66** As with school-age provision, it is currently unclear how much funding the Colleges receive for the broader range of students with additional needs, and what they should be expected to provide themselves (other than the basic 'element 1'/AWPU equivalent that is required for those with statements/EHCPs). The FEFC used to make specific funding allocations to Colleges for 'additional learning support' (based on a standard data-recording system). However, budgets are now presented more broadly, with 'deprivation funding' based on a combination of social disadvantage and attainment information<sup>45</sup>. Learning support managers interviewed in this review were unclear how much funding was received through this route, or how it was used.

### *Transitions*

- 4.67** Evidence from this review indicates that there is not a clear education pathway for many children and young people with High Needs in Hammersmith & Fulham. Communication between Health and the Local Authority is not strong in the early years, even when disabilities are known and medical diagnoses established. The appointment of a new officer to support Health's contribution to the national SEND reforms has helped move things forward, but there is still a need for a more robust notification system, and clear point of contact where there are concerns about future education.
- 4.68** There is not a strong Local Authority presence at this phase. The Borough's Sensory Impairment Team pick up children with these needs early, and there is a point of

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<sup>45</sup> Colleges receive a flat rate for all students who did not attain As-Cs in core subjects at GCSE

contact for those with significant disabilities, through the Portage Service<sup>46</sup> and the peripatetic teacher for complex needs/significant developmental delay. However, other difficulties are less well covered. As a result, some parents face considerable uncertainty and have to rely on other sources of information that are not always reliable. In a number of other Local Authorities, Educational Psychologists or Preschool SEN Support Services would have a key role in meeting with parents at an early stage, and helping establish a bridge into early years setting and schools. Budget reductions and the Educational Psychology Service's shift to a traded model have meant that parents' first access to these teams may only be when statutory assessment has been initiated.

- 4.69** This contributes to a number of admission issues, where parents experience access barriers to mainstream provision because schools and settings are not confident about meeting children's needs and there is only limited information and support to help overcome any concerns. This tends to trigger requests for statutory assessment and, in some cases, conditional or partial admission while support is being put in place.
- 4.70** Transition from primary to secondary mainstream is also fraught. Because of the broader difficulties in the Borough around school choice<sup>47</sup>, school destinations can be unclear until late on in a child's primary career. While the law allows parents of children with statements/EHCPs to name a school, a placement may not be available if a school is over-subscribed. Uncertainty means that it is difficult for transitions to be planned and for children's strengths and needs to be properly communicated. At present, the Borough has a relatively formal approach, with 'consultation requests' sent to parents' preferred schools (accompanied by a significant level of paperwork). Secondary schools may receive as many as 30 requests at a fairly late stage in the process, with limited 'on the ground' knowledge. In this context, there is a tendency for schools to adopt a relatively cautious position with regard to their ability to meet needs, and parents can experience negative and unwelcoming reactions.
- 4.71** It is unsurprising therefore that a number of parents look to more specialist provision at this point, and this is a key point of entry to schools like Woodlane. Difficulties at the primary-secondary transfer stage have also tended to reinforce relatively pessimistic expectations in some primary schools that children will be able to 'cope' at that phase, even if their needs have been met successfully until this point.
- 4.72** There was less evidence of barriers at the school-college transition phase. However, current decision-making processes mean that it can take some time for colleges to receive the additional funding, as further assessments need to be carried out after admission to establish the support students require.

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<sup>46</sup> This service is mainly delivered through weekly home visits although there is some liaison with early years settings when children are admitted to these

<sup>47</sup> It has been reported nationally that only 54% of parents get their first preference (one of the lowest levels in the country)



### SEN support services

- 4.73** The budget for SEN support services is comparable with other LAs in the sample. However, the majority of this is spent on statutory functions and there is little capacity for more strategic intervention. There is a small central team for ‘sensory impairment and an advisory teacher for specific learning difficulties/dyslexia’<sup>48</sup>. In addition, there is a Portage team overseen by an EP which provides a weekly home visiting service to a small number of very young children with significant disabilities. Most non-statutory functions are now traded and dependent on school priorities and their willingness to purchase time.
- 4.74** Support for children in mainstream schools with ASD is provided by Queensmill. No additional funding is provided as part of the school’s core budget (unlike College Park in Westminster). The Service is therefore largely dependent on income from schools (with charging on a tiered basis, linked to intensity of involvement/intervention). The Tri Borough provides some funding for work with particularly complex cases (usually when the placement is at risk of breaking down). Again, there is some concern about some schools choosing not to buy in support at an earlier stage, when intervention is likely to be more successful. Queensmill now has some involvement with schools outside the LBHF area (in RBKC and Westminster).
- 4.75** The Borough commissions an outreach service as part of its contract with TBAP<sup>49</sup>. This provides support just to the primary school phase.
- 4.76** The Educational Psychology Service now works across all three Authorities. The Tri Borough pays for a ‘core’ service for statutory functions (statutory assessment advice; involvement in key reviews; tribunals etc) and for some other functions (critical incident support; LA working groups; managerial liaison)<sup>50</sup>. In addition, the Tri Borough provides a free termly visit for each school, which is generally used for planning/review of EPS involvement (including whole school projects and interventions)<sup>51</sup>.
- 4.77** The Service has worked hard to accommodate to its new funding arrangements and to maintain positive practice wherever possible. However, some of those interviewed felt that the move to trading was in danger of shifting the Service’s loyalties and that involvement had become less targeted and focused. There were also concerns that the increasing number of statutory assessment requests would limit capacity available for earlier intervention.

<sup>48</sup> This teacher also provides a broader support/advisory role for mainstream SENCOs

<sup>49</sup> Cost is £180k

<sup>50</sup> This involves an element of early years work which varies across the three Boroughs (and is partly linked to history)

<sup>51</sup> The core is partly funded by central LA budgets and partly by the HNB.

- 4.78** The Tri Borough commissions a substantial amount of speech therapy (SLT) time from the local Health provider. Spend in 2016/17 in Hammersmith & Fulham has significantly exceeded the available budget, largely as a result of the increase in numbers of children with statements/EHCPs requiring this kind of support. There was evidence that this was mainly linked to a perception among schools and parents that direct SLT inputs were only likely to be available if they were specified through the statutory assessment process.
- 4.79** This perception relates to recent changes to the funding of SLT more broadly. A significant proportion of SLT for children and young people has historically been provided by Health (through local CCGs<sup>52</sup>). Much of this service has been delivered through schools and other education settings. Significant pressure on CCG budgets has led to questions about the appropriateness of this kind of work being funded by Health (rather than schools or Education). Reductions in funding have led to a shortfall which has now been passed on to schools, which have to decide whether they will pay to retain the same level of service. Criteria for access to ‘central’ (HNB) SLT inputs have been tightened, with statements/EHCPs tending to be used as a condition for more intensive/direct SLT involvement.
- 4.80** Schools’ response to this development has been varied: some have recognised their level of ongoing need for speech and language intervention and have started to build their own capacity for addressing these kinds of difficulties (including bought-in SLT inputs<sup>53</sup>); others have tended to continue to push for individual SLT, using the statutory assessment process as a means to access this resource.
- 4.81** The Tri Borough has been working with Health colleagues to strengthen the service level agreement used for commissioning SLT services, so that there are clearer expectations about practice and outcomes. Part of this work has been directed at establishing a common commitment to funding, and a recognition of shared agency responsibility for ensuring that the full range of speech & language needs are properly addressed.

## **5. OVERALL COMMENTARY AND KEY ISSUES**

- 5.1** Hammersmith & Fulham is comparatively underfunded for High Needs by central government. Budget pressures (being experienced elsewhere) are compounded by the Borough’s low starting point, and exacerbated by the fact that insufficient account is being taken of the number of places in local special schools that are being used by pupils from other Authorities

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<sup>52</sup> Clinical Commissioning Groups

<sup>53</sup> Not always from the current Health provider; there is increasing use of local private practitioners

- 5.2** The Tri Borough has taken significant steps to develop local provision and reduce reliance on high cost placements in the independent/non-maintained sector. However, it is still a high spender on specialist placements overall. The evidence from this review is that, generally, costs of local provision are not inconsistent with those found in other similar London Boroughs, even though these have increased to reflect greater complexity of need. The key issue is the volume of children placed in specialist and alternative placements, outside local mainstream schools, and the fact that the HNB has to cover most of their costs.
- 5.3** The relatively high level of funding in Hammersmith & Fulham's mainstream schools, with significant amounts also being delegated on the basis of factors associated with the broad range of SEND, would suggest that schools should generally have the capacity for successful inclusion. However, Hammersmith & Fulham still retains a significant amount of specialist provision for moderate learning difficulties, particularly at the secondary phase, and the number of places commissioned in alternative provision (TBAP) is twice that in RBKC and Westminster and the other London Authorities in the comparative sample.
- 5.4** Provision in the primary phase (and early years) is relatively more modest, with the expectation that schools will be able to provide for most children with SEND. However, there is evidence from this view of significant variation in school capacity and a need for greater clarity about the range of needs that both primary and secondary schools should be expected to meet.
- 5.5** Although mainstream schools are aware of the requirement for a 'notional SEN budget', there is currently a lack of transparency with regard to the rationale for its construction, the links with SEN-related income, and the amount of funding that schools should reasonably be expected to provide. This contributes to variation in thresholds for requesting additional support.
- 5.6** Schools have expressed a number of frustrations about the decision-making system for accessing additional support (which is based on the traditional statutory assessment model). The Tri Borough has introduced a new system (contingency funding) which aims to provide greater flexibility. However, not all schools and settings are fully aware of the system and what is required. Spend is increasing significantly and there is no evidence that this is leading to any diminution in statutory assessment requests<sup>54</sup>.
- 5.7** Transitions between phases of education are proving problematic, particularly at primary-secondary transfer. Parents experience considerable uncertainty which contributes to a loss of confidence in the mainstream option, and more demands on

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<sup>54</sup> Greater awareness is likely to contribute to further increases in demands on this budget

specialist/alternative provision at this point. Issues are partly due to broader issues around mainstream choice, but also to the fact that transition pathways for SEND are unclear and there is limited capacity to provide active and timely support to parents in the process.

- 5.8** Loss of strategic capacity within the Tri Borough's SEN support services (including the EPS) is meaning that parents are having to rely heavily on information and support from others (Parent Partnership/IAS<sup>55</sup> and other local parent networks, and national sources – voluntary organisations and internet websites). Parent Partnership capacity is small and information from other sources is not always constructive/does not necessarily take account of local context.
- 5.9** The review indicated examples of positive practice in early years and post 16 provision. However, here too, there needs to be clearer agreement about what should be 'ordinarily available'. Pathways would be more coherent if there was greater consistency in expectations and thresholds for accessing additional support across all phases.
- 5.10** The Authority needs a stronger presence at the early years to support early intervention and help get things off to a good start. Better communication systems are needed between Health and Education at this crucial phase.
- 5.11** The Tri Borough needs to establish a stronger connection between SEND, Finance and Commissioning. The process of this review has helped support positive movements in this direction, but a clearer local strategy is needed which involves all relevant stakeholders. Mainstream schools should be a key partner in this process, so that there is a more collective understanding of the funding consequences of high HN demand and a greater sense of partnership between schools and the Authority in managing the available resources effectively.
- 5.12** The strategy needs to be more proactive in considering what is required to strengthen and generalise mainstream capacity to meet the broader range of SEND, and help define more clearly the kinds of difficulty that all schools (including specialist providers) need to be able to address. It should also start to clarify the expected impact of increased capacity on the existing patterns of specialist/alternative provision. Similar developments in the other two Boroughs should help reduce reliance on cross-border placements and this is likely to have an impact on the number and type of places that are needed. Any proposals for new provision should be firmly linked to this strategy, with detailed consideration of financial implications.

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<sup>55</sup> Information, Advice and Support Service

## 6. RECOMMENDATIONS

### *Managing the HN budget overspend*

- 6.1** The Borough should write to the DFE/EFA highlighting Hammersmith & Fulham's low HN allocation and the impact of carrying the place costs for pupils placed in its specialist provision by neighbouring Authorities<sup>56</sup>. It should clarify that the increase proposed in the stage 2 consultation illustrative examples does not go nearly far enough to address the import funding problem.
- 6.2** Given the Borough's higher level of mainstream school funding and the DFE's indication that this would be reduced by the introduction of a national funding formula, Schools Forum may wish to consider a further adjustment between the DSG blocks (as is permitted in 2017/18) to recognise current HN spending needs. The DFE have indicated that they will take into account planned HN spend when final HN formula allocations are decided.
- 6.3** If the DFE/EFA are not prepared to consider a funding increase, or Schools Forum are unable to agree a further block adjustment, then the HN overspend will need to be managed by other means. Consideration should be given to the following options:
- 1) Alternative provision:
    - a) reduce the number of commissioned places to RBKC/WCC levels or
    - b) maintain the existing number of places but require schools to fund top-ups for a greater proportion of pupils
  - 2) Specialist provision:
    - a) Strengthen expectations of the 'mainstream offer', with greater clarity and transparency with regard to budgets available and their expected purpose
    - b) Build a common capacity in all mainstream schools, through effective support and challenge, ensuring there is an appropriate link between SEND and school improvement
    - c) Review the role and function of specialist provision so that it consistently addresses a level of needs that goes beyond what mainstream should reasonably provide for, and review the number of places that are needed
  - 3) SEN support services:
    - a) Review what elements should be included within the HNB
    - b) Consider organisational options that would help streamline service delivery, including more unified and coordinated provision, multidisciplinary and school cluster-based teams<sup>57</sup>
    - c) Ensure a more targeted approach to service inputs so that these focus on pupils most in need and support the development of schools' own capacity

<sup>56</sup> A draft letter has been provided

<sup>57</sup> Trading at this level would be cost-efficient and help target support to where it is needed. For some services (eg SLT) it could also assist with recruitment and retention, and the maintenance of professional skills

- 4) Reducing reliance on INM/out of Borough provision:
  - a) Work with schools and services to strengthen collaborative commitment to ensure local provision meets the full range of children's needs
  - b) Ensure that developments are coherently targeted so that there is a real impact on numbers and costs

### *Processes*

- 6.4 The Tri Borough should establish a SEND strategy group for each Authority with significant representation from mainstream schools and settings. This should be provided with clear information about the current HN spend and work to establish a sustainable, effective and equitable approach to provision and services. This is likely to require:
  - a) Agreement about 'predictable needs' and greater clarity about the associated mainstream budgets (including closer alignment of notional SEN budget with SEN-related formula factors)
  - b) A clearer agenda and structure for capacity development (reinforcement of school responsibilities for predictable needs (SLCN, MLD, less complex ASD etc)
  - c) A more targeted and effective role for SEN support services (with the option of greater alignment to /trading with clusters of schools)
  - d) A more collective decision-making process for requests for additional support, which is flexible but manageable within the budget available
- 6.5 In parallel, there should be improved communication with parents and voluntary organisations about the current issues and proposed ways forward, with involvement of the IAS lead<sup>58</sup> in strategy development. This is a key expectation of the national SEND reforms and is likely to be the focus for OfSTED's area SEN review.
- 6.6 Further work is needed to develop and improve the management information on which such a strategy has to be based, so that progress can be properly evaluated. This will require strong collaboration between SEND officers and Finance, so that there is ongoing and accurate data on needs, pupil numbers and costs.
- 6.7 Finally, it is recommended that this report (and accompanying overview) forms the basis of further planning and discussions with Head Teachers and other stakeholders during the period to come.

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<sup>58</sup> And, if possible, key parents from the Borough's Parent Carer Forum

**Appendix 1: List of interviewees:***Local authority officers/services:*

Director for Finance & Resources  
 Head of Resources/Schools Finance

Assistant Director (SEN and Disabled Children)  
 Head of SEND service  
 Group of SEN casework managers  
 Principal EP + Asst PEP  
 Group of EP practitioners  
 Head of BiBorough SEN Support Service  
 Head of Westminster Special School Federation Support Service  
 Outreach Team Leader (Queensmill)  
 Post 16/SEND transition manager

*Mainstream school/setting managers:*

Primary HT groups (one for each Borough)  
 Secondary HT reps (for each Borough)  
 SENCo groups (one for each Borough: cross-phase)  
 Early Years provider group (cross Borough)  
 Visits to West London College, City & Westminster and William Morris

*Parents/carers:*

Parent Partnership/IAS Officers  
 Groups of parents/carers (one for each Borough)

*Other agencies:*

Social Care manager  
 Head of Virtual School (LAC)  
 Health Service commissioner  
 Health lead (SEND reforms)  
 Therapy service manager (SLT; physio/OT)  
 CAMHS commissioners