

Merton Council DSG Recovery Plan Revised Submission

Introduction

The council submitted its High Needs Block (HNB) Deficit Reduction Plan as required by the ESFA by 30 June 2019. However, in early July it became clear that the increase in EHCPs was continuing to rise at high levels. We have also been in discussion regarding submitting a 5-year plan rather than 3 years. We have therefore taken the opportunity to provide a revised document on this basis.

It should be noted that the council has sought to be realistic rather than unrealistically optimistic in setting out our plans, as the pressures that have led to the increases over the last 3 years are still with the council.

The Children and Families Act 2014 and the Code of Practice significantly and rightly raised expectations and aspirations of parents for children with SEND. The age range increased from statutory school age to include children under the age of 5 years and up to the age of 25 years. The test as to whether a child or young person should be assessed for an Education Health and Care Plan became a lower threshold, Part 3 Section 36 (8) of the Children and Families Act clearly states that an assessment should be carried out if the child/young person has or may have special education needs *and* it may be necessary for special educational provision to be made for the child/young person. This has led to an increase in the number of referrals for assessment by education settings but most significantly from parents who do not think their child's needs are being addressed at SEN Support. In addition to the legislative changes there has been a growth in the school age population, advances in life-expectancy for children, increasing poverty and improved identification and diagnoses all of which are also contributing to the growing number of children and young people with SEND.

There have been policy changes that affect inclusion within mainstream settings. The increased focus on inspection and through the broader accountability framework on Progress 8 and Attainment 8 does not incentivise mainstream schools to be inclusive. The shifting of the curriculum away from a vocational offer has given schools less flexibility to offer programmes of study likely to engage pupils less suited to traditional academic subjects. Decreasing funding has led to staffing cuts in mainstream schools which impacts on their ability to cater for children with SEND. There has also been cuts to supporting agencies budgets, which has decreased their ability to provide support services. The combination of these factors is leading both staff and parents to feel less confident about the ability of schools to meet children's needs at a pre statutory threshold level.

Whilst acknowledging all the wider factors, which make this particularly challenging we are not complacent about the work we need to do across the system to minimise the need for statutory assessment and decrease our reliance on the use of independent specialist placements.

We have ambitious plans to:

- continue expanding our state school provision (special schools and ARPs);
- work collaboratively with our state schools to provide support and encourage inclusive practice, hence reducing the need for specialist placements;
- improve the consistency of identification of SEN across borough settings and schools to provide support earlier in a child’s journey and reduce the need for statutory assessment;
- review intervention and support for young people age 14-25 so that we can develop more innovative and bespoke packages including apprenticeships and work experience placements.

1. Plans the council has put in place to reduce the deficit in increments over the next 5 years

The actions being undertaken to mitigate some of the cost pressures in Merton’s High Needs Block (HNB) are outlined below. It is noted that these actions do not reduce the deficit over the next 5 years – in fact the pressures on the system are such that despite these strategies the annual deficit will still rise from 2018/19 levels without further funding.

a) Expanding our state school provision (special schools and ARPs)

Over the next five years further expansion of our state funded provision should offset some of the growth in independent school placements. The further expansion of Perseid school that completed construction in September 2018 and the expansion of Cricket Green School will complete in two phases to enable additional children from September 2019. These expansions will provide an extra 67 placements by January 2022 compared to January 2019

As part of its High Needs assessment council officers have reviewed placements made into the independent sector over the past 5 years, and current trends and identified gaps where it is reasonable for the council to provide additional provision to reduce future Independent sector placements. As a result additional provision is planned and included in our capital programme that will provide for a further 100-120 places. Following a further review of the pressure, including benchmarking our current level of state funded provision from data provided by the DfE from January SEN2 return, the council is now considering further additional provision that will increase this to circa 140 places. The provision of an ASD base at Stanford Primary School (Academy) has been approved by the DfE and construction work is now completed for it to open and provide places from spring 2020. However, the other projects are generally at the early feasibility stage so will not start to have a positive financial impact until 2021/22 and beyond.

School and places	Project	Expected completion
Melrose School (SEMH) – expansion and change of	To reduce recent dependence on expensive primary independent SEMH provision	2021/2022

age range to provide primary annex – 16 places Subject to council approval expanding secondary SEMH provision by a further 16 places (new project since June 2019)		
Stanford Primary School ASD base - 24 places	ASD unit to meet need through adaptation of existing premises.	Early 2020
Secondary medical PRU - 20 places	Likely to be expansion of SMART Centre on Chaucer site	2021/2022
Subject to council approval ASD annex – 90 places agreeing the use of the site we are now planning for 90 places (previously a smaller project for 40 places in June 2019)	Adaption of council existing building to expand existing school	2021/2022

Therefore, while the council has implemented plans over the past 3 years, and future plans are in place to provide the most cost effective placement for children with SEND, they are preventing greater increases in spend on the High Needs block rather than decreasing expenditure.

b) Working collaboratively with our state schools to provide support and encourage inclusive practice, hence reducing specialist placements

The council held a borough wide conference with all its state schools on 10 May 2019. Entitled “Working together to meet the needs of children with Special Educational Needs and Disabilities in Merton”, the aim was to look at the problem together, and plan ahead strategically in the context of more being expected of schools and the Local Authority and less money to do this. It also outlined the legal context for schools including that a mainstream placement can only be refused if it would be incompatible with the efficient education of others, and there are no reasonable steps the LA could take to avoid this.

Over 90% of schools attended, and it was agreed to be part of a series of workshops to explore ways we can continue to work collaboratively across Merton to better meet the needs of children and young people with special educational needs and disabilities and in doing this address the deficit issue.

One element of this work is considering with schools how they can be better supported to develop strategies to enable more pupils to have their needs met at SEND support reducing the need for statutory assessment which will over time reduce the numbers of EHCPs and demand for more expensive specialist placements. This will also enable us to meet our joint stated aspirations of keeping as many children and young people in their local communities and educated as close to home as possible.

Recent reports from the NAO and London councils on the scale of the strategic challenge facing the system and ways that schools and LAs can work together to increase the inclusion in mainstream schools will be used as part of the planning and implementation of these sessions. Good practice in schools where children are held and effectively supported at SEN support, without the need for a statutory assessment will be shared and locality based planning and joint working considered.

We have set a realistic target for the percentage of children with EHCPs to remain in mainstream school to increase from 34% to 38% over the next three years, and thus proportionally more of the growth in EHCPs being within mainstream schools and the knock-on effect of the equivalent of 80 fewer pupils in independent school

c) Improve the consistency of identification of SEN across borough schools

The council now has a dedicated SEN advisor and one of our aims is that this will improve the consistency of identification of SEN across borough mainstream schools. This is being undertaken with the aim that schools will be able to continue to meet needs within a mainstream setting at SEN Support rather than increasing the number of EHC Needs assessments, which in turn can lead to an increase in EHC Plans and placements in more expensive specialist placements.

d) More intervention and support for age 14-25 cohort

The number of education placements for this cohort has gone up from 22 in January 2016 to 146 in January 2019, to a cost of £2.2 million in the 2018/19 financial year. Based on this trend continuing this is forecast to increase to a cost of £2.8 million in 2021/22 without further action.

It is therefore proposed to have a specific support officer to work with families to explore local options for encouraging increased use of apprenticeships and employment rather than staying in an education placement to age 25 when this is no longer the most appropriate option for further developing independence and preparing for adulthood.

2. How continuous improvement has reduced the deficit/ is going to reduce the deficit (e.g. sharing best practice, new contracts, and efficiency savings).

Plans for the future deficit are covered in the section above. The following in recent years has reduced the deficit:

a) Provision of extra state school placements:

The council has more than doubled its specialist provision places over the last 10 years, with the following expansions implemented or in the process of being implemented:

Cricket Green School (Special for Additional complex and varied needs)	Capacity 130 in 2012; current capacity 190 and now under construction to increase capacity to 260 places
Perseid School (Special for Severe and complex learning difficulties)	Increased capacity from 70 to 168. New Upper site in 2011 and further expansion

	completed in autumn 2018 to fill through year groups
Hatfeild Primary School (ASD Resourced provision)	14 places opened 2016
Raynes Park High (ASD Resourced provision)	Increased from 20 to 30 in 2016

The expansion of our special schools has enabled the council to provide 96 extra places in our Merton special schools in January 2019 compared to 2012. If this had not been provided and placements had instead gone to the Independent sector the cost would have been an additional £2.54 million per annum on the High Needs block (based on £48,900 average costs for independent sector Vs £22,400 in our state funded special schools).

b) Minimise our use of residential placements

One of Merton's strategies to reduce placement cost is to minimise the number of independent residential provisions we make as this often means young people are further away from their home and community and this is the most expensive placement for the local authority. Any of these placements now need to be authorised by both Assistant Director of Education and Social Care. In 2018/19 the cost of these placements was reduced by £1.045m compared to 2017/18 as detailed in the table below.

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Actual paid	3,094,756	3,227,136	3,191,289	3,494,780	2,449,010
Increase/(decrease) in cost		132,380	(35,847)	303,491	(1,045,770)

c) Reduced independent provision placements inflation increases through joint working with South London Consortium including use of a Dynamic Purchasing System:

Merton is a member of the South London Commissioning Program who introduced a Dynamic Purchasing System (DPS) across 10 Local Authorities to commission school placements within the independent non-maintained sector. Total savings on school placements has been £212,991.00 with Merton saving £43,306 in savings since the introduction of the DPS in 2017. The South London Commissioning Program also negotiates inflationary fee uplifts with the independent non-maintained providers on behalf of the Local Authority members. The total savings to the 10 Local Authorities on inflationary fee uplifts since 2017 is £1.8 million. Outside of the council's control, the DPS is being decommissioned; however, Merton will continue to utilise the processes implemented as part of this system to commission independent placements when required, and to issue contracts. The South London Consortium Program will continue to negotiate the inflationary fee uplifts on behalf of consortium members.

d) Inflated both ARP and EHCP banding allocations only once since 2013/14

Rather than reducing band funding to maintained schools, Merton only increased fees once in the past six years, requiring schools to fund inflation costs from within the school budgets. We have not reduced this funding as the message from schools is that they are struggling to support the EHCPs with the funding we are providing. With the number of schools ending up in deficit in Merton increasing from 2 in March 2014 to 9 in March 2019, we have been of the opinion that a reduction to budget would only move the pressure from the HNB to the SB. Schools have also had to fund the additional staff salary increases of up to 8% as most of the support on EHCPs is done by Teacher Assistants. Government only provided additional grant for teacher salary increases and left schools to pick up this additional cost pressure.

3. Details of any previous involvements between blocks, what current cost pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures

Transfer allowable 0.5% from schools block to the high needs block

The table below details the transfers that have been between blocks. The transfers undertaken up to 2016/17 and the transfer in 2017/18 was used to right-size the blocks on a permanent basis going forward. Since 2018/19 Merton has been transferring the 0.5% allowable amount from the SB to the HNB, although these transfers have not been moved permanently to the HNB and need to be agreed on an annual basis with both schools and schools forum.

With school budgets coming under more pressure this carries the risk that the transfer request could be rejected in future and therefore leave the HNB with an even bigger overspend.

Block	2016/17	2017/18	2018/19	2019/20
Schools	(4,183,180)	(250,000)	(500,000)	(600,000)
High Needs	4,114,810	250,000	500,000	600,000
Early Years	68,370			

The changes related to how the ESFA funded LAs.

The majority of the transfer was agreed with Schools Forum when Merton DSG increased in 2015/16. This was used to address HNB pressures at that stage which included independent day school provision as well as further education and independent special school provision for post 16 pupils.

Every year that the schools block grant increased more than just due to pupil numbers, the growth in funding was shared between maintained schools and academies and the special schools. As special schools were funded from the HNB, a transfer was required to allow the increase.

Although the additional funding was used to cover pressures in previous years, due to the increase in EHCPs and the inability to continue to transfer funding from the

schools block, these transfers were not sufficient to fund the growing number of plans.

A sub group of the Schools Forum has been set up to work with the Local Authority on strategically planning for actions to reduce the deficit including, how we can reduce the reliance on requests for statutory assessments and the use of the centrally retained HNF.

4. Details of contributions coming from the health and social care budgets towards the cost of high needs provision.

Children who are eligible for Child Continuing Health Care currently receive allocated nursing hours or packages of care which are included in the Education Health and Care Plan. The Council has a children's tripartite meeting to negotiate funding agreements but further negotiation regarding the funding split for residential or independent day placements is required to ensure joint funding for health provision is in place.

The current arrangement is for Education to fund 38 weeks of a 52 week residential placement with Social Care funding the remaining 14 weeks. A review of all residential placements is taking place to look at provision and funding arrangements.

5. How the LA has discharged its duties under the Equality Act 2019, C&F Act 2014 and common law to consult with those affected by the changes proposed

The changes proposed in this plan would not contravene the council's duties under the Equality Act 2019, C&F Act 2014 and common law.

Merton has sought to work with stakeholders as far as possible. In 2018 the LA undertook a High Needs Strategic Review consultation inviting responses from all parents of children with an EHCP and those undergoing a statutory assessment but not completed; all schools and settings and other professionals involved in supporting children with SEND.

The review outlined our aspirations for children and young people with SEND. In Merton our aspirations for children with special educational needs and disabilities are as ambitious as for all children and young people

- that children can attend provision close to where they live
- that they achieve well in their local early years, schools and college settings
- that children and young people can build relationships and friendships with their peers in their local community.
- that there is a sufficient range and choice of provision locally that meets children's educational outcomes
- that there is seamless transition from local education into independent living

Key outcomes included need for:

- (i) More in-borough specialist provision;
- (ii) Training for staff in schools to ensure they are sufficiently skilled to meet the need of the range of special educational needs of children within mainstream setting;
- (iii) Focus on developing children's skills for future independence;
- (iv) Easier access to children's health and therapy support;
- (v) Support for children's mental health needs
- (vi) Clear streamline EHCP process including multi agency support for children's annual reviews

We are currently consulting on our SEND Strategy 2020-23 which outlines our shared vision for the local area and outlines key priorities for the next three years in our implementation of the SEND reforms.

Summary of the savings and/or measures you propose to implement over the next three years which will reduce the overspend

The figures are provided in the financial template

7. A summary of the local circumstances and pressures that have contributed to the deficit, including a forecast spend (Divided into Mainstream schools, State-funded special schools, Further education and sixth form colleges, Independent specialist provision and Alternative provision

The figures are provided in the financial template

8. Please provide any further detail here if required, including any attachments that support your recovery and any disapplication reference number

The DSG deficit is due to over spending in the High Needs block. £31,565,594 of the £37,550,670 spend (85 %) in 2018/19 is pupil placement related costs, and the increase in spending over the last 3 years has been largely due to the rise in EHCPs and the related additional cost of specialist placements, with income into the DSG not increasing at the same rate.

Growth in EHCPs and related cost of specialist placements

The table below shows our analysis of the growth in placements of children with EHCPs over this period:

	Jan 2016 Total Statements and EHCPs	Jan 2017 Total Statements and EHCPs	Jan 2018 Total Statements and EHCPs	Jan 2019 Total Statements and EHCPs
PVI settings (Early Years)	0	1	7	7
State mainstream school	422	461	526	584
Additional Resourced/base Provision	110	111	116	125
State Funded Special School	358	388	416	440
Independent Schools	132	153	176	228
Post 16 College and traineeships	25	93	183	212
Post 16 Specialist	10	25	44	37
Alternative Educative	15	10	22	28
No placement (including NEET)	3	0	28	51
Total	1075	1242	1518	1712

Analysis from annual SEN2 returns. Note – the recording requirements for NEET etc. changed in 2018 and 2019

The council has increased its state specialist provision, hence the increase from 358 to 440 children in state funded special school placements. This has been possible through our expansion of our ‘Outstanding’ Perseid and Cricket Green special schools. Mainstream schools and Additional Resourced Provision are also providing for more SEND children with EHCPs. The expansion of our special schools has enabled the council to provide 96 extra places in our special schools compared to 2012. If this had not been provided and placements had instead gone to the Independent sector the cost would have been an additional £2.54 million per annum on the High Needs block (based on £48,900 average costs for independent sector Vs £22,400 in our state funded schools).

However, the expansion has not met the extent of the increase in demand and as a result the number of placements in the more expensive Independent provision has increased disproportionately from 132 placements to 228 (SEN2 return January 2016 and 2019). With the average cost of these placements being calculated as £48,900 in 2018/29, this increase of 96 placements is costing the council an extra £4.7 million per annum. The increase is in day placements; the council has ensured that the cost of residential placements has reduced (see section 2) by some £500k in the last 4 years.

The table below shows how the expenditure on day placements has increased by £6.2 million over the past 6 years, £4.5 million of which has been in the last 3 years.

	Expenditure £000	Pupil Numbers
12/13	£2,372	69
13/14	£2,826	84
14/15	£3,634	97

15/16	£4,100	116
16/17	£4,720	124
17/18	£6,117	149
18/19	£8,565	210

Note – these are day placements only – figures in other table include residential placements that have remained stable/reduced slightly

Other specialist placements to state funded schools and post-16 specialist are also having a financial impact.

Grant assumptions

The DSG Grant has not kept track with the growth in numbers of EHCPs over the past few years. We have built in the additional grant expected following the growth announcement in October 2019. We have assumed that this will be the final grant amount for 2020/21 and that any future increases in grant funding due to changes in numbers will be offset by the import/export adjustment as Merton has also lost significant amounts through this adjustment over the past two years.

The deficit recovery plan assumes this grant increase will continue in future. If this is removed from 2021/22, the deficit recovery plan will be worse off by £2.946m every year (accumulative £8.838m for the three years to 2023/24 and therefore £75.0m deficit in total).

General commentary on forecast spend

The forecast spend largely depends on the future number of EHCPs and future placements from this. The council has considered a number of models and its previous forecast on future EHCPs was that the growth should flatten as the implications of the 2014 and others reforms have flowed through the school system. However, it has become clear that there is no current sign of this as the council has recorded over 150 additional EHCPs in the 6 months from January SEN2 return to the end of July 2019. The council's model tracking EHCPs by year group as a percentage of the GLA (Greater London Authority) general population forecast, with some adjustment is not proving to be a forecast model with reliability and the council's view is that without a change in legislation or government guidance, the following increases need to be planned for over the next five years:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Pre-school	20	50	55	60	65	70
Primary	676	840	940	980	1010	1040
Secondary (Yrs 7-11)	584	665	710	770	815	860
Secondary Year 12+	286	296	316	336	346	356
Total post 19 (Year 15 to year 20)	146	166	196	221	231	241
Total all	1712	2017	2217	2367	2467	2567
Year on year increase		305	200	150	100	100

Based on these assumptions, it is therefore even more challenging to realistically see how expenditure can be reduced compared to 2018/19 levels, and the actions in this plan are designed to contain increases in expenditure while still meeting the council's statutory responsibilities.

We have therefore developed two financial models, the “do nothing model” that assumes mainstream schools will take the same proportion of EHCP children and we will not develop our state funded school provision and therefore all current placements and future growth goes to the independent sector, and “planned expansion model” that realistically shows the growth in our state funded provision, and an assumption that mainstream schools will provide for proportionally more. The tables below shows expenditure on these two scenarios and now shows it for the five years to 2023/24.

“Do nothing” - Without increase in Merton state provision etc.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
All						
Early Years (inc. Private & Voluntary S	£73,809	£171,264	£188,640	£205,080	£221,364	£237,648
Mainstream School (inc. Academies)	£5,211,207	£6,292,207	£6,933,198	£7,319,233	£7,606,220	£7,893,207
ARP (Additional Resourced Provision)	£2,241,090	£2,232,253	£2,243,901	£2,238,227	£2,242,308	£2,246,390
State Funded Special School	£9,863,705	£9,866,101	£9,871,186	£9,865,556	£9,861,078	£9,856,600
DAY Independent/Non-Maintained Prov	£8,700,741	£14,705,957	£18,113,318	£20,884,835	£22,900,996	£24,917,156
RESIDENTIAL Independent/Non-Maint	£2,449,010	£2,666,473	£2,908,322	£3,142,544	£3,270,346	£3,398,148
Post 16 College and traineeships	£936,267	£1,010,478	£1,129,324	£1,235,050	£1,281,522	£1,327,995
Post 16 Specialist	£1,243,370	£1,386,267	£1,605,314	£1,790,986	£1,867,134	£1,943,283
Other (including children Educated at H	£846,396	£951,055	£1,036,722	£1,121,069	£1,173,383	£1,225,697
NEET/"Do not include"	£0	£0	£0	£0	£0	£0
Total	£31,565,594	£39,282,056	£44,029,925	£47,802,578	£50,424,351	£53,046,125

With management actions (increase in Merton state provision and increase in mainstream)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
All						
Early Years (inc. Private & Voluntary S	£73,809	£171,264	£188,640	£205,080	£221,364	£237,648
Mainstream School (inc. Academies)	£5,211,207	£6,738,372	£7,468,596	£7,943,864	£8,320,084	£8,651,688
ARP (Additional Resourced Provision)	£2,241,090	£2,232,253	£2,387,331	£2,525,086	£2,636,740	£2,640,822
State Funded Special School	£9,863,705	£10,516,209	£11,014,479	£12,286,647	£13,044,364	£13,667,577
DAY Independent/Non-Maintained Prov	£8,700,741	£11,352,988	£13,062,644	£12,650,962	£12,544,991	£13,160,545
RESIDENTIAL Independent/Non-Maint	£2,449,010	£2,666,473	£2,908,322	£3,142,544	£3,270,346	£3,398,148
Post 16 College and traineeships	£936,267	£1,010,478	£1,129,324	£1,235,050	£1,281,522	£1,327,995
Post 16 Specialist	£1,243,370	£1,386,267	£1,605,314	£1,790,986	£1,867,134	£1,943,283
Other (including children Educated at H	£846,396	£951,055	£1,036,722	£1,121,069	£1,173,383	£1,225,697
NEET/"Do not include"	£0	£0	£0	£0	£0	£0
Total	£31,565,594	£37,025,360	£40,801,372	£42,901,287	£44,359,929	£46,253,403

The values in the forecast models are calculated using the 2018/19 average costs for placements. This is different to the higher overspend forecast of £9.990m at the end of September 2019 which was reported to Council as part of the normal budget monitoring reporting which is based on the latest expected numbers and the current year costs. The forecast models will be updated with new average costs after the year-end figures are available.

Many of the new projects planned for Merton will not have an impact until after 2021/22 but the action of Merton council (identified as S1 to S8) in the financial summary) would save just under £7 million per annum compared to the “do nothing option”. With the further savings of S9 and S10 the total saving is £7.13 million

However, since this is expected to be against the background of a further increase in EHCPs and demand for specialist placements, it will just be reducing the expenditure

on placements in 2023/24 from being £53.05 million to £46.25 million, so £14.69 million above 2018/19 levels rather than £21.28 million above 2018/19 levels.

Even if the increase in EHCPs was all kept in mainstream school (at £8,293 per child based on the 2018/19 average) the 855 extra EHCPs forecast between 2018/19 and 2023/24 calculates to an additional cost pressure of over £7 million per annum.

What Merton has considered but does not propose to implement

Merton has considered the following but is of the view that it would either not be beneficial or deliverable in a wider context:

Reducing the offer provided by SEN support services,

This would be counterproductive when considering the increase in EHCPs and our legal obligation to provide the support stated in the plans. It would also risk preventing the existing lower cost placements from being able to continue effectively, thus risking fall-out to more expensive placements and more cost to the HNB.

Transfer from the Schools Block to be more than 0.5%

We have not requested this in our consultation with schools as we are in line with the national picture and schools are struggling to balance their own budgets. This can be demonstrated by the increasing number of schools in Merton ending the financial year in deficit over the past three years, as per the table below.

	2015/16	2016/17	2017/18	2018/19
Number of schools in deficit	2	4	6	9

Use school balances

As outlined above, a number of schools have deficit budgets and the majority only have minor balances and these are generally planned to manage finances over a 3-year period. If any balances are clawed back from schools, currently totalling £8m, there are wide ranging implications, with risks that schools may have some perverse incentives to spend to avoid claw-back. With any reserve, the use would have a one off effect and would not address the ongoing nature of the deficit. Any proposal would require further discussion with our Schools Forum and more generally.

Reduced EHCP bandings, ARP or special school top-up fees

We have also not reduced EHCP bandings, ARP or special school top-up fees due to the same pressures as discussed in the previous paragraph.

Removing scheme where additional funding is provided to schools where more than 2.5% of their number on roll has EHCPs

Merton still runs its scheme where additional funding is provided to schools where more than 2.5% of their number on roll has EHCPs. Due to budget pressures in general school budgets the notional SEN funding is already stretched so taking away this funding would have a negative impact on services provided to these pupils and could risk more pupils with SEN exiting mainstream in favour of higher cost specialist provision.