

Councillor Robin Brown
Cabinet Member for
Finance & Performance
London Borough of Richmond upon Thames
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21 January 2019

Rt Hon Damian Hinds MP
Secretary of State for Education
House of Commons
London
SW1A 0AA

Rt Hon James Brokenshire
Secretary of State for Housing, Communities & Local Government
House of Commons
London
SW1A 0AA

Copy to
Rt Hon Elizabeth Truss MP
Chief Secretary to the Treasury
House of Commons
London
SW1A 0AA

Dear Rt Hon Damian Hinds MP and Rt Hon James Brokenshire MP

Crisis in High Needs Funding

We are writing to add our collective voice to the concerns that have already been raised by many Councils on the mounting crisis in High Needs Funding for children with Special Educational Needs and Disabilities (SEND).

We have seen in recent days the announcement of both the Provisional Local Government Finance Settlement and the Education Secretary's additional funding for SEND. Whilst any improvement is no doubt welcome to hard-pressed Councils, the SEND funding announcement is not nearly sufficient to address current funding shortfalls let alone projected deficits. We are writing to ask you to take urgent action to address the situation to protect critical local services that residents rely on.

Attached to this letter is a table prepared (prior to the recent announcement) by London Councils which shows the level by which spending on the High Needs block exceeds funding in London. All but one Council is receiving an allocation from Government that

falls short. More worrying is that needs continue to rise year on year at a rate that far outstrips funding increases. Whilst Councils will always need to critically review performance, the DfE has not yet identified significant efficiencies or improved practices which would enable this trend to be reversed. This is despite them conducting extensive investigations, including in several of our Councils.

It is generally agreed that the underlying issues can be tracked back to the changes introduced by the Children and Families Act 2014. Since then the number of Education, Health and Care Plans (EHCPs) agreed to support those identified with SEND has grown both nationally and in London by over 30%. Funding has not matched this and, given that the Act extended the age range covered by the legislative requirements to 0-25yrs, there are still several years to come before the full impact is felt.

In a recent consultation the DfE stated:

“DSG is a ring-fenced specific grant, provided outside the local government finance settlement. It must be used in support of the schools’ budget for the purposes defined in the School and Early Years Finance (England) Regulations. As funding is ring-fenced, there is no requirement for local authorities to top-up the grant from general funding or from non-ring-fenced revenue reserves..and....What this means for local authorities is that DSG deficits will not need to be covered by an equivalent amount in local authorities’ general reserves.”

We are concerned that in practice, however, Councils are caught between statutory requirements to provide SEND services and inadequate ring-fenced funding. Recent court judgments mean that in this situation local taxpayers will be left carrying the burden. Budget pressures can also lead to mainstream school budgets being raided and families seeking improved support via tribunals. When the DfE and MHCLG officials both seem to agree that this should not happen, it seems incongruous that Government ministers do not step in to bring clarity and properly fund this service.

We therefore ask that you urgently work with HM Treasury to address this issue. The proposed 2019/20 funding should be improved, and the longer-term position considered in the Fairer Funding review.

Although several of our Councils have already received or are about to receive visits from the DfE, MHCLG and Treasury officials, we would be happy to either meet with you direct or arrange further meetings with relevant officers and / or provide further detailed information for the position in each Borough.

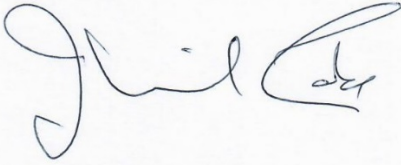
In order to coordinate any further necessary work, we would be grateful if the response to this letter could be copied to the address at the head of this letter and to Mark Maidment via email mark.maidment@richmondandwandsworth.gov.uk

Yours sincerely

Zac Goldsmith, MP for Richmond Park



Sir Vince Cable, MP for Twickenham



Sir Ed Davey, MP for Kingston & Surbiton



Sarah Jones, MP for Croydon Central



Steve Reed, MP for Croydon North



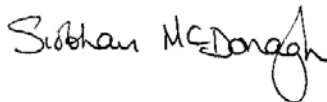
RT Hon Tom Brake, MP for Carshalton & Wallington



Paul Scully, MP for Sutton & Cheam



Siobhain McDonagh, MP for Mitcham & Morden



Enc.