



Subject Heading:

Notional SEN funding 2024-25

Report Author:

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Eligibility to vote:

LA maintained school representatives

SUMMARY

This item examines the calculation of the notional SEN budget in school formula budget shares.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) agrees to revise the calculation of notional SEN budgets to include 100% of funding for Low Prior Attainment
- (ii) agrees that consideration of how inclusion funding (headroom) should be calculated is delegated to the High Needs task and finish Group

REPORT DETAIL

Introduction

Primary and secondary schools are notified each year of a clearly identified, but notional, SEN budget within their overall budget allocation. Local authorities are responsible for calculating the amount of this notional budget with reference to the funding formula factors.

The notional SEN budget is intended as a guide for a school's spending decisions and should not be seen as a target or a constraint on the schools duty to use its 'best endeavours' to secure special provision for pupils with SEN.

Schools are expected to contribute towards the costs of special education needs provision up to a threshold of £6,000 per pupil per annum. The notional SEN budget is not intended to provide £6,000 for every pupil with SEN, as most support for such pupils will cost less than this.

Calculation of the Notional SEN budget

There is currently no national approach to the calculation of a school's notional SEN budget. In guidance released this year the DfE state that they would expect the notional SEN budget to include:

- a small part of the basic entitlement funding
- a larger part of deprivation funding, reflecting the higher prevalence of lower-level SEN amongst disadvantaged children
- the majority, or whole, of the low prior attainment factor funding as this is the best proxy for pupils with low cost, high incidence SEN

In Havering the notional SEN budget is currently calculated as:

- 1.0% of basic entitlement funding
- 16.5% of deprivation (excluding current FSM)
- 40.0% of low prior attainment for primary schools
45.0% of low prior attainment for secondary schools

This calculation dates back to the introduction of the National Funding Formula (NFF) in 2018-19. These percentages were, in turn, arrived at to ensure that the notional SEN budgets were broadly similar to 2017-18 and before.

DfE requirements for notional SEN levels

As part of the move to a direct NFF, the DfE wants to see greater uniformity in notional SEN budgets across LAs. The DfE has examined the total of the notional SEN budgets in each LA and made the following calculation:

- a) Aggregate the notional SEN budgets for all primary and secondary schools in the LA.
- b) Deduct £6,000 for every pupil with an EHCP attending a mainstream school in the LA.
- c) Divide the remaining notional SEN funding by the number of other SEN pupils attending mainstream schools.

When this calculation is made for Havering, the notional SEN funding per other SEN pupil comes to £790. This is one of the lowest figures in the country, with Havering ranked 149th out of 153 LAs. The median value for all LAs in England is £4,349.

For 2024-25 the DfE require that the calculation above comes to at least £1,500. At LA level, notional SEN funding, not attributable to pupils with an EHCP, must exceed

£1,500 per other SEN pupil. LAs should aim for a figure of between £3,000 - £3,500 per other SEN pupil.

Proposed Notional SEN factor values in Havering

An examination of the factor values attributed to notional SEN in other LAs shows that 100 of the 152 now attribute 100% of low prior attainment funding to notional SEN. If Havering were to attribute 100% of low prior attainment to notional SEN then funding per other SEN pupil would average £3,168. This falls within the DfE target range.

For 2024-25 the LA is proposing that notional SEN funding is calculated as:

- 1.0% of basic entitlement funding
- 16.5% of deprivation (excluding current FSM)
- 100.0% of low prior attainment for primary schools
100.0% of low prior attainment for secondary schools

The notional SEN funding for each school would be higher, meaning that a greater proportion of the School Budget Share or General Annual Grant (GAG) is deemed to relate to the cost of support for SEN pupils. The School Budget Share or GAG itself does not change.

High Needs Inclusion Funding (Headroom)

High Needs inclusion funding, or Headroom, is allocated to schools with a particularly high number of pupils with an EHCP. It is calculated with reference to the Notional SEN budget. With Notional SEN budgets changing, the calculation needs to be revisited.

One obvious way to calculate inclusion funding would be:

- a) Multiply the number of pupils in a school with an EHCP by £6,000
- b) Multiply the number of other SEN pupils by £3,000
- c) Sum a + b
- d) If a + b exceeds the Notional SEN funding allocated to a school, allocate inclusion funding to cover the difference

Using this methodology, however, inclusion funding would cost £1.8m, well above the 2023-24 figure of £843k. Other than the cost, another problem with this approach is that there seems to be inconsistency between schools in classifying pupils as other SEN.

Alternative approaches have been modelled by the LA and, subject to the agreement of the Forum, these will be presented to the High Needs task and finish group for consideration.