



National Audit Office

**REPORT BY THE
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Department for Education

Oversight of special education for
young people aged 16–25

Summary

1 ‘Special education’ is the education, training and other support provided to students with special educational needs and disabilities.¹ It is provided to young people with a wide range of needs, including learning difficulties like autism or dyslexia, sensory and physical disabilities such as visual impairment or mobility problems, and other profound and/or multiple needs. It covers a variety of assistance from, for example, additional classroom support to full-time packages of education and specialist therapy.

2 Most young people’s special educational needs are identified before they are 16. At this age they reach the end of compulsory education, and those with continuing needs require support from their existing school or a new education provider. In the 2009/10 academic year, over 30,000 young people aged 16–25 received extra support for higher-level special educational needs, at a cost of around £506 million.² A further 87,700 with lower-level needs in further education received around £135 million of special educational support. An additional 28,800 students with lower-level needs were supported in mainstream schools, where the cost of support is not separately reported.

3 Special educational support helps young people participate and achieve in education and training. Funding allows most students with lower-level needs to pursue academic and vocational qualifications on a comparable basis to other students. Many with more complex needs also obtain qualifications, sometimes with more intensive support. For example, around 5 per cent of all young people with a Statement of Special Educational Needs go to university. Others, for example those with more severe learning difficulties, may have learning aims focusing more on independence skills such as managing money or using public transport. A major challenge for the bodies overseeing special education is how to determine success given the breadth of individual needs.

4 The **Department for Education** (‘The Department’) sets the policy framework for special education in England, including for young people aged 16–18 (and 19–25 for those with Learning Difficulty Assessments³). Its intention is that ‘every child with special educational needs reaches their full potential in school and can make a successful transition to adulthood and the world of further and higher education, training or work’. Its 2011 *SEN and Disability Green Paper* set out objectives of ‘employment, good health and independence’.

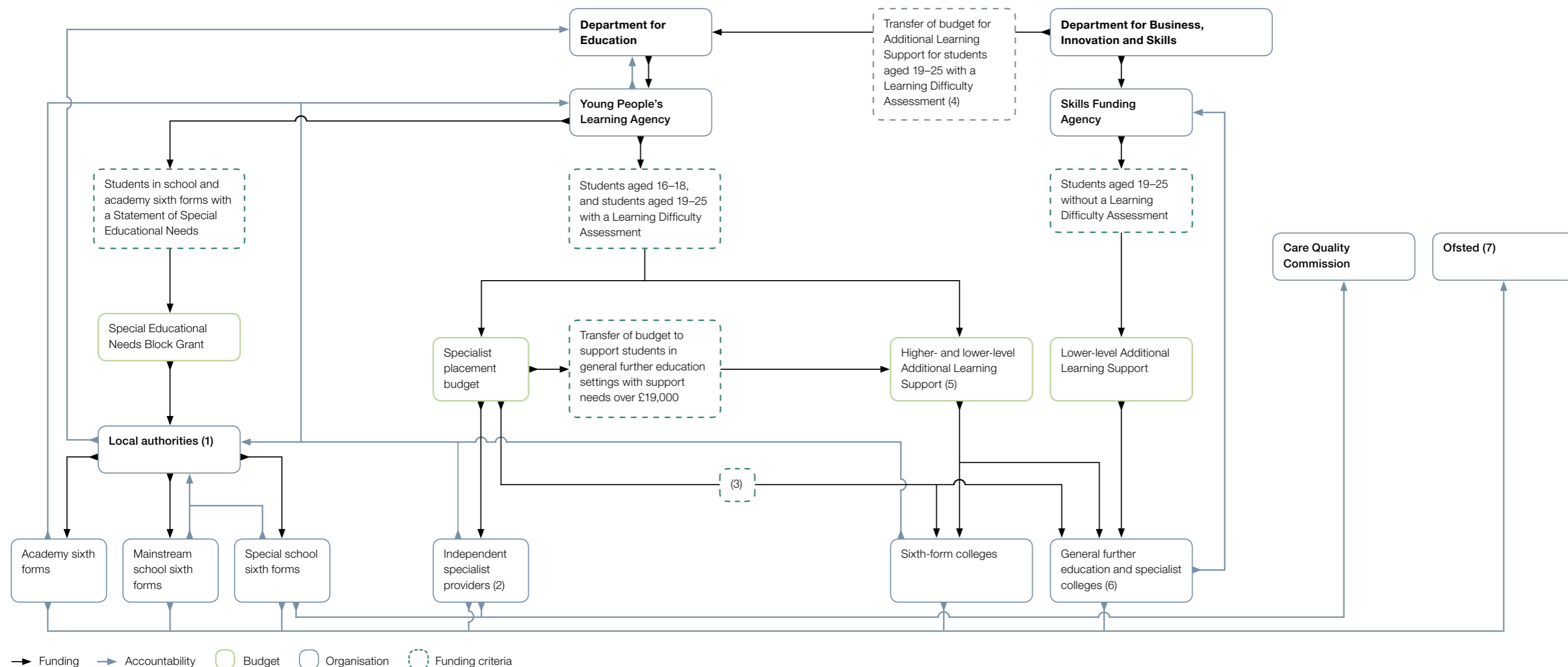
5 **Figure 1** overleaf shows the provision, funding and accountability arrangements for 16–25 special education, which is provided within the wider post-16 education system. Students with special educational needs attend either ‘mainstream’ providers, such as general further education colleges and schools, or special schools and independent specialist providers. Our report *Getting value for money from the education of 16- to 18-year-olds* noted that provider mix in an area is, in part, a legacy of changing education policy, both locally and nationally.

¹ In schools, the usual terminology is ‘special educational need’ (SEN). In general further education, sixth-form colleges and independent specialist providers, ‘learning difficulty and/or disability’ (LDD) is used. In this report, we use ‘special educational needs’ to refer to students in all settings, unless otherwise stated.

² We use ‘higher-level special educational needs’ to refer to students who have a Statement of Special Educational Needs, attend independent specialist providers or receive Additional Learning Support over £5,500.

³ See below, paragraph 6.

Figure 1
Funding, accountability and provision in the 16–25 special education system (2010/11 academic year)



NOTES

- 1 The Special Educational Needs Block Grant is managed by local authorities and is not ring-fenced.
- 2 Placements in independent specialist providers are commissioned by local authorities via the Young People's Learning Agency, which contracts with and funds these providers.
- 3 Funding from the specialist placement budget is also used to fund some specialist placements in general further education.
- 4 The Young People's Learning Agency is responsible for all students with Learning Difficulty Assessments, and the Skills Funding Agency for students aged 19–25 without. In practice, as no data is collected centrally on whether students have Learning Difficulty Assessments, the threshold of £5,500 Additional Learning Support is used as a proxy.

- 5 School and academy sixth forms also receive Additional Learning Support from the Young People's Learning Agency, calculated on a formula basis based on students' prior attainment (not shown – see note 6, Figure 8).
- 6 Excludes private and other training providers, who received 2 per cent of total Additional Learning Support funding in 2009/10.
- 7 Estyn, the education and training inspectorate for Wales, inspects providers in Wales which may be attended by students from English local authorities funded by the Young People's Learning Agency.

Source: National Audit Office

6 Most post-16 students with special educational needs make their own choice of provider. Those with higher-level needs should be placed in appropriate provision by local authorities, on the basis of continuing ‘Statements of Special Educational Needs’ or separate ‘Learning Difficulty Assessments’ for those leaving their current school. The preferences of students and their families should be considered in these decisions.

7 The Department for Education largely devolves oversight of the post-16 education system, including special education, to other public bodies:

- The **Young People’s Learning Agency** (an agency of the Department for Education) funds education and training for all young people aged 16–18, and those aged 19–25 with Learning Difficulty Assessments.
- **Local authorities** must secure enough suitable education and training to meet the needs of all young people aged 16–18, and 19–25 with Learning Difficulty Assessments.
- The **Skills Funding Agency** (an agency of the Department for Business, Innovation and Skills) funds education and training for young people aged 19 and above, except those aged 19–25 with Learning Difficulty Assessments.
- **Ofsted** (the inspectorate for education, children’s services and skills) assesses the quality of education in each provider setting.

8 The Department for Education’s *SEN and Disability Green Paper* proposes significant changes to special education from birth to age 25. The Department wants students with special needs to have a genuine choice of educational settings, free from any ‘bias towards inclusion’ in mainstream education. Proposals include a single Education, Health and Care Plan for those with special needs from birth to 25, a published ‘local offer’ of available services and, by 2014, the option of a personal budget for all families with children with higher-level needs.

Scope of the report

9 The Department for Education does not deliver special education for young people directly. However, it is responsible for policy objectives, the legislative and delivery framework, and for whether provision, overall, is value for money. To deliver their responsibilities, the Department, Agencies and local authorities need an oversight framework which provides information to assess value for money and inform decisions about special education provision and policy.

10 This report examines whether the Department for Education, Agencies and local authorities use information effectively to help secure value for money from 16–25 special education in England. **Figure 2** sets out the criteria we consider reflect an effective framework. The report does not cover transition for young people leaving 16–25 education, or support for students in apprenticeships or higher education.

Figure 2

Assessing information to support value for money in 16–25 special education

Key value-for-money questions	Criteria
Part One: Is there a clear framework of oversight and information to provide assurance on value for money?	<p>Clear lines of accountability for delivery and performance</p> <p>Effective oversight of the performance of all types of provider</p> <p>Information sources supporting overall assessment of costs, quality and outcomes across all types of provider</p>
Part Two: Does available information confirm that provision overall is value for money, including in the longer term?	<p>Objectives delivered across different providers and localities</p> <p>Explanations for large variations in cost, choice of providers and outcomes</p> <p>Evidence that improved outcomes provide longer-term benefits to students and the public purse</p>
Part Three: Are specific decisions about student placements based on full information about costs and outcomes?	<p>Robust assessment of students' needs, and providers' ability to meet them</p> <p>Decisions based on full understanding of all relevant costs</p> <p>Adequate information to allow students and their families to make informed choices</p>

Source: National Audit Office

Key findings

Oversight and information framework

11 The Department has reasonable oversight of specific special education funding and the general performance of providers. However, the Agencies' and local authorities' understanding of, and influence over, performance in delivering special education varies by provider type. Special education is only one aspect of provision in mainstream education, and oversight frameworks for these providers understandably focus on general performance. Performance oversight and Ofsted assessments generate less specific evidence on the quality and performance of special education in mainstream settings. Both students and local authorities therefore have variable information to inform their choice of provider. Mechanisms for intervention in case of concerns over performance also differ. Specific sanctions can be applied to independent specialist providers, but intervention in further education is restricted to when general performance is at risk.

12 There is good information on individual aspects of provision, but the Department’s ability to assess the value for money of post-16 special education overall is limited by inconsistent data classification, incomplete visibility of expenditure and non-comparable or under-developed measures of success.

There is good information covering expenditure on higher-level Additional Learning Support and placements with independent specialist providers, but total expenditure on supporting students with special educational needs is not known. Classifications of need are not comparable across provider sectors. Although numbers of students with Statements and other special educational needs in state-funded schools are reported, numbers of students with Learning Difficulty Assessments in further education can only be estimated using funding levels as a proxy. Course outcomes and student destinations are collected across further education and schools sectors, but not on a complete and comparable basis, and collection of destination data from independent specialist providers ceased in 2009. Enhancing employability and independence have been broad objectives for special education for some time, but the Department has yet to specify how it determines success against these objectives.

Indications of overall value for money

13 Achieving the Department’s objectives of greater independence and employability through special education could benefit individuals and reduce longer-term support needs. We estimate that the cost to the public purse of supporting a person with a moderate learning disability through adult life (16–64) is £2–3 million at today’s prices. Equipping a young person with the skills to live in semi-independent rather than fully supported housing could, in addition to quality-of-life improvements, reduce these lifetime support costs by around £1 million. Supporting one person with a learning disability into employment could, in addition to improving their independence and self-esteem, reduce lifetime costs to the public purse by around £170,000 and increase the person’s income by between 55 and 95 per cent. If properly focused and effective, therefore, investment in special education should provide long-term returns. However, 30 per cent of young people with Statements at 16 are not in education, employment or training at 18, compared to 13 per cent of those without special educational needs.

14 Where comparable data is available, course outcomes for young people receiving special educational support are improving at similar or better rates than for students overall, while known special education funding per head has decreased in schools and further education. The proportion of students with special educational needs attaining five GCSE A*–C or equivalent or above by age 19 has increased by around 18 percentage points since 2005/06. Qualification success rates in further education are similar for students with and without special educational needs, at around 80 per cent. In mainstream schools, students with special educational needs studying A-levels or equivalent have increased their average point scores faster than those without, although starting from a lower baseline. Total funding for special

education has increased in real terms since 2005/06, but higher student numbers mean that known funding per head for both Additional Learning Support and the Special Educational Needs Block Grant has decreased. Overall spend on independent specialist provider placements increased in real terms between 2005/06 and 2009/10, as did average placement cost. Both fell slightly between 2009/10 and 2010/11.

15 There are wide local variations in the proportions of young people studying in different provider types, and in the availability and use of specialist provision (including special schools). How far these variations reflect commissioning preferences or student choice is not known. In some areas, almost all students aged 16–18 with special educational needs study in schools, while elsewhere further education predominates. How frequently local authorities use general further education or independent specialist providers for students aged 19–25 with higher-level needs varies widely. Local or regional capacity constraints may affect the availability of choice between mainstream and specialist provision.

Local placement decisions for individual students

16 Learning Difficulty Assessments are key to local placement decisions, but require improvement. Ofsted found that these assessments were inconsistent, over-dependent on historic links with providers, and can lead to significant inequities in residential placement decisions. Only half of local authorities responding to our survey felt the assessments were very effective. Assessments should consider student and parental preference, but disputes about placement decisions can lead to appeals and unforeseen costs, particularly around high-value placements. Although information can help parental and student choice, only 25 per cent of local authorities responding to our survey said they routinely provide information directly to parents on education providers' outcomes, and only 20 per cent on quality.

17 Placement decisions for students with higher-level needs are not consistently informed by a full analysis of comparable costs, creating risks to value for money. When deciding between independent specialist provision and general further education, comparable costs may include elements not funded by education budgets, but nonetheless paid for by the public purse. For example, while many local authorities consider a range of costs, less than a third responding to our survey have data on health and social care costs for students in mainstream settings. Our analysis suggests that taking all comparable costs into account could influence whether local authorities choose mainstream or independent specialist provision.

Conclusion on value for money

18 There are positive indicators that course outcomes for young people with special educational needs are improving while identifiable special education funding per head has been decreasing. Our analysis demonstrates the potential for positive outcomes at this stage in young people’s lives to bring longer-term benefits both to individuals and the public purse. However, the Department, Agencies and local authorities do not currently have sufficiently complete or comparable information to fully understand the relationship between costs and outcomes across special education providers and between areas, or to fully inform student choice. In developing its proposed changes, the Department must address these limitations in the availability and use of information if it is to secure value for money in future from the £640 million of special education support for young people aged 16–25.

Recommendations

19 Diverse needs, and the importance of considering the implications and costs of changes within a wider system of post-16 education, present challenges for the Department in implementing its strategy. Our recommendations address the information problems highlighted in this report.

Oversight frameworks differ by provider type, and the Department lacks information to assess value for money across provider types and student needs.

The Department should:

- a** align implementation of work with the Department for Business, Innovation and Skills to develop terminology, definitions and datasets consistent with the needs of local authorities, so that students can be tracked consistently across provider types;
- b** work with Ofsted so that comparable systems of scrutiny and reporting for students with similar special educational needs are reflected in current work developing wider post-16 assessment frameworks;
- c** build on our analysis of lifetime benefits and costs so that the relationship of special education interventions to longer-term outcomes can be better understood; and
- d** standardise collection of destination data based on clearer specification of desired employability and independence outcomes.

Assessments of young people’s needs vary in quality, and local authorities do not always consider the full costs of different placement options to the public purse.

Given its objectives to offer greater choice and personalised budgets to students and parents by 2014, the Department should:

- e** review the impact of local capacity constraints and associated value-for-money implications arising from the historic mix of provision;
- f** work with local authorities and their partners to develop consistent costing approaches, so that integrated assessments of need and personalised budgets are supported by a full knowledge of the cost of different options; and
- g** ensure that Education, Health and Care Plans place greater emphasis on longer-term outcomes and progression, and a fuller consideration of all viable placement options within the local offer.