

Subject Heading:

Notional SEN funding 2024-25

Report Author:

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Eligibility to vote:

All school and academy members

SUMMARY

This item examines the calculation of the notional SEN budget in school formula budget shares and proposes a revised formula for 2024-25

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) agrees the revised calculation of notional SEN budgets for 2024-25

REPORT DETAIL

Introduction

At the meeting on 19th October 2023 the Schools Funding Forum was advised of the need to revise the formula used to calculate notional SEN budgets. A proposal was put to the Forum in which 100% of the funding received for low prior attainment was deemed to be notional SEN. Forum members commented that if a pupil did not reach the expected levels at Foundation Stage Profile this did not automatically mean they were a SEN pupil. Following these comments the LA is proposing an alternative formula.

The notional SEN budget

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 requires 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.

Since the last meeting of the Schools Forum the LA has been in contact with the DfE on this issue. The LA raised the possibility of submitting an unchanged formula for notional SEN on the basis that since its introduction no increase in the Schools Block has been flagged as a direct investment in SEN. The DfE advised strongly against this. This would be flagged; it generates an error message in the Authority Proforma Tool (APT) issued by the DfE for the calculation and submission of school formula budgets. The DfE suggested the LA may need to seek legal advice on the implications of submitting an unchanged formula for notional SEN.

Proposed Notional SEN factor values in Havering

The DfE states that the majority, or whole, of the low prior attainment factor funding should be attributed to notional SEN as this is the best proxy for pupils with low cost, high incidence SEN. Two thirds of LAs now attribute 100% of low prior attainment funding to notional SEN. At the last meeting of the Forum the LA proposed a formula for notional SEN using 100% of low prior attainment funding but Forum members were unhappy with this.

Following the comments from Forum members, the LA is now proposing that notional SEN funding for 2024-25 is calculated as:

- 1.5% of basic entitlement funding
- 35.0% of deprivation funding (excluding current FSM)
- 35.0% of funding for English as an Additional Language
- 35% of funding for mobility
- 70.0% of low prior attainment for primary schools
70.0% of low prior attainment for secondary schools

This revised proposal still meets the DfE expectation that 'the majority or whole', of the low prior attainment factor funding is attributed to notional SEN. Using this formula the notional SEN funding per 'other SEN' pupil would be £3,168, within the DfE's expected range of £3,000 to £3,500.

The notional SEN funding for each school would be higher than in previous years, 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 is not impacted.