1. RECOMMENDATIONS

1.1 The Committee is asked to note the Audit Commission report (Appendix 1) and the proposed actions to address the recommendations.

2. EXECUTIVE SUMMARY

2.1 The Audit Commission carried out a performance summary report of special educational needs (SEN) in Croydon during summer 2006. Their report is attached as appendix 1.

3. DETAIL

3.1 The findings of the review are generally very positive. In particular, the Audit Commission reports that:
• Financial management has improved considerably since their last audit work in 2003/04 and 2004/05
• The SEN budget is now under much better control. It has remained at a similar level for the last two to three years, with any increases attributable to inflation
• The actual profile is now close to officers’ predictions
• There are no longer unpredicted fluctuations in expenditure between financial years.

It also commends the action that has been taken to delegate most of the funding for statements to schools.

3.2 Nonetheless, there is no room for complacency. The report notes that all local authorities face a considerable challenge in meeting the needs of children with SEN within available resources. It also highlights several areas that need particularly close attention:

3.3 **Out-borough placements**
*Recommendation:*
- Setting specific targets for increasing in borough capacity and monitoring progress

3.4 Around 200 pupils are placed in independent special schools. Their fees are nearly always considerably higher than the cost of provision in schools maintained by the LEA. For some residential provision, the costs can exceed £100,000 for an individual student. This provision is paid for by top-slicing the schools budget, so it is mainstream schools that have to bear the costs indirectly rather than the Council.

3.5 The Schools Forum has given in principle approval to use the schools budget for prudential borrowing to allow the development of 3 new resource bases (specialist SEN provision that is an integral part of a mainstream school). Discussions are under way with potential host schools to discuss the possible size, format and location of these resource bases. It is too early to set targets while these discussions are under way. However, we will do so and monitor progress towards them as soon as plans are in place.

3.6 **Building local capacity**
*Recommendation*
- Developing a model for forecasting future SEN need to inform the planning process

3.7 The 3 new resource bases will mark the first phase of developing in-borough capacity and will address the most pressing areas of need (11-16 provision for autism, behaviour and profound and multiple learning difficulties). For the longer term, we have recently constructed a database on which to base assumptions about future requirements and forecast future trends. The next step is to test out the reliability of the database and begin the process of modelling for future years.

3.8 **Transport**
Home to school travel assistance costs around £5m per annum. In the longer term, this rate of spend can be reduced by developing more local specialist SEN provision so that pupils do not have to travel so far to get to school. In the shorter term, we are reviewing pupils' entitlements to travel assistance.
3.9 This autumn, a draft policy will be issued for consultation. We expect subsequently to review and amend the travel support provided for some pupils, particularly older pupils who can acquire the skills to travel independently.

3.10 **Statutory processes**

**Recommendation**

- Ensure that statutory obligations are met in term of annual reviews and transition plan

3.11 The local authority does not have the capacity to be able to attend all annual reviews and ensure that they are conducted in accordance with the guidelines. The SEN team is focusing on those pupils at greatest risk, especially those who are in out-borough placements and closely monitors the content of all reports to ensure that any problems are identified.

3.12 Nonetheless, the team is reviewing its processes for monitoring annual reviews and updating statements in light of the Audit Commission report to see whether any improvements can be made.

5. **FINANCIAL AND RISK CONSIDERATIONS**

5.1 **Revenue and Capital consequences of report recommendations**

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5.2 **The Effect of the Decision**
The report itself has no effect on the budget position. The table above shows that past growth in out-borough expenditure on SEN out-borough placements will be stabilised by the creation of additional in-borough provision. As the report indicates, revenue funding has been voted by the Schools' Forum from the ring fenced Delegated Schools Grant to support capital expenditure on in-borough provision. The bulk of capital spend will fall in 2007/8.

5.3 Risks
Some financial risks continue to be associated with SEN expenditure and control. The budget tends to be needs-led, is difficult to predict year on year and on occasions there is pressure through the SEN tribunal process to supply placements for children in line with parental expectations. All of the audit recommendations will assist in good financial management.

5.4 Options
The recommendations put forward were those issues identified by the Audit Commission.

5.5 Future Savings / Efficiencies
Any savings made on out-Borough placements will be recycled within the Schools Funding block for the benefit of mainstream school budgets.

(Approved by: Andy Parkin, Departmental Head of Finance)

6. COMMENTS OF THE SOLICITOR TO THE COUNCIL
6.1 The Solicitor of the Council comments that there are no additional matters arising from this report.

(Approved by: J Harris Baker, Lawyer on behalf of the Council Secretary and Solicitor)

7. HUMAN RESOURCES IMPACT
7.1 There are no Human Resources considerations arising out of this report.

7.2 Approved by: Robert Laban, Head of HR Consultancy, on behalf of the Divisional Director of HR & OD.

(Approved by: Robert Laban, Head of HR Consultancy, on behalf of the Divisional Director of HR & OD)

8. CUSTOMER FOCUS, EQUALITIES, ENVIRONMENTAL, HUMAN RIGHTS & FREEDOM OF INFORMATION IMPACTS
8.1 The report indicates that the overall effectiveness of Croydon LEA’s management of systems and support relating to children and young people with special educational needs is improving. We are continuing to look for ways of strengthening customer focus, not least by consulting parents, families and children on the adequacy of support, and securing fair access to services.

8.2 The right to Education is regarded as one of the fundamental human rights and is enshrined in the Human Rights Act 1998 as well as in article 28 of the UN Convention on the Rights of the Child. Croydon LEA is committed to protecting
and promoting these rights in the provision of appropriate educational opportunities.

8.3 There is no impact on the environment or Freedom of Information.

CONTACT OFFICER: Martin Howarth, Head of SEN Inclusion Strategy

BACKGROUND DOCUMENTS: