

Economic and Social Research Council
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Policy Options for Special Educational Needs in the 1990s

Seminar Paper 4

**ALLOCATING RESOURCES
FOR
SPECIAL EDUCATIONAL NEEDS
PROVISION**

Special Educational Needs Policy Options Group

**Paper by
Ingrid Lunt and Jennifer Evans**

**Discussion by
Clive Danks and Hywel Thomas**



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POLICY OPTIONS FOR SPECIAL EDUCATIONAL NEEDS IN THE 1990s

This book is the fourth in a series of seven which deal with central policy issues in the field of special educational needs.

The need for a series of national policy seminars and papers arose from widely felt concerns about the future of special educational provision in the wake of the fundamental changes which are currently occurring in the education services.

It is over a decade since the 1981 Education Act on special needs came into operation. The Act supported developments in policies and practice for children and young people with special educational needs. The successive legislation from the 1988 Act onwards, though including some positive elements, has introduced a system which makes a minority even more vulnerable to majority interests in a context of constrained financial resources. The 1988 Act already engendered anxiety that the developments in special needs education would be undermined, and it was in this context that a steering group was formed to plan the present seminars project. The steering group consisted of members contributing a national and diverse overview, and included headteachers, administrators, representatives of voluntary and professional associations, researchers and academics (see list below). The ESRC and the Cadbury Trust have funded the seminar project.

The seminars take the form of a presentation by a person known to be an authority on the selected topic area, followed by a critical response from two discussants. A small group of around thirty participants with widely differing perspectives on special needs education are invited - MPs, local authority councillors, LEA officers, DFE and OFSTED representatives, heads of voluntary bodies, headteachers, teachers, psychologists, professionals from health and social services, researchers and academics. The contributions and a summary of the ensuing discussions are then prepared for publication.

To date, four seminars have taken place, and it is planned to hold three more. The proceedings of the first three seminars are already published, and we hope that these, and the publication of the proceedings of the remaining seminars, will contribute to the on-going debate and policy formulation in the area of special educational needs.

Policy Papers already published

Paper 1 *Bucking the Market : LEAs and Special Needs.*

Paper by Peter Housden, Director of Education, Nottinghamshire LEA.

Discussants - Paul Vevers, Senior Manager Audit Commission.

John Moore, Senior Inspector Kent LEA.

Paper 2 *Towards Effective Schools for All.*

Paper by Mel Ainscow, Senior Lecturer, University of Cambridge, Institute of Education.

Discussants - Tony Kerr, Head of Direct Education Services, Harrow LEA.

Brahm Norwich, Senior Lecturer, Institute of Education, London University.

Paper 3 *Teacher Education for Special Education.*

Paper by Peter Mittler, Dean and Professor of Special Education, Department of Education, University of Manchester.

Discussants - Carol Ouvry, Headteacher, Jack Taylor School, Camden LEA.

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The document has been edited on behalf of the Steering Committee by Klaus Wedell.

INTRODUCTION

ALLOCATING RESOURCES FOR SPECIAL EDUCATIONAL NEEDS PROVISION

The flow of educational legislation from the 1988 Act onwards has introduced changes in policies for the provision of special needs education which have called into question fundamental principles for allocating resources in this sphere of public policy. Ingrid Lunt, Senior Lecturer, and Jennifer Evans, Lecturer, both at the Institute of Education, University of London, trace the consequences which the legislation has had, and will have, for the way in which children's and young people's special educational needs are met. Clive Danks, headteacher of a school for children with moderate learning difficulties, and head of the support service based at the school, is the first discussant, and he considers the issues raised by Lunt and Evans in relation to policies for inclusive education. Hywel Thomas, professor of Economics of Education and head of the School of Education, University of Birmingham, is the second discussant, and examines the role which the evaluation of outcomes of educational provision might have in the allocation of resources. Philippa Russell, summarises the participants' discussions, and Klaus Wedell contributes the concluding comments.

ALLOCATING RESOURCES FOR SPECIAL EDUCATIONAL NEEDS PROVISION

Ingrid Lunt and Jennifer Evans

INTRODUCTION

In the first paper in this series, Peter Housden (Housden 1993) highlighted five crises in special needs. It must be clear to all of us that, whether we are speaking of the crisis in relation to access to full assessment, support for pupils with special educational needs (SEN) in mainstream, pupils with emotional and behavioural difficulties, integration or the risks to pupils with SEN 'with only an enfeebled Local Educational Authority (LEA) to assist in charting their course through the market place of public education', we are, directly or indirectly, referring to the crisis of resourcing. This crisis is not simply or even mainly one of a shortage of resources. We would agree in part with Mel Ainscow who, in the second seminar of the series, suggested that 'seeing the issue of special needs as being dependent on further resources seems to have a negative impact, not least in terms of its capacity to demoralise teachers' (Ainscow 1993). He refers to Gillian Fulcher's suggestion that schools tend to argue for further resources before they can respond positively to pupils regarded as being special (Fulcher 1989). It is a fallacy to think that the addition of more resources will in itself necessarily help pupils with special educational needs; of far greater significance is the question of the use to which resources are put.

We would argue that Local Management of Schools (LMS) has merely highlighted the general question of *how* to resource SEN; this has been masked by a general problem of shortage of resources in education. LMS has brought home the need for both central Government and LEAs to clarify the policies and procedures for allocating additional resources in a new context consequent on the 1988 and 1993 Education Acts. The problem of *how* to resource SEN is not a new one and has been fully discussed elsewhere (Dessent 1987). It implies questions about the criteria for deciding who or what to resource (individual pupils or schools), how many and at what level to resource and what mechanisms should be used for allocating additional resources. LMS has required LEAs to develop new and more open and explicit methods of allocating additional resources for SEN, albeit in the current climate of an overall reduction of public sector finance and an increasingly market-led education system. Furthermore, these resourcing policies are being developed in a context of changing constraints and opportunities and where the goal posts are in almost continuous movement. Nevertheless, as Lee (1992) has commented, 'it is as well to remember that the old system, as familiar as it was inequitable and ineffective, was also guilty of 'failing' those very same children...LMS did not cut short a 'golden age' of special education' (Lee 1992b:296).

In this paper we would like to consider the definition and identification of SEN; the current operation of LMS and some systems for allocating resources and responsibility for SEN; and finally, some options for funding SEN. We will first, however, describe the problem familiar to and facing all who work in the field of special needs policy.

THE PROBLEM

The problem for those faced with the task of allocating resources for special needs is not only the perceived reduction in those resources at both LEA and school level as a result of LMS (and local charge capping). Far more complex and difficult problems are manifested, for example, by the significant increase in the demand for statements of SEN (Lunt and Evans, 1991; Evans and Lunt, 1992; Wedell, 1993) and, indeed, by the extensive use of statements as a means of allocating additional resources. Several reasons have been adduced for the increase in the demand for, and the issuing of statements (Bowers, 1993; Evans and Lunt, 1993; Wedell, 1993). One reason is a now widely held belief that the statement is an (or the) appropriate mechanism for obtaining additional resources for SEN i.e. equivalent to a 'resource voucher'. This belief has in turn been fuelled by the Government which conceptualises special needs issues 'largely in relation to the needs of pupils in special schools or those with statements in ordinary schools, rather than the much larger group of children who are experiencing learning or behaviour difficulties in ordinary schools' (Mittler 1993).

Thus we are in danger of being faced with the 'all-or-nothing' situation in which a proportion of individual children with SEN are identified and receive additional resources through statements (the "2 per cent" becoming the "3 per cent", the "3 per cent" becoming the "4 per cent" and so on) thus continuing to push up the overall statement rate; on the other hand, the remaining 98 per cent or so (decreasing) of pupils are perceived to have no access to additional resources, thus fuelling parental discontent and teachers' low morale. This must be the logic behind the reported DFE forecast that the number of children with statements in mainstream schools is likely to rise from 70,900 a year ago to a possible 113,400 by 1997 (*Education*, 10.9.93). Targeting increasing additional resources in this way to individual pupils does nothing to enhance the ability of the school or its teachers to meet the very diverse needs of the range of pupils. It may engender 'learned helplessness' in schools and teachers in relation to SEN, and it conveys to parents and pressure groups the message that resources are there to be competed for on an individual basis. Hence the vicious circle in which more and more individual pupils are identified as needing statements and which threatens to send the statement rate escalating.

The question of *which* pupils to resource for SEN and *how* to allocate the resources from a finite budget goes to the heart of LEAs' policy making. LMS and formula funding have highlighted a fundamental dilemma: if additional resources are allocated to individuals, more and more individuals are identified as in need of extra resources; if, on the other hand, resources are allocated to schools, this may lead to 'perverse incentives', or indeed to 'resource drift' away from the special needs area. LMS has forced policy makers for the first time to be more open and explicit about some of the decisions facing them. The questions are philosophical, political, economic, social, ideological, moral and educational. At issue are fundamental values concerned with equity, access and opportunity, diversity and the nature of society. Furthermore, the nature of special educational provision is dependent on and linked to other educational provision in a locality. 'Special education is a part of the wider education system. Its existence is also intimately related to questions of public and professional values and attitudes; to questions of financial resources and costs; to questions concerning teaching, teachers and the nature of schools and schooling in our society' (Dessent, 1987:2).

In practical terms, the questions include:

- How large should be the education budget (nationally and locally)?
- How large a proportion of the education budget should be allocated to SEN?
- If the SEN budget is intended to be allocated by funding individual pupils, for what proportion of pupils is it intended (the range could be 2 per cent - 20 per cent) and how are pupils identified?
- If the SEN budget is intended to be allocated partly by funding individual pupils, for example through statements, and partly schools, how is this achieved and how are schools' special educational needs measured?
- Who has responsibility for funding special needs: schools, local government or central government?

LMS has also highlighted the fact that education budgets are tightly controlled and that decisions to allocate resources to one area automatically have implications for the resources available to another area and therefore reflect (political) priorities and values.

Much of our work over the past four years has been informed both by LEA responses to our questionnaire surveys and to our examination of a number of LMS schemes (Evans and Lunt, 1990; Lunt and Evans, 1991; Evans and Lunt, 1992), and section 42 statements. More recently we have carried out case study visits to ten LEAs as part of an ESRC project looking at the effects of LMS on SEN provision. We would like to acknowledge our gratitude to the LEAs who continue to provide us with detailed information and who have welcomed us as researchers into this area.

DEFINITION OF SPECIAL EDUCATIONAL NEEDS: WHO NEEDS ADDITIONAL RESOURCES?

As many commentators have noted (Goacher et al., Audit Commission/HMI 1992), the 1981 Act produced an unclear set of descriptors in its definition of the term 'special educational needs' which reflected a commitment both to a relative and to an interactive conceptualisation of SEN but which was effectively impossible for LEAs to operationalise. On the one hand, there was the realisation that SENs (learning difficulties) are dependent on a notion of 'normality' and are not absolute categories, thus making objective definition and 'cut-off' points difficult. One person's or school's view of what is 'normal' might be very different from that of another. On the other hand, it was realised that SENs resulted both from factors within the child and factors within the child's (learning) environment, and the interaction between them, and therefore a definition of the environment was as important as a definition of factors within the child. It was no longer possible (as it had appeared to be pre-Warnock) to observe and test a child and to say that 'this child' *does* have SEN, while 'that child' *does not* have SEN in any absolute or categorical sense. Paul Vevers of the Audit Commission illustrates the problem by stating that 'in most schools and LEAs, there is no working definition of 'special educational need' 'and no indication of 'the level of need in a child which should trigger extra attention in school (or) a multi-disciplinary assessment' (Vevers, 1992).

Another difficulty for definition of SEN was that the use of the term 'special educational needs' in the Warnock report and the 1981 Act was inclusive, emphasising a continuum of SEN across as many as 20 per cent of the school population. This was in itself a very

positive development, since the notion of a continuum of SEN removed the categorical break between 'handicapped' and 'non-handicapped'; however, it also generated problems and may have proved counter-productive since it led to the identification of an even larger group of pupils, and succeeded in reifying the notion of '1 in 5' or 18 per cent of children as having SEN.

One of the problems has been the increasing use of the statement procedure to define SEN. Indeed the term SEN has sometimes been used synonymously with the concept 'in need of a statement'. Although it was intended for the tiny minority (approximately 2 per cent) who previously attended special schools, the statement procedure has, over time, become used as a means to resource a wider and widening group of pupils with SEN. Norwich (1993) has recently asked the question 'Has the term 'special educational needs' outlived its usefulness?' highlighting the intrinsic difficulties with the concept (and any other word chosen to replace it). The term has been used to justify additional resources in a situation where the responsibility for providing these resources has never been clarified. In its conclusions, the Audit Commission/HMI stated that 'the lack of definition of special educational need' is compounded by a lack of clarity over the respective responsibilities of schools and LEAs'. (Audit Commission/HMI, 1992). This lack of clarity has led to pressures both from schools and parents to use the label 'SEN' in order to obtain or guarantee additional resources.

More recently, following the report of the Audit Commission/HMI, and in an effort to become more objective in their definitions of levels of SEN and the respective responsibilities of schools and LEAs for SEN, LEAs have for the first time been attempting to define levels, often based on the stages described in the Warnock Report (DES, 1978). Thus many LEAs have set up systems for 'auditing' levels of SEN in schools. However, the task of encapsulating the interaction between factors within the child with factors within the school in a definition of levels of special need has proved very difficult. LEAs developing 'audit' approaches based on teachers' judgments have had to allocate substantial time and resources to the task of moderating these judgments and of finding some local agreement over what constitutes different levels of need in different schools.

It is these issues that the recently issued draft Code of Practice on the identification and assessment of special educational needs (DFE, 1993d) attempts to address in its specification of a 'staged model of special educational needs'. Thus, the draft Code specifies what is required of ordinary schools, the special contributions that schools should be making from their own delegated budgets, the contributions to be expected from outside services, and the contributions to be made by the LEA when they 'determine the provision'. The requirement on schools to have a policy for SEN and to make this available increases both the pressures and the accountability on schools to be providing for certain levels of special needs from their delegated budgets and to be able to explain how this provision is made.

IDENTIFICATION OF SPECIAL EDUCATIONAL NEEDS: HOW TO RESOURCE SEN?

As implied above, the conceptualisation and definition of special educational needs provided by the 1981 Act (DES, 1981) has proved to be too vague and unclear for purposes of identifying which children require access to extra resources. The increase in the numbers

of cases going to appeal and to judicial review highlights some of the difficulties with using the 1981 Act definition to identify an individual's SEN (Denman and Lunt 1993). Questions arise as to which pupils and how many to identify, by what criteria, for what purposes? Should extra resources be targeted at pupils or at schools or both and how should their needs be identified?

Prior to the 1981 Act, about 1.8 per cent of the child population was thought to have a need for special education and these pupils were duly resourced at a very favourable rate, almost always in a special school. The differential costs of mainstream versus special school placement can vary by a factor ranging from 4 - 10 or above, although before LMS and Local Management of Special Schools (LMSS) financial aspects of special education placement were unclear and played a much less significant or explicit role in decision making. Nevertheless, it was for this very small group of pupils with severe and complex needs, almost all of whom were previously to be found in special schools, that the statement procedure and considerably enhanced resources were intended by the Warnock Report and the 1981 Act.

The needs of a wider group of pupils (now regularly termed 'the eighteen per cent', Gipps et al, 1987) were met through placement in secondary modern schools, placement in lower streams or bands or in remedial groups. Financial aspects of these latter decisions were not made public, though much discussion has focused on the educational and sociological implications of such decisions (see, e.g. Tomlinson, 1982). Following the 1981 Act, this larger group of pupils were considered in many LEAs to need individual identification as being in need of special educational provision. As mentioned above, the 1981 Act definition (DES 1981) emphasised the relativity of SENs and their dependence on the nature of what is available in the ordinary school.

'Special educational needs is an educational concept which arises in the context of the compulsory schooling of all children...the question of when additional resources are required also depends on what is available in ordinary schooling and teaching. For this reason what counts as special education varies with the nature of ordinary education' (Norwich 1990:4).

Even though the 1981 Act brought in no additional resources, many LEAs allocated substantial funds to support the wider group of pupils (the 'eighteen per cent') with SEN in mainstream (Goacher et al. 1988), thus inadvertently blurring the delimitation of responsibility for SEN. Many LEAs consequently identified an increasing number of pupils individually, both through the use of statements for the 'two per cent' and through the individual identification of a much larger group in need of SEN support usually provided by the LEA support services.

It could be argued that the aim of additional resourcing should be to improve the quality of the 'generally available provision' for all pupils. This could be achieved in part, for example, by including sufficient SEN components in initial and in-service training and support in dealing with SEN for all teachers; allocating appropriate non-contact time for teachers, and making available resources, time and materials to permit wide differentiation of the curriculum. Such measures would enable mainstream schools to cope with a wider range of pupil ability and attainment. The provision of education for all preschool pupils could do much to prevent later educational failure and therefore SEN (Sylva and Moss, 1992). Nevertheless, it is important also to be aware that improvements to the 'generally available provision' for all children need to be geared to the individuality of all children

and not simply to improving the provision for the 'majority' or for 'average' pupils. 'We need to work towards a system which regards the important and inevitable differences which exist between children as being normal and learning difficulties as being a normal part of the work of *all* teachers and *all* schools' (Dessent, 1989).

Improving 'generally available provision', it could be argued, should advantage *all* pupils except for the very tiny minority with most severe and complex needs. In this way it should be possible to aim to reduce to an *absolute minimum* the number of pupils who need to be individually identified as having SEN and thus requiring something 'additional to or different from' what is generally available, and to maximise the proportion of pupils whose needs are met by the school from within its own (delegated) resources. Such resourcing would need to acknowledge, for example through the LMS formula, the different starting points and needs of schools as reflected by their pupil population and to resource them differentially in proportion to their requirements for children with special educational needs.

A corollary of this argument would be that the more resources are targeted towards SEN and, by implication away from the general provision for all pupils, the more pupils will be identified as having SEN, and the less resources will be available for 'general' provision. Indeed, it has been suggested recently that 'a disproportionate direction of available funds to SEN simply depresses the resourcing of the average pupil. It could even create a larger SEN problem in future years' (Nixon and Sands, 1993). If the total educational budget is regarded as finite, decisions to allocate more resources to SEN imply less resources for other parts of the education system and vice versa. Similarly, decisions to allocate more resources to individual pupils through statements imply that fewer resources are available for non-statemented SEN whether identified as applying to individual pupils or to schools.

Under the present system, decisions about resourcing SEN occur at three levels: the class, the school, and the LEA. Meeting needs identified at the level of the classroom was (and is) the responsibility of the school. Those identified at the school level have been increasingly resourced by the school with some help from the LEA, while those needs which were determined by the LEA would be met by the LEA through the issuing of a statement. LMS has changed this division of responsibilities, since maximum delegation to schools implies that the schools themselves will have to meet the needs of those pupils identified at the classroom and the school level, while the LEA has responsibility for those pupils for whom the LEA has to 'determine the provision' i.e. those with statements. Hence the pressure from schools to identify larger numbers of pupils for statements. The clarification of this division of responsibility is one of the goals of the 'staged model of special educational needs' of the draft Code of Practice (DFE, 1993d).

An LEA might decide to target virtually all its resources towards the goal of providing an adequately resourced, supported, structured, valued and organised general education system competent to meet the needs of the vast majority (e.g. 98.5 per cent or 99 per cent) of pupils within a locality, thereby reducing the amount of resource available for SEN. It might in this way be possible to eliminate the need to identify individually a large group of pupils with SEN, since most *individual* needs would be met by the general education system. The success of such a policy is, however, dependent on how successfully schools are able to meet individual needs in the context of group teaching. This in turn involves consideration of organisational and instructional methods within the schools. Individual needs may be more easily met, for example, through setting or ability grouping which involves some form of (classroom) identification, but may be less philosophically

acceptable than mixed ability teaching. On the other hand mixed ability teaching, however well-resourced, may have the effect of increasing the average attainments, while ignoring the individual needs of a small minority with particular SEN.

It does, however, appear that there is a more clearly identifiable small group (about 1.5 per cent) of pupils with SEN whose needs appear to be difficult to integrate on a curricular level in regular education, and that this statistic recurs across the countries of the developed world (Pijl and Meijer, 1991). It would follow that it is this tiny group of pupils (and no others) who should be individually identified at the LEA level as having individual needs, while a larger group of pupils would have no need for *individual* identification but have their needs identified and met through differential resourcing to schools through a formula.

Therefore, one of the most difficult tasks at the present time is: firstly, how to define and delimit the very small group of individual pupils for whom it could be argued that a statement is appropriate and that the LEA should take some responsibility; secondly, how to arrange effective provision for the wider group of children with special needs through delegated budgets to schools, so as to prevent parents, heads and teachers in ordinary schools from seeking the identification and 'statementing' of increasing numbers of pupils with less severe needs. The introduction of LMS and LMSS has required the clarification of the relative responsibilities of schools and LEAs for SEN without yet having the mechanisms for defining the levels of need which should trigger the shift from one to the other. This was highlighted already by the Audit Commission/HMI (op.cit) and by the earlier House of Commons Select Committee Report (1987) which stated that:

'there is a strong case for more guidance about identifying the wider range of special educational needs and about when a statement of need might be required' (House of Commons Select Committee, 1987)

'Systems for protecting additional resource allocation for special educational needs are needed, which are compatible with ordinary school responsibility for special educational needs and which do not depend only on an individually based scheme of resource allocation' (Norwich 1990: 49).

THE PURPOSE OF STATEMENTS

Statements were intended to record the special educational needs and provision required for those children whose learning difficulties called for the LEA to 'determine the provision'. These were, as mentioned above, that small minority of children (around 2 per cent) whose needs could not be met without the application of substantial extra resources such as a special school placement, or specialist equipment or teaching not normally available in mainstream schools.

However, in practice the purposes to which statements have been put have been confused. On the one hand, it is suggested that the purpose of statutory assessment is for the LEA to decide and justify the allocation of substantial additional resources (Wedell 1991). Thus, at a certain level of need, there is agreement that the LEA will determine the provision and the statement defines the level of resource. Related to this is the purpose of protection, hence the phrase 'the protection of a statement'. Parents perceive or are led to believe that only with a statement will resources be protected and, to an extent this may be the case particularly in cases of school or LEA transfer. Thus the principle of protection comes to justify the practice of identification. A third purpose suggested for statements is

that of specifying curriculum objectives, a purpose which serves a useful function in relation to annual reviews and reassessments. The problems inherent in the several purposes and uses to which statements have been put lead Norwich (1992) to write:

'what we have had is an inefficient system of labelling children supposedly to justify and earmark additional resources for them',

and to ask:

'is identifying individual children the only way for LEAs to allocate additional resources to them? And is a system of statutory assessment and maintaining statements the best or only way of protecting these additional resources?' (ibid).

Trends in the production of statements, already noted, have led to calls for a rethink of the purpose of statements (House of Commons Select Committee 1993). This has been partly because they have increasingly been used (inappropriately) to provide extra teaching or classroom support in mainstream for pupils whose difficulties are comparatively mild. Such difficulties would, in the past, have been supported by specialist teachers in the school, or by the classroom teacher with some support from an LEA advisory teacher or support teacher. Some parents, unclear or in disagreement over their children's needs or entitlement, have gone to appeal or to judicial review over LEAs' failure to maintain a statement or over the nature or amount of SEN provision stated on the statement.

The new responsibilities and funding given to schools are effectively reducing the funding available to LEAs to support a high rate of statement production. The House of Commons Select Committee (1993) recommends that statements be retained for a minority of pupils whose difficulties are long term, complex and severe and which require multi-professional assessment and that their purpose be:

'limited to the specification of needs, targets and resourcing arrangements and where provision should be made'.

An additional recommendation is for a separate document:

'negotiated with the provider, [which] should specify a programme for the child with more detailed objectives...[and] be subject to regular review' (ibid).

Thus the statement would set out in detail both what the school in which the child is placed would be expected to deliver from its own resources and what the LEA would make available in terms of funding to enable the school to make any extra provision required. The separate document would specify objectives for the child, with an individualised programme produced by professionals in consultation with teachers and the school. This system would form the basis for annual review and for considering whether the LEA should continue or cease to maintain the statement. The system would be used for pupils based in mainstream or in special schools.

If the system of auditing described earlier led to a scheme of costing various levels of provision for different types of need, the process of identifying the extra resources would be relatively simple and would be open to scrutiny. As suggested above, such a system of allocating resources on the basis of agreed goals for a child, and leaving schools in conjunction with professional advisers to agree the best means of achieving those goals with parents, is one of the recommendations of the Select Committee in its recent report (House of Commons Select Committee, 1993).

Under our current system of legislation and practice, it is probably unrealistic or futile to call for the complete abandonment of statements, even though they are very costly to produce and often do not provide access to adequate resources for children. Furthermore, they perpetuate a division between those children who are provided with them and those who are not. Dessent, for example, points out that they create a resource divide in which the 2 per cent receive considerably more resources and 'protection' than the 'eighteen per cent' (Dessent 1987). Up to the present time, statements have had the effect of entitling those who have them to protected resources which have proved difficult to discontinue even if the needs change or become less acute. They have also resulted in individual parents competing for scarce individual resources for their child through the belief that statements are the only way to 'guarantee entitlement'. However, under a coherent system of resourcing mainstream and special schools and units according to the levels of needs they can provide, and which is open and understood by professionals, parents and the community, the statement might become less important than a flexible individualised programme drawn up by professionals in conjunction with schools and parents. In this way, it is more likely that a continuum of provision could be made available to meet a continuum of need. The recent clarification of the requirements for the annual review of statements should facilitate systems for more systematic monitoring and evaluation of needs over time (DFE, 1993d).

LOCAL MANAGEMENT OF SCHOOLS AND DELEGATED FINANCE

Successive LMS Circulars have promoted an increasingly prescriptive approach to LMS (DES 1988, DES 1991, DFE 1993a). Requirements for delegation by LEAs of successively 75 per cent Aggregated Schools Budget (ASB), 80 per cent ASB, 85 per cent Potential Schools Budget (PSB), 90 per cent PSB through a predominantly pupil-number led system and the continued emphasis on a method which is 'simple, clear and predictable' has contributed to the difficulties faced by LEAs in allocating and targeting additional resources.

The 1993 Act (DFE, 1993b) aims to clarify the question of responsibility for SEN by giving to LEAs the responsibility for pupils with statements and to schools the responsibility for pupils with SEN without statements. Although the division of responsibilities in this way may appear administratively convenient, the problem of the existence of a 'cut-off' point which triggers a statutory assessment remains. Both the Audit Commission/HMI report and the recent House of Commons Select Committee report emphasised the need for guidance and criteria as to when the LEA should 'determine the provision' and a statement should be maintained. As already mentioned, the Code of Practice gives guidance on different 'levels of need' according to its staged model; thus it aims to clarify the respective responsibilities of schools and LEAs and to indicate the stage at which statutory assessment may be required. Nevertheless, the shift of resources from LEA to schools under LMS, and the corresponding shift in responsibility for a larger number of pupils with SEN at a time of overall limited resources is likely to lead to further appeals against decisions or provision. Responsibility for SEN in areas with a number of grant maintained schools is shared, and shifts uneasily between the LEA and the proposed Funding Agency for Schools (FAS), due to come into existence in April 1994. In areas where between 10 per cent and 75 per cent of the pupils are in schools that opt out, local authorities will have to work alongside the FAS and parents will be faced with three

separate decision-makers, the LEA, the FAS and the Secretary of State.

In spite of reduced central funding, the findings of our research so far show that LEAs have been cautious about delegating funding for SEN support services to schools and have been concerned to maintain the expertise of central teams (Evans and Lunt, 1993). However, a recent NUT survey (Bangs 1993) has suggested that a small number of LEAs cut support services in 1993-4 and that funding for 'low incidence' support services is also being delegated in a very small number of LEAs. It remains somewhat early to see how LMS is affecting services which LEAs are able to offer schools, to support them in providing for SEN.

FORMULA FUNDING

Formula-funding requires that at least 80 per cent of the ASB must be based on 'pupil related factors', mainly Age Weighted Pupil Units. In theory, LEAs may include some weighting for SEN factors within the 80 per cent, but in practice, it is unclear how this may be achieved. The remaining 20 per cent of the formula can be weighted for various factors, including social and special needs, to take account of different pupil populations within schools. Most, although not all, LEAs have included some SEN factor within the formula, using a range of measures such as free schools meals (fsm) eligibility or take-up, results of national or local tests or some form of audit of special educational needs (Evans and Lunt 1992, Lee 1990).

Given that, for the majority of pupils with SENs, it is more logical and cost effective to resource schools rather than to identify individuals with SEN, the problem of how to resource schools differentially according to need through the LMS formula leads to fundamental difficulties. On the one hand, some commentators have argued that the use of proxy indicators such as measures of social need (e.g. fsm) as indicators of special educational needs or even social needs is seriously flawed (Lee, 1992a). Furthermore, a recent 'experiment' in Solihull testing out six allocation formulae concluded that fsm is 'a very poor proxy indicator' and that 'however raw the testing method, non-statemented pupils must be identified by academic, not social criteria' (Nixon and Sands, 1993). On the other hand, in its Draft Circular on a Common Funding Formula for Grant-maintained schools (DFE 1992), the DFE appears satisfied that 'free school meals provides the best option currently available'. There could be a strong argument that, although the use of proxy indicators such as free school meals may be inaccurate as a means of identifying *individual* pupils, there is evidence to suggest that some indices of demographic and social factors reflect the differential 'special needs' of schools. Furthermore, if LEAs are seeking to identify schools with greater 'special needs', they will have to develop means which enable them to make comparisons between schools in a way which avoids giving them a 'perverse incentive' to gain resources through maintaining low rather than high pupil achievement.

The challenge is to find indicators which are reliable to collect, which differentiate the needs of schools accurately, and which are comprehensible to public scrutiny.

LOCAL MANAGEMENT OF SPECIAL SCHOOLS

With the introduction of LMSS in April 1994, some LEAs are developing LMSS formulae separate from LMS formulae and which more or less reflect historic funding of

separate decision-makers, the LEA, the FAS and the Secretary of State.

In spite of reduced central funding, the findings of our research so far show that LEAs have been cautious about delegating funding for SEN support services to schools and have been concerned to maintain the expertise of central teams (Evans and Lunt, 1993). However, a recent NUT survey (Bangs 1993) has suggested that a small number of LEAs cut support services in 1993-4 and that funding for 'low incidence' support services is also being delegated in a very small number of LEAs. It remains somewhat early to see how LMS is affecting services which LEAs are able to offer schools, to support them in providing for SEN.

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their special schools. Others are attempting to bring coherence into LMS and LMSS formulae. Northamptonshire, for example, has attempted to define levels of need and to attach a cash figure to reflect different levels of provision. This kind of approach was already heralded by Circular 11/90 (DES, 1990) with its model for staffing special schools related to the needs and difficulties of the pupils on roll. The Northamptonshire model attempts to relate LMSS to LMS and to make explicit the additional costs of supporting pupils with different levels of need whether in special or mainstream schools. To avoid the 'individual voucher' aspect of this approach, some LEAs plan to use it as a means of resourcing specific mainstream schools for particular types of need e.g. motor impairment, or as a means to group pupils with similar needs together in one school, thus effectively forming an on-site unit. Furthermore, the recommendation of the Touche Ross (1990) report that funding should be based both on a place element and a pupil element makes such planning more feasible. However, these attempts go against a Government philosophy of competition and markets, and of cash following the consumer (pupil). In its report 'A Hard Act to Follow', the Spastics Society recommends that:

'resources for special educational provision should follow pupils and be spent on their needs. This will ensure that special needs budgets are actually spent on fulfilling the needs of statemented children' (Leonard, 1992).

Since the 1993 Act gives parents of pupils with SEN the same rights to express choice of school, LEAs will have to balance the issue of economies of scale with parental choice and the efficient use of resources.

SYSTEMS FOR ALLOCATING RESOURCES AND RESPONSIBILITY FOR SPECIAL EDUCATIONAL NEEDS

(i) Total delegation

It is possible, in theory, for LEAs to delegate all special needs resources, apart from sufficient educational psychologists to carry out statutory assessments. In fact, since the 1981 Act stipulates that a psychological assessment for the statutory assessment must be carried out by someone 'employed as a psychologist' for the assessment, it would be possible for an LEA to use free-lance psychologists and not to employ a permanent team.

Thomas has suggested four reasons to support the thesis that special provision should be removed forever from local authority control. Firstly, he suggests:

'in its role in marshalling and distributing resources the LEA has a disposition to providing 'services' rather than giving responsibility and power to headteachers';

secondly,

'the real - albeit unintended - effect of the (LEA) taking primary responsibility is to discourage schools from assuming ownership for all children';

thirdly,

'the system acts as a bureaucracy, with a tendency to accrete and control resources instead of fully devolving them';

finally,

'(the LEA) occupies an outmoded position in ostensibly providing a local managing and coordinating function when 'local' can in this respect, in the 1990s, mean in the school'. (Thomas, 1992)

A version of this argument was also made by Moore and Morrison, (1988) and by John Moore in his discussion of Peter Housden's paper in this series. As Moore suggested then

'the focus of LEA support services [should be] the development of self-managing services within schools' (Moore, 1993).

In this way, decision-making and resourcing would take place close to the community of the child and would involve a range of local professionals in partnership with parents and pupils.

Schools (both ordinary and special) could be funded to cater for all special needs. Special schools, if funded adequately, could act as resource centres and centres of expertise and advice for mainstream schools. They would provide placements, outreach work, advice and in-service training. Special schools for less common special needs (e.g. visual impairment) could act as centres for more than one LEA, with schools and LEAs buying their services. This change of role for special schools is something which was discussed following the implementation of the 1981 Education Act. However, there are not many examples of special schools taking on this type of role to date. It may be that the flexibility and autonomy which will be given to special schools after LMSS is implemented, will enable them to develop an outreach and consultancy role. If LEA advisers and advisory teams are decimated in the wake of delegation, mainstream schools may wish to take advantage of the expertise which could be offered by special school staff, particularly in view of the fact that special schools will have tackled many of the problems of delivering the National curriculum to pupils with special educational needs.

However, in the current context of the 1993 Act, the LEA still retains some important statutory responsibilities for SEN. The legal duties and responsibilities of the schools and the LEA would therefore need to be clarified under total delegation of funds to schools. For example, as indicated by the Code of Practice, schools currently have responsibility for a certain level of SEN; this responsibility needs to be clarified and legal duties placed on the school. Under the current system LEAs take over responsibility for additional provision for a child with SEN when the ordinary school cannot provide at the level of need indicated by the Code of Practice; the LEA then has a statutory duty and takes on some responsibility for provision. If an LEA wishes to delegate this responsibility to schools, they will need to be prepared to take this on and to have the incentives for doing so. In this way schools would have responsibility for the range of special needs and, in the absence of an LEA, would presumably receive funding direct from central government. However, it is clear that resourcing schools in this way could lead to considerable waste of resources and decimation of expertise.

(ii) Delegation to clusters as a level of organisation for SEN resources

The difficulties of allocating responsibility for special needs and the problems over minority special needs has led some commentators to suggest that clusters of schools might take responsibility for special educational needs (ILEA 1985, Evans et al.1992, Wedell 1986). Resources for SEN might be delegated to a cluster group of schools. Groups of schools would then take responsibility for SEN in their community and resources would either be delegated to the cluster or the schools would pool (some of) their delegated SEN resources to achieve economies of scale, collaboration and a more efficient use of resources. Dyson and Gains (1993) have produced a model of cluster organisation which would put special schools, acting as resource centres, at the heart of the cluster. Groupings of schools

for SEN have been used in several LEAs (Evans et al, 1992) usually facilitated by an LEA which targets resources specifically to a cluster, normally for a specific purpose or a group of pupils. For example, Nottinghamshire and Wiltshire have experimented with devolving resources for moderate learning difficulties to a group of schools and allowing the schools to take the decisions about which children to support and how to provide support. The emphasis in both these schemes is to reduce the need for statements and to promote the integration of pupils with moderate learning difficulties.

One of the objectives of clustering schools for deploying resources is to try to achieve some equity in the use of resources. Individualised provision such as that made by statements can lead to gross inequities, with children with similar levels of need receiving different levels of resource. One familiar example is the provision for children with specific learning difficulties. Some, who have had independent assessments by the Dyslexia Association, and whose parents have strenuously pursued the LEA for expensive residential placements, have taken a much greater share of resources than other children with similar problems. It is not clear whether any evaluation of the outcomes for children of such expensive provision has been made, or whether comparative studies of the cost-effectiveness of the different provisions for SEN used by LEAs have been carried out. The Audit Commission (1992) commented that LEAs had not made adequate evaluations of the effectiveness of alternative forms of provision. One of the problems is that in this field, as in Health provision, it is very difficult to make decisions about priorities for allocating resources, because such decisions are bound up with emotive issues of the value that society places on certain sections of the population. Furthermore, decisions are individualised and personalised, so that neglect or less favourable treatment can be presented as a personal tragedy (which of course it is).

(iii) Purchaser-provider model

The purchaser-provider model has been increasingly used to allocate resources and responsibilities in the public sector. The model clarifies the role of the central agency as one of acting as a purchaser of services on behalf of clients from outlets such as hospitals and schools. The aim of the model is to prevent 'provider capture', i.e. to prevent suppliers of services from having a monopoly and thus being able to act against the interests of clients.

Within the education services, the new framework for resourcing has led to the setting up of purchaser-provider agreements for a number of services. The Audit Commission report on SEN (op cit) suggested that the model could be used to allocate resources for pupils with SEN. That is, LEAs could purchase services from schools on behalf of children with special educational needs. Schools would enter into a contract with the LEA to supply the special educational provision for an individual child (i.e. through something like a statement which would provide a cash amount for the school to use). Alternatively, a school could supply a range of services (such as provision for children with reading difficulties) and an LEA could buy places at the school on behalf of pupils. LMSS introduces the possibility for special schools to become providers of services in the same way. The new relationship between LEAs and schools, where schools have ultimate responsibility for the management of resources and for the quality of education they provide, will, it is claimed, allow LEAs to be advocates for children and to ensure that their needs are met.

However, the purchaser-provider relationship between schools and LEAs is complicated by the fact that the LEAs, in the first place, decide on the level of funding for special

educational needs. Therefore the schools, as providers, are constrained in what they can offer by LEA funding policies. In the absence of any national criteria for funding or level of provision, there is potential for LEAs to demand a level of performance from schools which the schools are not resourced to deliver. The divided responsibilities of the LEAs and the FAS will further complicate this situation.

(iv) Agencies

Another aspect of the purchaser-provider relationship is that, in some circumstances, LEAs will be providers and schools will be purchasers. If, for example, LEAs delegate the funding for support services to schools and leave schools to buy in those services which they feel they need, then the school is purchasing from the LEA. In theory, the LEA could create agencies to manage all its special educational provision. These would be free-standing organisations which would sell their services to schools, either through service level agreements or as independent providers. Several LEAs have already developed service level agreements with a number of SEN services.

There are, however, some dangers in a market model for organising the supply of special services. Schools may not always be best placed to make decisions over the use of specialist services; they may take decisions to purchase the service that they want rather than one which may better serve pupils with SEN. The Coopers and Lybrand report warned against the pressures on schools:

If schools had the responsibility to 'buy in' ...services, such resource decisions would need to be balanced against their other demands for scarce resources. This might encourage a tendency in schools to under-purchase such services and seek to make do with staff less professionally qualified, perhaps at the expense of the pupil(s) concerned'. (Coopers and Lybrand, 1988, 2.65)

Some experiments with agency-type organisation have led to the disappearance of some support teams where schools have not used their delegated funds to buy support services from the agency. It may not be feasible to create agencies for teams of support for minority special needs such as hearing or visual impairment, since the demand from schools would vary. However, it could also be said that, if schools decide not to buy the services of agency teams, this may reflect the quality of what some of the teams have to offer. In a situation where schools could choose to employ a support teacher of their own with their delegated funds, they may prefer to do this. However, it should be borne in mind that LEA teams may have built up a degree of expertise over the years, and that this would be lost if the teams are disbanded.

(v) Local management of schools

The principle of local management of schools has brought considerable benefits to many schools. Many welcome the opportunities for increased local decision making and management. At present the thrust of LMS is to introduce increased competition between schools through the emphasis on pupil-led funding. Pupils with SEN may be perceived to carry a financial disadvantage, either because they may be perceived to depress schools' performance in National Curriculum assessment, or because even with additional resources they are perceived to be expensive to educate. Since the thrust of LMS is maximum delegation and pupil-led, schools may have less incentive to take on pupils with SEN.

However, it may not be inevitable that special needs should be vulnerable under LMS. If

the notion of the 'place element' recommended by the Touche Ross (1990) report could be incorporated into a coherent LMS and LMSS scheme and formula, based on both pupil element and place element, it would become more possible for LEAs to plan their special needs provision across the authority and to allocate resources appropriately. A differentiation and clarification of the respective (legal) duties and responsibilities for SEN of schools and LEAs could lead to improved provision at both levels.

The delegation or devolvement of funds through a formula, which acknowledged pupil and place elements to enable schools to meet the needs of pupils with SEN, could lead to schools having greater incentives to assume responsibility for pupils with special educational needs. However, under the present system this could be more easily achieved if LEAs were permitted to earmark or protect some resources for SEN in schools, since schools have a habit of permitting 'resource drift' away from pupils with SEN.

The Audit Commission/HMI (1992) explained some of the pressures on LEAs:

'The LEA is under pressure to delegate funds, but does not want to do so because it cannot be sure that the school will deliver the provision to the special needs pupil. The LEA cannot be confident about schools' provision because it has not implemented systems for monitoring how well schools are performing with special needs pupils. It may not even have systems to assess whether schools actually spend the money as intended.'

MONITORING

The key to protecting pupils with special needs and protecting the investment of the community in making funding available to meet those needs, is an effective system of monitoring and accountability. Resources protected by statements can more easily be monitored than those allocated *en bloc* to schools through the LEA's formula. Under the present system, funds delegated to schools cannot be ring-fenced, so that the LEA cannot ensure that funding for special needs is spent on those pupils for whom it is intended. This is one argument for the retention of statements for children who are receiving significant extra funding from the LEA. However, there is still a question about *who* will monitor the quality and effectiveness of the provision made, since LEA inspectors and advisers are more thin on the ground than they were before LMS and have often sacrificed their specific SEN responsibility for a more generalist role. Children with statements are entitled to an Annual Review of their needs and provision. In some LEAs and schools this is carried out responsibly and thoroughly. In others, the Annual Review has been a perfunctory exercise. In either case, questions of the monitoring of, and accountability for the use of resources have not been the main features of the review. The focus has been the progress of the child. So systems are not in place to ensure adequate monitoring even of those resources which are specifically attached to individual pupils.

For resources allocated to schools for general special needs, the problem of monitoring is obviously greater. The risk of 'resource drift' (Dessent, 1987) increases in a climate of scarce resources. Governing bodies are accountable for the use made of funds and for the effectiveness of their school, but if special needs are not seen as important, governors may not give this area priority. The draft Code of Practice, recently published, calls for each school to publish a special needs policy. It is equally important that the community which the school serves holds governors to account for implementing a policy for SEN and for the

proper use of resources. It is not clear, however, how this will be accomplished. Will governing bodies be able (and willing) to take on this role? The Minister asserted when he appeared before the House of Commons Select Committee (House of Commons Select Committee, 1993), that parents had an important role in ensuring that schools carried out their responsibilities for pupils with special educational needs. He was of the opinion that the Parents Charter (DFE, 1993c) would help parents in this task. However, the Parents Charter does not give parents the right to speak on behalf of any except their own children, and therefore it could not serve as means of overall monitoring of a school's use of resources for SEN. Encouraging parents to speak out in the interests of their own child may lead to a more competitive pursuit of individual resources for SEN. Furthermore, parents are not experts in all aspects of SEN, and therefore cannot be expected to make judgements about the appropriateness of the school's SEN policy and provision.

Although OFSTED inspections will take place in schools every four years, and inspectors will *inter alia* evaluate schools' special educational provision, this type of inspection is not a substitute for the on-going support and professional development which had been available to schools from the LEA. A system is needed for the regular monitoring of SEN resources and provision in schools which takes into account the community and school context. Who will be able (or willing) to take on this role?

These appear to be weaker controls than were available before LMS, when LEAs created policies, made provision, offered support to schools and monitored (to some degree) their performance. But those days are gone, and new forms of accountability are in place. The role of the LEA has diminished, but, it is claimed, it can still act as an arbiter and negotiator on behalf of children with special needs (Audit Commission, 1992). It is difficult, however, to be optimistic about the LEA's role in this regard as the Grant Maintained sector increases; the requirement to delegate funds becomes greater, with a target of 95 per cent delegation; and the option which the 1993 Education Act gives to local authorities to cease to maintain education committees, and to make the residual functions of the LEA part of the remit of the Social Services Committee.

OPTIONS FOR THE FUTURE?

It is difficult to predict the future context in which options may be developed. The Government is celebrating the thousandth opted out school, but so far the vast majority of schools prefer to remain with the LEA. Nevertheless the provisions of the 1993 Act reveal the Government's determination to pursue the course of GMS. The Draft Code of Practice will be reaching the desks of policy makers and possibly leading to the creation of further systems and reorganisation for SEN. Although the new tribunals are intended to deal with appeals against LEA decisions or provision, it remains to be seen how far these will remove the continued need for litigation.

(i) *The LEA continues to exist*

Following the 1981 Act, LEAs have played a progressively dominant role in taking responsibility for pupils with special educational needs. Even though some commentators have seen this in a negative light (Ainscow, 1993; Thomas, 1992), the overall effect for large numbers of pupils with special educational needs was an enhancement of the quality of the provision which they received. The vision of the LEA articulated by the Audit Commission in 1989 suggested a new role for the LEA as *leader* in articulating vision for

the service, *partner* in helping schools to achieve this, *planner* of future facilities, *provider* of information to the education 'market', *regulator* of quality and *banker* to channel funds (Audit Commission 1989). How far is it still possible to see the LEA fulfilling some of these roles in relation to special education? The requirement of Circular 7/91 that LEAs review their special educational provision has given some LEAs the opportunity to articulate a vision. Furthermore, preparation of LMSS schemes has caused some LEAs to develop for the first time a coherent continuum of special needs provision and to address the task of differentiating and resourcing this. By doing this they have set the framework for the way in which the service of the future will develop. Nevertheless, having set the framework for special needs provision through their LMS and LMSS schemes, LEAs are left, after the 1993 Act, with the much more limited role of banker, and even this role, if a common funding formula is adopted, may dwindle or disappear.

Despite the changes wrought by the 1988 and 1993 Acts, some LEAs continue to retain considerable powers, particularly LEAs which have very few (or no) grant maintained schools. The planning, resourcing, monitoring and quality control aspects of the LEAs' role are still operating and have considerable influence on schools (Vincent et al 1993). This may continue in the short term, but since there is no longer a legal framework for the LEA to have a remit within the management and policy-making of schools, its influence is likely to decline over the next few years, particularly with the possibility of increased opting out and the setting up of funding agencies.

(ii) The LEA ceases to exist and statutory functions are taken over by the local authority

Since responsibility for the future quality and performance of the education system is now divided between the central government and the schools, it is there that policy-makers, professionals and parents should concentrate their attention. One of the fundamental criticisms by the Audit Commission (and others) of the operation of the 1981 Act was that it was unclear about criteria for identifying pupils with special needs and about which pupils should be given statements. The Audit Commission/HMI recommended that there should be national guidelines as to when a child requires additional help from an LEA.

'These guidelines should be drawn up with reference to the degree of children's need. This recommendation is made in the full knowledge of how difficult it will be to draw up guidelines which are specific enough to be useful but not so tightly defined that they exclude those children who do not fit into categories'. (Audit Commission/HMI, 1992)

As mentioned above, the Code of Practice is expected to give national guide-lines on these questions, though the operation of national guidelines in an area which depends substantially on local provision and the local context is fraught with difficulties. Useful work has been carried out by a number of LEAs in costing provision, both for statemented and non-statemented special needs. This could be used as a basis for allocating resources to both special and mainstream schools.

The government is proposing to develop a Common Funding Formula (CFF) for grant maintained schools which it proposes to introduce subsequently to LEA maintained schools. It is suggested that this would reduce the often considerable variations in education spending between different parts of the country. It is intended that the CFF would then differentiate between the different needs of schools by using a measure of differences based on pupil intake. With a CFF establishing level of funding and the Code of Practice

establishing guidelines for the determination of level of need, it would then be possible to establish a *national* formula for funding SEN provision. In this way decisions concerning levels of need and resource would be removed from the LEA and transferred to central government. It would be based on the Standard Spending Assessment (SSA) and on decisions concerning differences between schools relating both to their pupil intake and to their effectiveness.

Under this system funding schools for the wider group of special needs would occur through the Common Funding Formula, while funding the tiny minority of individual pupils with severe and complex needs would continue to be arranged through the statement procedure. Thus parents of pupils with statements would have a clearer notion of the lines of accountability, since the level of funding according to level of need would be virtually fixed according to national levels of provision. At its extreme, such a system could allocate resources to a statement for an individual child, in much the same way as the ill-fated voucher system proposed by Sir Keith Joseph 15 years ago and implied in the proposal of the Spastics Society (Leonard, 1992). A less radical mechanism would allocate, via the statement, an agreed level of resource, which would be maintained in the school in which the provision was made. If central government had the responsibility for determining level of resource and (indirectly) providing this, the local authority could then have a more independent role as the advocate and 'honest broker' for the child. Responsibility for monitoring the use of the funds for SEN and the quality of the education provided would lie with the school governing bodies of mainstream and special schools.

However, a system of national resourcing for SEN which was based on levels of resource to meet levels of need, and which targeted a minority of individual children through the statement procedure and the majority of pupils with milder SEN through the LMS formula based on a CFF, is still dependent on the total level of funds available to education. Decisions as to how far to target funds preventively, for example by providing nursery education and more generous resources and support to general education, and how far to target resources to SENs, are influenced by the absolute level of resource available to education. This, in turn, affects the ability of schools to provide for all their pupils.

CONCLUSIONS

The resourcing of pupils with special educational needs continues to challenge the education service. LMS and subsequent reports (e.g. Audit Commission/HMI, House of Commons Select Committee) have highlighted some of the problems over the definition and identification of SEN which are in large part responsible for the continued problems over resourcing.

There are a number of principles which it is important to articulate for any system or option for the future:

- the principle of transparency and clarity for allocating resourcing and thus achieving greater accountability;
- the principle of rational and coherent planning across the continuum of SEN provision in special schools and ordinary schools, for pupils with statements and those without statements;
- the principle of minimal individual identification of pupils as having SEN;

- the principle of protecting and resourcing the very small minority of pupils with severe and complex needs. These pupils are often identified at preschool age and their needs and resourcing are often less controversial than other groups of pupils with SEN;
- the principle of resourcing a wider group of pupils with additional special educational through differential resourcing of schools according to predictable differences e.g. related to demographic factors and pupil intake characteristics;
- the principle of clarifying the respective responsibilities of schools and LEAs;
- the principle of devolved management carrying with it clear responsibility and some system for monitoring the execution of this responsibility;
- the principle of monitoring and evaluating the cost and success of different provision and intervention at both the school and the individual child level;
- the principle of economies of scale where possible and appropriate and where compatible with a principle of some degree of parental choice;
- the principle of equal opportunity and access to all pupils with SEN, regardless of the nature of their needs;
- the principle of equity in allocating resources according to level of need which in turn depends on a method for determining levels of need and corresponding levels of additional resource.

Future systems of allocating additional resources to schools and to pupils with additional needs have to be guided by these and other principles. Local Management of Schools and accompanying Circulars and Reports have given LEAs the incentive and the opportunity to review and to plan for the first time across the whole range of their SEN provision. The challenge will be to build on this work and to ensure that the planning, monitoring and review role is taken on by some responsible and democratic agency in the future.

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ALLOCATING RESOURCES FOR SPECIAL EDUCATIONAL NEEDS PROVISION

A response by Clive Danks

It is the intention within this seminar series to consider a range of options which can inform or even direct debate. As headteacher for many years and a practising teacher for one fifth of my week, I firmly believe that we should be challenging a number of the assumptions around the notion of special educational needs (SEN) which have implications for the allocation and monitoring of resources.

Lunt and Evans' approach in their paper, has been to define the problem, elaborate on a variety of practices, before concluding by stating a range of funding principles. In National Curriculum terms, the authors have reached a significant level of attainment, but from my standpoint as a manager, I question whether they have reached their goals.

In the second seminar of this series, Ainscow (1993) used the term 'SEN' as a 'super label', whilst Norwich (1993) asked whether the term had outlived its usefulness. The Warnock Committee (1978) clearly spelt out that education has two long term goals:

'to enlarge a child's knowledge, experience and understanding', and

'to enable a child to enter the world beyond formal education and to become an active participant and contributor to that society'.

The Report then went on to use the now famous analogy of the roads children have to travel. Nowhere was the term 'special' used. In fact the purpose and goals of education are the same for all children and yet in Britain we are faced with an educational society which is separatist by its very nature, further fuelled by recent educational law and dogma.

Unfortunately I believe Lunt and Evans, like many, fall into a trap of arguing from within the dogma of our society rather than reviewing the options from alternative standpoints. If, as the authors argue, SEN is synonymous with need, then we shall always remain trapped in a helix of spiralling educational constriction and eventual rising costs. There is no necessity in this theory for good practice and the notion of 'education for all'.

Lunt and Evans cite Dessent (1989) and Pijl and Meijer (1991) and begin to argue from the inclusive standpoint that generally available provision should advantage all pupils except a tiny minority. Immediately the authors separate off a definable or confined group requiring something different. This identifiable group who appear difficult to integrate on a curricular level are then the subject of a statement and thus additional resourcing. As a corollary Lunt and Evans then present arguments for clear lines of definition, high accountability, and eventually for a retrograde return to the medical model of support.

Such a notion of 'see-saw funding' between the GSB and SEN budgets takes no account of comparative educational evaluations and it moves practice further away from objectives defined so well by the Warnock Committee (1978). In many respects Dessent (1987) highlights the practicalities of the situation, the 'us and them', the 'haves and have nots' and the issue that a statement becomes more important than *flexible individual provision*.

In evaluating the funding of individual needs I therefore question the unnatural divisions, the separating off, or grouping together of specific students. If we believe in the two goals

of the Warnock Report then there exists a continuum of ever changing needs that requires a flexible continuous range of provision. In order to allow for flexibility LEAs must consider carefully the delegation of funds from outside a SEN 'helix' model.

For many years I have found difficulty in accepting the stance taken by Thomas (1992) of total delegation; moving the locus of responsibility from the LEA to the mainstream school.

However, quite recently I began to revisit my own principles. The whole notion of funding individual needs is based around individual establishments and teachers meeting those needs.

The development of clear observable criteria by OFSTED in their *Handbook of Inspection* allows for the first time educationalists to set a series of benchmarks by which they can 'self evaluate' a school, classroom, teacher or individual subject. Lunt and Evans in debating almost total delegation state that:

'the success of meeting individual needs is dependant on how successfully schools are able to meet individual needs in the context of group teaching'.

From my point of view, this is the most important sentence in the whole paper and one which the issue of funding must resolve. This, in turn, is dependent on organisational and instructional methods used within the school.

As a headteacher and one who has been in the role of leading support services for some years, 'in school' and 'in class' practice is the single most important issue in meeting individual needs. Legislation, in the form of the 1981 Act has until now, allowed poor or inadequate practice to flourish. If a school has had difficulties with a child, without making any significant input, they have been able to press for formal assessment and possible additional funding. On the other hand the school which has maintained a similar student within its programmes has gained nothing.

In many respects, the 1981 Act has perpetuated poor practice insomuch as this has often resulted in additional funding or the withdrawing of the difficult child at no cost to the school. This has been particularly true in the case of pupils with emotional and behavioural needs who often presented LEAs with the difficult task of relocating the pupil in some cases away from their own neighbourhood. In theory, therefore, I am moving my own philosophies to a position of almost total delegation of funding, with LEA's revisiting Circular 7/91 in line with the introduction of LMSS.

However, as a pragmatist I offer this position with two caveats which I believe need further consideration and debate. Within this debate the importance of the underlying principles in the draft Code of Practice cannot be over-estimated. The move away from the near exclusive interest in statements and additional funding, to the more generalised issues regarding all students' individual needs will affect every educational establishment in Britain.

1. *Individual Access* - If we move the locus of responsibility from the LEA or funding agency to individual schools who will monitor individual access? Within any school there are a range of educational opportunities. Despite the 1988 Act, the range of curricular opportunities remains as great as ever. Each site offers different opportunities for integration, different rather than better or worse.

In theory this responsibility now lies with the LEA and OFSTED. In practice neither has

the staffing or regularity of visit to ensure that, on a day-to-day basis, individual pupils are not disadvantaged. Whilst the Audit Commission Act (1992) had clearly recognised that few LEAs had implemented systems of monitoring, I doubt very much if annual audits or the publishing of SEN policies including 'value added' can offer anything more than global counts. With the demise of the local inspectorate's role, LEAs will have limited knowledge about individual curricular opportunities.

2. *Parental Preferences* - In a 'market economy', especially if we move over to a more distanced Funding Agency, who will provide parents with accurate, realistic, and above all, relevant information on the suitability of specific schools?

The increased opportunity for parents significantly to influence the placement of their child, may in some cases, exacerbate the unsuitability of placements still further. It is essential that, in order for them to make an informed choice, parents have relevant, unbiased knowledge about the range of educational opportunities and how their child will benefit from these.

Accepting my caveats within this paper, I present eight questions which are central to my own debate on funding individual needs. The questions are not in any order but in many ways are all very closely inter-related.

- (i) 'Can effective mainstream schools ever be fully inclusive?' Norwich (1993)

At what stage does a child's individual needs trigger additional support?

How can this support be rationalised, quantified and evaluated?

- (ii) Is it possible to compare schools' performance on SEN in a rational way?

- (iii) What models can be established in order that mainstream schools can easily access support from both specialist agencies and other networked mainstream schools?

'It appears that there may be cases where the school is not already providing the special needs provision... but is capable of doing so when the need is demonstrated'.
(Lord Justice Woolf, 1991)

- (iv) In an even more devolved educational society, what networks can be established outside the LEA/OFSTED inspectoral role to ensure that schools can seek out practical advice and support?

- (v) Can there be positive discriminators within the LMSS system to reward schools that meet the individual needs of students?

- (vi) 'We believe that parents of children with SEN cannot receive too much information about special provision made in individual schools'. (Warnock Report, 1978)

In an ever more delegated educational society how can parents remain informed of the educational opportunities available to their child without the usual forces developing from within a 'market economy'?

- (vii) 'The focus of LEA support services should be the development of self managing services within schools.' (Moore, 1993)

How can LEAs retain SEN responsibilities (under the 1981 Act) whilst having less and less mechanisms to direct it?

- (viii) Should LEAs (or the Funding Agency in the future) retain SEN 'brokerage' when mainstream and special schools are increasingly working together to support the needs of all individual students?

CONCLUSION

Concepts of special, or more correctly termed individual needs, have taken a quantum leap over the past 20 years. As a hardened pragmatist, I welcomed the National Curriculum and more recently the Code of Practice, because they increased opportunities for special and mainstream schools to work together.

We must however clearly retain a continuum of provision equitable to the current needs of the pupil population. Schools, both special and mainstream, must continue to work even closer together if we are to provide a strong corporate provision.

I do support a model of re-allocating resources providing that in its execution we ensure that the 'new model' is a significant educational improvement for all pupils whatever their strengths.

[This paper represents the author's own views and may not represent those of his employers]

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ALLOCATING RESOURCES FOR SPECIAL EDUCATIONAL NEEDS PROVISION

A response by Hywel Thomas

I intend to respond to the invitation to act as a discussant to the paper prepared by Ingrid Lunt and Jennifer Evans in three ways. First, there are themes contained in that paper which I wish to develop further; second there are some issues which are not raised but which do require some attention; and third, to locate my response within a framework which takes account of the complex 'mixed economy' in which schools find themselves. Since the themes and issues can be located within the conception of schools operating within a mixed economy, it is with that framework that I will begin.

SCHOOLS IN A MIXED ECONOMY

The emergence of a near-market system within which schools now compete for pupils is almost a taken-for-granted summary of the contemporary system. As market forms are intended so to do, the system appeals to self-interest as its motive force. The pressure to survive will ensure competition and, so marketists claim, will push up educational standards. Those suspicious of market forms counter with several arguments, among them a concern about equity: competition and its concomitant of exam league tables will, it is claimed, force schools to attract more able pupils and neglect those with special educational needs. The additional costs of providing for those with special educational needs is also cited as a reason why schools will seek to avoid taking pupils with these needs.

That the emerging system may be more complex than a market might be illustrated with a comment from John Patten, cited in *The Guardian*, January 1993:

'Teachers have helped to implement the reforms of recent years in a way that is testimony to their professionalism and dedication. Throughout the coming year I want to ensure that they receive all the help and support they need in helping to carry the reforms forward (p.2)'.

This recognition of professionalism and dedication raises issues of motive which may be different from narrow conceptions of self-interest. The self-image and rhetoric of professional groups, for example, often lay claim to modes of behaviour which place the interests of clients ahead of those of the provider. On this argument, some of the actions of teachers are explained by judgements as to what is right rather than what is in their self-interest. Now, we do not need to accept the rhetoric of professionalism uncritically but no more should we dismiss the readiness of some to work long hours in demanding environments because of moral codes which include principles of service to others.

What I am arguing is that the environment in which schools operate includes market relationships *and* professional relationships where decisions reflect motivations of self-interest *and* concern for others. It is also an environment where there remains an extensive regulatory system which shape the choices faced by schools. LMS schemes differ significantly, for example, in the level of resources devoted to special educational needs and, moreover, also differ in the ways in which the resources are distributed to schools. These distributive mechanisms are not neutral in their consequence as one example can illustrate.

In a recently completed study of the new funding formulae for LMS, one County was identified as providing substantial funds for pupils with additional needs, as measured by scores on educational attainment tests and entitlement to free school meals. The basic annual allocation for an 11 year-old was £1,135. To this could be added an allocation of £843 for each pupil with a reading quotient below 85 and, above a minimum threshold of 6.5 per cent of enrolment, a further £1,213 for each pupil entitled to free school meals. In a 'market' with rules such as these, what is the strategy of a school which has 5 per cent or 6 per cent of its pupils entitled to free meals? It is not obviously to attract the most able or most privileged pupils.

I have analysed more fully elsewhere the complexities of the context within which schools operate (Thomas, 1994). My purpose here is to signal that complexity not only as a preliminary to my response to the Lunt and Evans paper but to indicate that only when we begin to understand the inter-relationships of these co-existing forms of organisation can we begin to manage the system in a purposeful way. Purposeful management also requires an understanding of the detail. When we investigate the detail - as in the example cited above - there appears to be more scope for local discretion and professional influence than might initially appear to be the case.

Set against the proposition that LMS has re-structured a mixed economy of provision where detailed differences in schemes may well be significant in their impact upon special education needs, let me now turn to some specific themes and issues.

TRANSPARENCY, CHOICE AND PURPOSE

One of the virtues of LMS is that it has made the finance of schools more transparent. In most LEAs before 1990, the funding of individual schools was either not known or known only to officers in the Finance Department. That this should be so was not, in my view, a defensible arrangement - all the more given claims about the importance of resource levels. Equally, that the resourcing of individual schools was a mixture of rules, practices and procedures not easily understood was not desirable. The transparency of formula funding is, in that respect, an important development in the management of schools. Transparency at least increases the possibility that debate about the *level* and *distribution* of funding can be more open and better informed.

Better information can inform debates about the level of funding. The adequacy of spending on special educational needs can be compared with levels of spending in other LEAs; discussion on the relative needs of different services can take place using data on the level of expenditure on those services. Such debate is seldom easy or comfortable. It may be that one of the consequences of LMS - and LMSS - is that it places an onus upon advocates of special educational provision more fully and extensively to explain and justify their needs.

Such explanations and justifications are more easily made if provision is part of a wider set of arguments as to its purposes. Propositions about the level of resources needed *and* how they should be made available to schools require preliminary clarification about the purposes being served by funding special educational needs. Implicit in any claim for additional provision are conceptions of equality of opportunity. That is not sufficient, however. What is required is that the form of equality of opportunity requires clarification with respect to the groups of young people for whom the claim is being made: it may be

equality of outcomes or, alternatively, rights to the same amount of learning value-added as members of the wider school population. It may also concern access to a specified set of curriculum opportunities. Whatever it may be, however, a sensible debate about resources can only follow a debate about purpose. Decisions about purpose may also provide guidance for the regulatory system by which resources are made available. What happens to those resources is the theme of the next section.

OUTPUTS AND RELATIONSHIPS

A relatively neglected theme in the Lunt and Evans paper is discussion of *what is got out*. The paper is strong on the resourcing of needs but there is as much of a requirement to ask what is obtained from the resources which are spent. Concern for the quality of school processes and outcomes in special educational needs is at least as important as ensuring that funds are available. The form of market information required by the government - league tables and so forth - are a primitive and misleading variant of the breadth of information which should be made available about schools. It is an area where LEAs could still develop a role.

Some of the *principles* - as against the specific practices - of the provider/purchaser relationships being developed in the Health Service could be translated into the education system. As the LEA ceases to have a provider role, it could develop its role as an agency acting on behalf of parents and community. Such a role would require an LEA to set service standards that it might expect schools to provide its pupils. It could monitor provision through surveys of parents and pupils, reporting back to schools and their communities on the results. It is an approach which should be more wide-ranging and process-oriented than the four-yearly inspection system. Such an approach would endeavour to monitor the quality of provision for all children and be less concerned with examination league tables. In so doing, evidence suggests that parents would appreciate the information at least as much as exam results which, however valuable they might be regarded, do not provide a perspective on the wider purposes of schools.

The process and outcome oriented reporting which could be developed through a purchaser/provider relationship between LEAs and schools might be expected to give more emphasis to special educational needs. In part, this would be because the approach would encompass a wider range of activities than examination and attendance league tables. If it is also the case that schools which give attention to special educational needs are more effective in other respects - as is sometimes claimed - a reporting process which gives a more encompassing view may show these schools in a more favourable light. If this were to occur, the providers of good quality special educational provision would be seen as successful schools and models for replication.

Developing the role of the LEA as a purchaser of educational services on behalf of parents and also to act as their monitor of quality requires, for many LEAs, a further shift in their view of their future role. Whilst it is not an easy challenge for them when their very existence is under threat, there is little doubting the need for a major review of their role. Properly managed, special educational provision may be a beneficiary of the change.

CONCLUSION: THE THEME OF PROFESSIONAL EDUCATION

The importance of funding for special educational needs cannot be gainsaid. Ultimately, however, it is how those resources are used in schools that matters for outcomes. A key development which is not mentioned in the paper is the use of those resources for teacher development.

Almost certainly, much improvement in the performance of children with moderate levels of special educational needs could be achieved by teachers with an enhanced understanding of specific learning difficulties. Improving the awareness of teachers and their ability to respond could be achieved through existing forms of in-service training. Conceivably, the value-added of such training could be high. I raise this in my conclusion in order to emphasise a central theme in my response to a valuable and wide ranging paper. Effective use of resources for special educational needs not only requires a clarity of view about purposes and a plan which reflects those purposes but, above all, a stronger orientation to monitoring outcomes.

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SUMMARY OF DISCUSSION

by Philippa Russell

THE MAJOR CHALLENGE: HOW SHOULD SPECIAL EDUCATIONAL NEEDS BE RESOURCED?

The discussion initially focused upon the key question as to *how* special educational needs should be resourced, namely:

- What is the value-base for such resourcing?
- What should be resourced?
- What are the most effective mechanisms for ensuring efficacy and equity within an increasingly fragmented and turbulent education system?
- How large should individual education budgets be - and what proportion should be allocated to special educational needs?
- Who should fund special needs?
- What properties of children actually have special educational needs?
- What measures should be used for determining the resourcing levels of individual children and of individual schools in order to meet special needs?

Within the wider question of how special educational needs should be identified, assessed and resourced with appropriate quality control and accountability measures, participants identified a number of current problems and dilemmas which created the landscape within which LMS would have to operate.

Firstly, there was widespread concern at the reduction in support services and the loss of LEA expertise in consequence. The squeeze on centrally held funds when 90 per cent of the school budget was delegated would inevitably have deleterious effect on the ability of the LEA to think and act strategically and could create perverse incentives to schools as well as parents to seek statutory assessment in order to access both advice and resources to meet special needs.

Secondly, there will always be a constant and dynamic tension between investment in individualised and differentiated programmes of support for particular pupils and the development of wider support systems based upon a whole school approach. The principle of *entitlement* to a broad and balanced curriculum (with corresponding focus upon potential and achievement) is widely accepted. But notwithstanding the draft Code of Practice's concept of *continuum* of assessment, planning and review which draws upon the experience and expertise of the school and a wider range of advice from within the LEA, there are major challenges within a rapidly changing education system. The question was posed as to whether greater *autonomy* of schools is really compatible with greater *accountability* within the education system as a whole. Can the OFSTED approach ensure quality unless schools develop their own capacity and procedures in advance of and following inspection? Schools do not start from a level playing field. In some the majority of pupils may be within the first three school-based stages of assessment as described in the Code of Practice. The resources implications (and the skills base) for the Special Educational Needs Co-ordinator

have not yet been addressed, some schools currently allocating these functions on a random and part-time basis with no job security and little commitment by governors to the co-ordinating and planning nature of the tasks involved.

Thirdly, the increased *empowerment* of parents since the implementation of the 1981 Education Act has taken place within a '*charter culture*' where parents increasingly see individual needs in terms of statements and legal challenges for packages of support. The advent of the Tribunals may bring greater specificity to the system. But Tribunals are unlikely to decrease the escalating demand for statements (from under 2 per cent to over 4 per cent in some LEAs) and parental perspectives of assessment may increasingly see assessment as an adversarial system with winners and losers. Changes in the resourcing of local authority support services may also create perverse incentives for *schools* to encourage parents to request assessments in order to earmark and ring-fence resources. A system which encourages the most articulate and well-supported parents to pursue their views of their children's needs may lead to rough justice and actual disenfranchisement for those parents (and schools) which are unable to plead their case effectively and lead to *resource drift*. Equally, any parental pursuit of out-of-county expensive residential provision because of their disbelief in the competence of local services will lead to anomalies in planning and increased competition amongst schools to refuse children who might have special needs which will be inadequately supported or because they doubt their own capacity to cope.

Fourthly, the *boundaries* of definitions of special educational needs are increasingly being widened. The key findings of both the National Commission of Education and of the OFSTED report on Access and Achievement in Urban Education clearly demonstrate the risk of an emerging under-class in city schools, where educational improvement was doubly hindered by over-generalisation about the impacts of social disadvantage; where in consequence *initial* assessment of any special needs was often weak and failed to identify pupils' *specific* learning difficulties and where support was not therefore targeted appropriately nor used efficiently to encourage learning. Both reports concluded that whereas the quality of provision and the associated support for pupils with statements was satisfactory and often good, the challenge of the 'eighteen per cent' was frequently poor and cumulative in terms of long-term poor performance by pupils and schools.

The needs of the 'eighteen per cent' were seen as critical issues for an effective management of LMS. There was widespread disquiet about the use of free school meals as a proxy indicator of SEN and considerable interest in the *local audit and moderating schemes* being established in a number of authorities. The growth of individual school autonomy (particularly in those authorities where there were significant numbers of opted-out schools) was seen as incompatible with meeting special needs without the use of *clustering* at local level (to pool resources and expertise), given the uneven and unpredictable nature of special needs in any school in a particular year.

Several LEAs represented among the participants highlighted the importance of recognising the wider context of special educational needs and the importance of acknowledging the increasingly pluralist network of providers who might support schools. The challenge of pluralist providers is creating similar dilemmas within health and social services (who could usefully be included within local moderation and audit procedures). The role of the LEA is changing radically (especially within those LEAs where there has been a marked shift to GM status) and the spectre was raised of an increase in such a trend as a consequence of the local Government Review. DHAs and social services, on the other

hand, retain a strategic planning and commissioning role for children and, as the purchasers of services, can directly influence the nature and quality of provision being made. The draft Code of Practice assumes major improvements in the quality and coherence of networking between all relevant agencies at the first notification of concern, but many schools will need considerable support in creating such cross-boundary working relationships. Schools also need help in creating the recording and information retrieval system to improve assessment and review - as well as providing relevant information to the LEA in terms of planning authority-wide support.

The Kent model was discussed as a way forward in achieving LEA-wide as well as school-based development through the use of the audit process, with agreed and comprehensible levels of entitlement (with the clarity about the levels of support these might attract). The Kent '*commissioning*' role relates to social service and child health services in order to integrate planning systems and to be specific about how best to provide for (and resource) children with complex needs for whom a single agency role would be inappropriate. Joint commissioning is still in its infancy and requires high levels of commitment to shared planning and resourcing procedures, but it acknowledges the multifactorial nature of special educational needs and can prove a *community* approach to the needs of individual children. There was agreement that such an approach would in itself create new challenges, in particular the importance of improved recording and review procedures in all agencies, with transparency about data and descriptors of children's performance and needs which would be comprehensive and which could be matched to services and resource levels. The concept of continuum of provision from individual to clusters of schools; from audit and moderation across LEAs to a joint planning and commissioning process was seen as critical in developing appropriate and comprehensible factors for planning the formula for the SEN element of the budget and also for ensuring that there were clear and agreed *outcome* measures with which to review and assess the appropriateness of response to particular children's needs.

There was general concern at the management of delegated funding for statemented children and the risk of such monies being diverted into the wider schools system with inadequate review and supervision. Particular concern was also expressed about the small number of children with PMLD, whose needs and whose successes did not necessarily fit into more generalised outcome measures and who would require highly individual packages of care and support. The debate about outcome measures needs to avoid the simplistic; when outcome measures are dominant in terms of defining school effectiveness, schools may be tempted to spend money and effort (and accept children) only where they are most likely to be successful. This approach could in turn lead to more selectivity in admissions arrangements; more exclusions and an increase in referrals for statutory assessment. Performance league tables need the '*value added*' element clearly stated if schools are to become more inclusive, more dynamic and more confident in addressing a wider range of needs.

Some participants felt that the debate about LMS should be put in the context of wider structural issues in social policy, for example the evidence of educational failure amongst the prison population as articulated by Judge Stephen Tummin, Chief Inspector of Prisons, and the importance of funding *preventive* services (in particular the provision of nursery education). Schools operate within the broader context of their local communities and populations and if the *context* is ignored, any policies on special educational needs will be

undermined or negated. Discussion of the *context* as well as *concept* of special needs also led to strong endorsement of encouragement for *clusters*; of the need to encourage schools to create new alliances in terms of special needs and of the importance of clusters in enhancing and extending the pool of competencies on which an individual school might draw in identifying, meeting and reviewing individual pupil's special needs.

SCHOOL EFFECTIVENESS

Some participants felt concern that the debate about specific outcome measures and proxy factors for the SEN element in formula funding diverted attention away from the critical issue of school effectiveness and development. School policies on special educational needs *may* lead to more inclusive schools. But concepts of inclusion which are tantamount to placement without planning support and conscious growth and development in schools will be counter-productive. One participant queried if *effective* mainstream schools - within the current 'market-place' culture - could ever be really inclusive. Is positive discrimination in favour of some pupils a good thing and, if so, who agrees and prioritises the use of which elements of a school budget and resources for particular children? There was general agreement that LMS - with reduction in centrally held budget and centrally managed and easily accessible support services - will require some radical changes in terms of the professional development of teachers and in the development of schools themselves.

The previous Policy Options seminar on *Effective Schools* had highlighted the importance of creating a school culture within which schools moved and learned rather than merely responded to internal and external changes in an ad hoc and often defensive way. LMS (and the school based processes of the draft Code of Practice) pre-suppose a skills-base and a responsiveness within school policies which can only be fully addressed within an interactive *school development plan*. Responding to increasing diversity must mean school *improvement* - but school improvement (however defined) will mean schools identifying, supporting and *keeping* children with special needs within schools which are themselves subject to market forces; where external advice and expertise may require negotiation or even actual purchase, and where *parent* power may actually steer schools to becoming more selective and less responsive to children with difficulties unless they (and the community they represent) more fully understand the ethos of schools and the importance of balancing resources across the full spectrum of pupils. *Equal Opportunities* have been little addressed in most schools in terms of *disability* rights and the celebration of diversity - but the next decade is likely to see a significant disability lobby for greater inclusion. Schools and LEAs will need to involve new groupings within their resourcing policies and to ensure that at LEA level the SEN element of formula funding is clearly articulated, locally accepted, open to audit and moderation and ultimately to modification.

SOME KEY MESSAGES

The discussion concluded with a number of key issues for further clarification:

- What constitute the most effective measures for determining the SEN factor within formula funding?

- How can we build upon the existing models for local clusters, moderation and audit arrangements to ensure transparency and consensus at local level in identifying special needs and matching appropriate levels of resourcing to provision to meet those needs?
- How can we measure and manage the *social* context of special educational needs - and achieve joint commissioning agreements which access schools and LEAs to the full range of child health and social services?
- Can we learn from the experiences of a Tribunal system, when operational, about *why* parents feel statements offer the only safeguards for their children; about *how* assessment arrangements can be given greater accessibility, clarity and relevance to a child's and a school's needs?
- What will be the outcome of the Local Government Review, with new boundary changes; new patterns of accountability and the inevitable fragmentation of many existing support systems?
- How can we protect and enhance support advisory services within an increasingly devolved system to ensure that schools are helped to develop their professional skills, respond appropriately to children with diverse special needs and work collaboratively through clusters, local audit and moderating groups? How can schools collaborate with the LEA in developing criteria for the allocation of centrally held funding for SEN and also ensure that such monies are used effectively, carefully monitored and that there is coherence on an LEA basis?
- The final challenge will be that of *corporateness*; special needs cannot be entirely met on an in-school basis without external reference. The debate about LMS must continue with emphasis on the need for clarity about criteria for resourcing and hence fairness and equity; with a clear *value-basis* for service and with a wider debate as to whether the Government will specify *a minimal level for resourcing and provision for SEN*. The social context of special educational needs has to be considered. Macro changes to the system (in particular following local government review) will necessitate new alliances - within schools, between schools through the cluster approach and across LEAs through local moderation and audit as a means of achieving solidarity and avoiding fragmentation within policy and practice for pupils with special educational needs.

IN CONCLUSION

There was universal concern among the seminar participants that the generally welcomed principles of *school* based responses to special educational needs could be damaged by the reality of substantial reductions in support services due to the impact of pressure to delegate funds for SEN teaching support. As early as 1990, a SENNAC survey had found indications of a reduction in such support services and HMI (in their 1993 report on LMS and SEN) had similarly noted significant differences between the earlier and later stages of their work. An NUT survey of exclusions had clearly linked increases in exclusions to reductions in the actual support services that increased the effectiveness of the schools'

response to children with difficulties. Similarly, it was considered that the dispersal of central services could lead to a dilution of expertise - such expertise only being maintained when sufficient specialist teachers could work together and regularly review and update their skills. Some participants had expressed fears that the attrition of central support teams might also mean the dispersal of significant pieces of equipment for the use of pupils without *statements*. The reduction in such services was seen as likely to lead to an enhanced demand for *statements* to access advice, equipment and assistance. Such perverse incentives to statement can only be addressed by clarity within LEAs about the allocation of the SEN element in the formula for allocation; by a wider national debate about provision for special educational needs and by the encouragement of LEAs to explore the benefits of SEN audits for allocating the SEN element in the formula for delegation. There has to be clarity and equity about resourcing arrangements, and clearly articulated LEA as well as school policies which demonstrate equity and accountability in the way that resources are requested, managed and reviewed in the best interests of pupils.

CONCLUSION

by Klaus Wedell

The contributors to this seminar have pointed to ways in which the equitable allocation of resources to children and young people with SENs might be achieved. However, one of the main conclusions which emerges from the proceedings of this seminar, is that the problems about resource provision stem from the fact that many of the current educational policies work out in mutually incompatible ways. Policies such as those promoting parental choice, accountability through market principles (eg competition between schools), the promotion of the autonomy of individual schools, and the quest for value for money have aspects which, in themselves, may obviously be appealing. However, in the current overall educational scene, and in a context of severe financial constraints, they have the potential to frustrate the qualified commitment to non-segregated special educational provision endorsed by the 1993 Act's reaffirmation of the 1981 Act.

There has also been much concern that policies should be 'transparent' in the way in which they work out. However, there has not been a matching willingness to be transparent about the contradictions to which they often lead. The following are some of the main contradictions which have become apparent in the course of the seminar:

- Given the severe resource constraints on schools, it seems extremely doubtful that parental choice for non-segregated provision for pupils with SENs can in fact be ensured through a system of funding schools, which is intended to reflect parental choice.
- The draft Code of Practice sets standards of provision to be observed by school governors. Maintaining these standards places demands on resources, demands which cut into the resources for a school's pupil body as a whole.
- A school's capacity to meet the demands of the Code are clearly stated to depend on the availability of support services. A school will either obtain the services from the LEA directly, or it will have to buy them in with delegated funding. However, it is generally agreed that services - at least those for pupils with minority forms of SENs - cannot be maintained if they are solely dependent on purchases from individual schools. If they are to be preserved, LEAs will still have to provide them.
- LEAs will only be able to fund such services by withholding funds centrally. Furthermore, to achieve economy of scale and effective value for money, it will be necessary for the LEA to take the lead in ensuring a coherent and co-ordinated spectrum of support within its area. Both these considerations are counter to the policy of maximum delegation to schools and the furtherance of their autonomy.
- The Code of Practice is to be enforced through inspections - presumably on the criterion of a school's 'reasonable' allocation of resources to its various obligations. It will be difficult for a school to meet the demands of the Code of Practice without some preferential allocation to meeting the SENs of its pupils. Inspectors will therefore be faced with a quandary in their evaluations of a school's 'reasonableness'.
- If schools do not allocate sufficient resources to meeting their pupils' SENs, they will probably turn to the statement procedure as a way of supplementing their resources for

this purpose. However, the Code of Practice sets out the level of school-based provision, below which the LEA itself is not obliged to make provision by means of a statement. As a result, there may be a gap between the provision which a school is willing to resource, and the provision which an LEA will make.

- These 'gaps' are likely to lead parents to appeal to Tribunals, in order to obtain the necessary non-segregated provision for their children. Tribunals are expected to observe the terms of the Code of Practice in deciding where and how provision should be made, and their brief is to make their decision regardless of the practicalities facing the school.

The above examples of some of the dilemmas are, of course, not new to those concerned with meeting pupils' SENs. However, the recent educational policies have accentuated them, because the policies have, in fact, often reversed the priorities which are normally applied. For example, during the passage of the 1993 Act, those lobbying on behalf of children and young people with SENs put the case that cost-effective use of limited resources should require the government to maintain its policy stated in Circular 7/91. This required LEAs to formulate and ensure a coherent overall policy to meet the range of special needs among pupils in their areas. However, in order to maintain its overriding policy of individual school autonomy, the government limited its requirement for coherence to the wording of Section 159 of the 1993 Education Act:

'A Local Education Authority shall keep under review the arrangements made by them for special educational provision and, in doing so, shall, to the extent that it appears necessary or desirable for the purpose of co-ordinating provision for children with special educational needs, consult the funding authority and the governing bodies of... schools in their area'.

This example shows how concern for cost-effectiveness can be thwarted when a contrary policy is given priority. When problems in resource allocation then ensue, and the effectiveness of meeting pupils' SENs is reduced, it is often not acknowledged where the origin of the problems lie. It is clearly important that the principle of 'transparency' is extended to these kinds of situations, so that parents, governors, the staff of schools, LEA administrators and any others concerned can recognise why SENs are not being met effectively. Hopefully, the considerations of resource issues in this seminar will contribute to clarifying where the causes of some of the problems lie.