



Autumn Term 2023

Notional SEN Formula 2024-25

Engagement and Survey

THE PERIOD FOR THE SURVEY AND CONSULTATION BASED ON THIS DOCUMENT WILL BE:

3rd October to 31st October 2023

YOUR RESPONSE IS IMPORTANT

Reply at: <https://www.schools.norfolk.gov.uk/school-finance/fair-funding-consultation> from 3rd October 2023

The purpose of this paper is to set out for school leaders the relationship between Notional SEN funding, as a notional element within the Schools Block allocation to individual schools and the way this enables schools to make SEND provision, whilst in turn enabling the LA to determine access to additional SEND resources (financial and otherwise), for example through the allocation of Element 3 Funding.

There is a need to consider increasing the proportion of school budgets that are considered to be used for Notional SEN funding to bring Norfolk in line with national average. We propose to do this over a three year period.

You can access the survey with the following link:

<https://www.smartsurvey.co.uk/s/Notional-SEND-2023/>

The survey opens on Tuesday 3rd October and closes Tuesday 31st October.

Decision Making & Briefings

The results of the survey will be reviewed by the local authority (LA) and shared with Schools Forum Members in advance of the November Schools Forum meeting. Schools Forum will be asked to make a recommendation for the LA regarding the setting of Notional SEN values identified in schools budget shares for the 2024-25 financial year.

Norfolk County Council and Schools Forum are aware that there is a difficult balance to achieve for the benefit of all children as well as those with SEND. NCC's Cabinet will make decisions on the Notional SEN formula and values in January 2024, considering both the survey responses and the view of Schools Forum.

Process of Formulating Proposals

The School Standards and Framework Act 1998 made it a legislative requirement for each Local Authority to set up a Schools Forum. This body must be consulted about certain school funding issues including proposed changes to the funding formula for mainstream schools. A list of current members of the Schools Forum can be found at Appendix A at the end of this paper.

School Responses

The County Council's Cabinet, when making its decision in January 2024, will take all views into account when considering the proposals.

Therefore, it is important that all schools respond providing rationale for their responses along with detail of the anticipated impact of the options.

Each school should be represented by only one response. You will be asked to indicate the number of schools you are representing if you complete the survey on behalf of an academy trust or diocesan board, and the number of pupils represented by your organisation. Thank you.

We welcome any alternative suggestions to the proposals, but when responding please remember that the final decision will need to take into account the impact on all schools in Norfolk.

Survey and Consultation Responses

You can access the survey directly with the following link:
<https://www.smartsurvey.co.uk/s/Notional-SEND-2023/>

The consultation survey will be open from 3rd October and closes 31st October 2023.

Requests for Further Information

For more information contact: **Marilyn Edgeley (01603 223546)**
(marilyn.edgeley@norfolk.gov.uk)

Notional SEN Formula 2024-25

1. Context

The DfE updated operational guidance for Notional SEN to LAs and this requires a proactive consideration of the proportion of funding within the Schools Block and individual school budgets.

Notional SEN budgets are not additional funding pots but are the amount identified within a maintained school's delegated budget share or an academy's general annual grant that is expected to inform school spending decisions regarding SEND. The Notional SEN budget is neither a target nor a constraint on a school's duty to use its 'best endeavours' to secure special provision for its pupils with SEND. In effect, it could be described as the amount that a school needs to evidence as spending on SEND.

The duty on Local authorities is to decide, following discussions and consultation with schools and Schools Forum, what size the notional SEN budget should be and to ensure that this is kept under review. The DfE recommend that all local authorities undertake a check on their calculation for 2024-25.

We have set out previously to the Schools Forum that Norfolk's percentage allocation is relatively low compared to the national picture and last year we recommended that any proposed change to Notional SEN would be deferred until the initial impact of Local First Inclusion was expected to be experienced by. Given the direction of travel of the DfE towards a hard funding formula and the expectations upon LAs with a Safety Valve plan, the LA believes that it should now be considered whether Norfolk takes steps to increase the Notional SEN funding in Norfolk to be in line with the national average over a three-year period.

Therefore, this consultation will then allow Schools Forum to consider the views of Norfolk schools to enable them to make their recommendations for the size and methodology of notional SEN.

The LA now hold information, via costed provision maps, for the majority of schools through the combined processes of INDES and IPSEF. This enables the LA to determine how schools use their delegated resources to meet SEND needs at cohort and individual pupil level. This, in turn, provides an indication of the proportion of notional SEN funding at school level. This approach will continue so that we can make decisions about access to additional resources (financial and otherwise) through a combination of finance information and our understanding of the approach to inclusion within schools.

2. Notional Element 2 SEND Funding

Mainstream schools and academies are notified each year of their Notional SEN allocation via the budget share document. Notional SEN is used towards the costs of fulfilling schools' duty to use their 'best endeavours' to secure special educational provision for their pupils with SEN.

Using funds from the Schools Block of the dedicated schools grant (DSG), local authorities are responsible for calculating the amount of this notional budget using their local mainstream schools funding formula factors.

As detailed above, the Notional SEN budget is not a budget that is separate from a school's overall budget share. It is an identified amount within a maintained school's delegated budget share or an academy's general annual grant that is intended to inform school's spending decisions and is neither a target nor a constraint on a school's duty to use its 'best endeavours' to secure special provision for its pupils with SEND. In effect, it could be described as the amount that a school needs to evidence as spending on SEND.

Mainstream schools are expected to:

- meet the costs of special educational provision for pupils identified as on SEND Support in accordance with the SEND Code of Practice; and
- contribute towards the costs of special educational provision for pupils with high needs (most of whom have education, health and care (EHC) plans), up to the high needs cost threshold set by the regulations (currently £6,000 per pupil per annum). This cost threshold is calculated by reference to the additional costs of provision, above the costs of the basic provision for all pupils in the school. High needs top-up funding is provided above this threshold on a per-pupil basis by the local authority that commissions or agrees the placement.

It is important to note that the Notional SEN budget is not intended to provide £6,000 for every pupil with SEN, as most such pupils' support will cost less than that. Nor is the Notional SEN budget intended to provide a specific amount per pupil for those with lower additional support costs, even though the local authority may make reasonable assumptions about what those costs might be for the purpose of ensuring that their schools' Notional SEN budget calculation is realistic.

There is currently no national approach to the calculation of schools' Notional SEN budget through the National Funding Formula. The DfE response to the 2022 Green Paper for SEND, the national SEND & AP Improvement Plan, sets out the need to ensure that needs can be met early and to ensure that SEN Support is effective. However, there are no changes to date to the existing statutory framework.

Most local authorities calculate their schools' Notional SEN budget using a combination of funding from the basic entitlement factor, the deprivation factors, and the low prior attainment factors in the local funding formula. Depending on how the

local formula is constructed and the overall weighting of the different formula factors, the DfE expect the calculation of the notional SEN budget to include¹:

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

Other elements of the funding formula may also be used, for example, a proportion of the lump sum could reflect any fixed costs of making SEN provision that would apply to all local schools or diseconomies of scale relevant to small schools (Norfolk currently takes this approach as part of its notional SEN methodology).

3. Why is it important?

It has always been important to achieve consistency across the county for SEND funding and for access to specialist services, and formula funding, locally and nationally, is the mechanism that aims to achieve this in an objective way. However, in addition to the obvious reasons that consistency should be an aim, there are pragmatic reasons that relate to the allocation of additional funding.

We need to be certain, for example, with the allocation of Element 3 funding, that schools have access to support where this is necessary to ensure the inclusion of children and young people whilst also ensuring that the High Needs Block is not used incorrectly, where individual school budgets can and should be the source of funding.

Our approach to Element 3 funding has evolved through our work with schools (for example through INDES and IPSEF approaches adopted by the majority of schools and enabling funding at SEN Support increasingly) and is linked to the concept of Notional SEN funding within national DSG guidance the SEND Code of Practice. Therefore, with the publication of updated operational guidance for Notional SEN funding in mainstream schools from the DfE, it is right that we continue to reflect on Norfolk's below national average level.

We are aware that the impact of the Local First Inclusion programme improvements will only start to flow to schools during autumn and spring term in the current academic year. However, there is an expectation that Local Authorities that are part of the DfE 'safety valve' initiative should be actively assessing all national guidance to support local plans. Therefore, a move towards the national average over a three-year period, starting in 2024/25, would reflect this requirement whilst also

¹ Para 13, [The notional SEN budget for mainstream schools: operational guide 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/1142222/Operational-Guidance-for-Notional-SEN-Funding-in-Mainstream-Schools-2024-to-2025.pdf)

acknowledging the positive impact schools should increasingly experience in the coming months and years.

The LAs approach to Element 3 funding was revised for 2023-24 financial year with further information and guidance available here:

<https://www.schools.norfolk.gov.uk/school-finance/send-funding/high-needs-element-3-funding>.

4. Norfolk's Notional SEN Budget

Norfolk's current notional SEND budget is £39m, representing 6.6% of Schools Block funding within the funding formula.

Norfolk uses basic entitlement funding, IDACI deprivation data, low prior attainment and part of schools' lump sums to calculate notional SEN funding.

The table below summaries Norfolk's 2023-24 notional SEN budget:

| Factor | Total Value of Notional SEN 2023-24 |
|---|--|
| Total BPPE | £6,984,138 |
| Primary IDACI | £5,328,248 |
| Secondary IDACI | £5,724,753 |
| Primary LPA | £9,155,126 |
| Secondary LPA | £8,788,078 |
| Total Lump Sum | £3,052,236 |
| Total Notional SEND 2023/24 | £39,032,578 |
| Total Funding for Schools Block Formula | £590,916,630 |
| Notional SEN as a % of SB funding | 6.61% |

The proportion of factors currently used to calculate notional SEND in Norfolk are as follows:

| Factor | Factor Unit Values | Notional SEN within factor | % of factor relating to Notional SEN |
|----------------|---------------------------|-----------------------------------|---|
| BPPE (Primary) | £3,394.00 | £64.60 | 1.90% |

| | | | |
|------------------|-------------|-----------|--------|
| BPPE (KS3) | £4,785.00 | £64.60 | 1.35% |
| BPPE (KS4) | £5,393.00 | £64.60 | 1.20% |
| IDACI Pri band F | £230.00 | £212.18 | 92.25% |
| IDACI Pri band E | £280.00 | £254.62 | 90.93% |
| IDACI Pri band D | £440.00 | £277.34 | 63.03% |
| IDACI Pri band C | £480.00 | £277.34 | 57.78% |
| IDACI Pri band B | £510.00 | £277.34 | 54.38% |
| IDACI Pri band A | £670.00 | £277.34 | 41.39% |
| IDACI Sec band F | £335.00 | £307.66 | 91.84% |
| IDACI Sec band E | £445.00 | £413.75 | 92.98% |
| IDACI Sec band D | £620.00 | £423.42 | 68.29% |
| IDACI Sec band C | £680.00 | £423.42 | 62.27% |
| IDACI Sec band B | £730.00 | £423.42 | 58.00% |
| IDACI Sec band A | £930.00 | £423.42 | 45.53% |
| Primary LPA | £1,155.00 | £512.12 | 44.34% |
| Secondary LPA | £1,750.00 | £774.97 | 44.28% |
| Pri Lump Sum | £128,000.00 | £7,616.00 | 5.95% |
| Sec Lump Sum | £128,000.00 | £7,616.00 | 5.95% |

The current arrangements mirror the way that School Specific Allocations were made to mainstream schools prior to the 2013 Funding Reform, with the historic principles for calculation aligned in the best way possible into the National Funding Formula factors.

The Notional SEN allocation has only been inflated in Norfolk by small amounts over the years, with 3% added to factors in both 2021/22 and 2022/23. Being aligned with the National Funding Formula factors, Norfolk's Notional SEN does currently use allowable factors in its calculation.

However, lack of inflation to the Notional SEN budget over the years now leaves Norfolk's percentage (6.6%) lagging significantly behind the average nationally of 11.5%, although Norfolk neither has the lowest % nor is alone in using a percentage in the 5%-7.5% range which 20 other LAs did in 2023-24 (c. 20% of all LAs were at 7.5% or under).

As a result, it is clear that Norfolk's Notional SEN budget requires further review and, in that sense, updated guidance from the DfE is a good reminder to LAs to refresh

Notional SEN calculations for 2024-25 as they begin to align with the National Funding Formula, and in future years, a more direct formula from the DfE.

5. National Averages

The DfE have provided data regarding Notional SEN allocations within a summary of analysis of local funding formulae submitted by all LAs in January 2023. Section 19 of the DfE analysis provides an overview of both the percentage of funding allocated to Notional SEN as well as the formula factors used to allocate it².

Some 115 (75%) local authorities are allocating between 5% and 15% of Schools Block funding as Notional SEN.

The overall percentage of formula allocation which is designated as the Notional SEN budget across all local authorities in 23-24 is 11.5%, a slight increase from 11.3% in 2022-23. The median Notional SEND allocation is 11%. However, there is a wide variation across local authorities.

The table below shows the percentage of funding allocated to Notional SEN nationally (number of authorities shown in each percentage band):

| Percentage | 2023-24 | 2022-23 |
|--------------|---------|---------|
| 0% | 0 | 0 |
| 0% to 5% | 9 | 9 |
| 5% to 7.5% | 21 | 22 |
| 7.5% to 10% | 34 | 34 |
| 10% to 12.5% | 39 | 39 |
| 12.5% to 15% | 21 | 24 |
| 15% to 17.5% | 19 | 16 |
| 17.5% to 20% | 6 | 5 |
| Above 20% | 4 | 3 |

Formula factors used to allocate Notional SEN nationally (number of authorities shown using each):

| Factor | 2023-24 | 2022-23 |
|--------|---------|---------|
| | | |

² [Schools block funding formulae 2023 to 2024: Analysis of local authorities' schools block funding formulae - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114144/schools_block_funding_formulae_2023_to_2024_analysis_of_local_authorities_schools_block_funding_formulae.pdf)

| | | |
|-----------------------------------|-----|-----|
| Basic entitlement | 122 | 138 |
| Deprivation | 153 | 152 |
| English as an additional language | 43 | 100 |
| Looked-after children | 0 | 9 |
| Prior attainment | 148 | 148 |
| Mobility | 33 | 96 |
| Lump sum | 31 | 95 |
| Sparsity | 6 | 3 |
| MPPF | 15 | 14 |
| MFG | 10 | 10 |

The deprivation is the factor most commonly contributing to Notional SEN with all 153 local authorities (152 in 2022-23) using it.

The majority of local authorities are also assigning a percentage of their basic entitlement and prior attainment funding into notional SEND. As indicated in section 2 above, the DfE guidance states that they expect the majority or whole of the low prior attainment factor funding to be used within the Notional SEN calculation, as they see this as being the best proxy currently available given the correlation with pupils with low-cost, high-incidence SEND.

6. Survey

Schools can respond to the notional SEN survey at:

<https://www.smartsurvey.co.uk/s/Notional-SEND-2023/>

A technical paper is provided which shows:

- An Illustrative Notional SEN allocation per school based on £3,500 per SEN Support pupil and £6,000 per EHCP pupil (note: for illustration only based on DfE guidance), Data source used: <https://explore-education-statistics.service.gov.uk/find-statistics/special-educational-needs-in-england>
- The estimated level of Notional SEN per school based on the current 6.61% of formula factors for 2024-25
- The estimated level of Notional SEN per school based on an uplift of 1% (7.61% of formula factors) for 2024-25

In the survey schools are asked the following questions:

1. Please choose your preference

- a. Should Norfolk maintain the status quo for a further year, to allow time for the impact of Local First Inclusion programme to bed in further (i.e. any change starts from FY2025/26)?
 - b. Should Norfolk move towards the national average incrementally over time, with an initial increase of approximately 1% for 2024-25, an additional 1.5% in 2025-26, and an additional 2% in 2026-27 (noting that the LA believe this is the option that the DfE would expect us to progress to ensure that, as a 'safety valve' local authority we are taking all possible steps to adopt national guidance)?
2. Please provide a rationale for your response to question 1.
 3. Should Norfolk adopt the DfE recommended approach to modelling Notional SEN, i.e., the factors and values used?
 4. Please provide a rationale for response to question 3.

Schools will also be asked for any further comments.

The survey opens 3rd October 2023 and closes 31st October 2023.

Appendix A: Members of Norfolk's Schools Forum

Maintained Primary School Headteachers

Sarah Shirras, St. Williams Primary School

Maintained Primary School Governors

Mike Grimble, Avenue Junior School

Martin White (Chair), Nebula Foundation

Maintained Secondary School Headteachers

Joanna Tuttle, Aylsham High School

Maintained Special School Representative

Carolyn Ellis-Gage, Parkside School

Academies Representatives

Adrian Ball, Diocese of Ely MAT

Steven Dewing Sapiientia Education Trust

David Hicks, Synergy MAT

Clare Jones, Boudica Academy Trust

Joanne Philpott, Ormiston Academy Trust

Sarah Porter, The HEART Education Trust

Daniel Thrower Wensum Academy Trust

Special School Academy Representative

Rachel Quick, The Wherry School

Maintained Nursery School Representative

Carole Jacques, Earlham Nursery School

Early Years Representative

Lacey Douglass, The Heathers Nursery

Short Stay Schools for Norfolk Representative

Glyn Hambling, Unity Trust

16 – 19 Representative

Martin Colbourne, City College Norwich

Non-School Members

Bob Groome, representing secondary phase teachers on the National Education Union

Vicky Warnes, representing primary phase teachers on the National Education Union

Hayley Porter-Aslet, Norwich Diocesan Board of Education

Helen Bates, Roman Catholic Church Diocese