



SCHOOLS FORUM

The High Needs Funding System

12 September 2023

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	X	Pre School	X
Academies	X	Foundation Stage	X
PVI Settings	X	Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority	X	Post 16	X
		High Needs	X

Purpose of Report

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

Recommendations

1. That Schools Forum note the contents of this report.

Introduction

2. This report responds to queries and comments made at the Schools Forum meeting of 13 June 2023 on the High needs Funding Framework. The report provides hyperlinks to legislation and guidance issues by the Department for Education (DfE) and relevant extracts which are set out in italics.

Background

- The framework for high needs funding was established and embedded by 2013 school funding reform and predates and is unaffected by the Children and Families Act 2014:

Funding for mainstream settings

91. We described in March that funding for placements of high needs pupils in mainstream schools and Academies will be very similar to current arrangements. At present, pre-16 mainstream settings receive a clearly-identified notional SEN budget. Using this, schools and Academies are expected to meet the needs of pupils with high-incidence SEN and to contribute up to a certain level to the needs of high needs pupils.

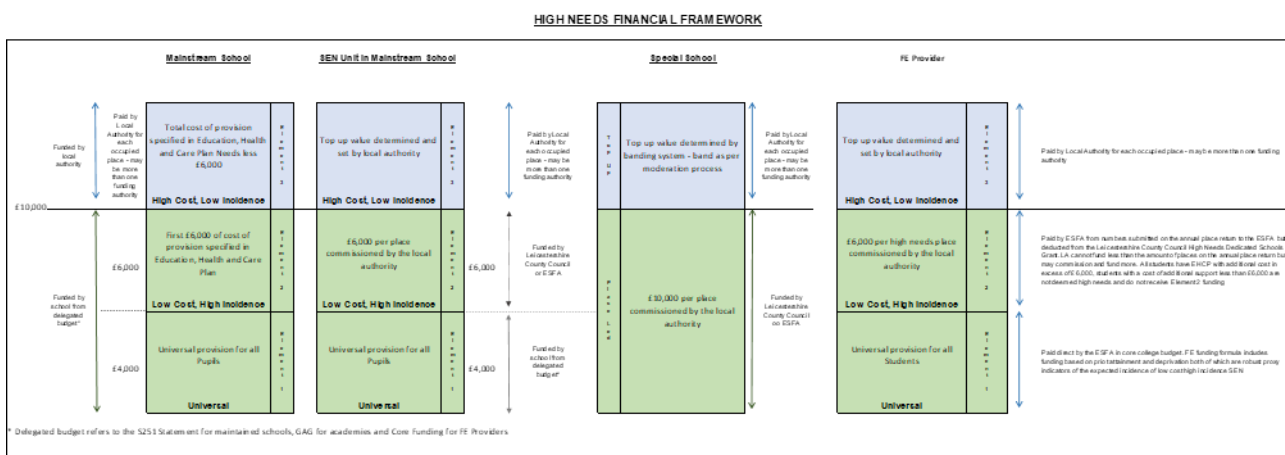
92. Under place-plus, mainstream schools and Academies will receive formula funding which will include a notional SEN budget. From this, they will provide a standard offer of teaching and learning for all pupils, including those with high needs. In the March document, we called this core education funding. From their notional SEN budget, they will contribute the first £6,000 of the additional support costs of high needs pupils. By additional support, we mean the additional education provision that a pupil needs in order to access the school's or Academy's offer of teaching and learning. Funding above this level will be agreed with the commissioning local authority and paid in the form of a top-up from its High Needs Block.

93. As we announced in March, local authorities will also be able to target additional funding from their High Needs Block at schools and Academies whose formula funding does not adequately reflect the number and/or needs of pupils with SEN in the school.

94. Funding for mainstream post-16 settings will operate in a similar manner. Providers will receive per-student funding through the national 16-19 funding formula. They will also receive an allocation of £6,000 per high needs student on roll. The allocation of these two elements will be based on student data from the last full academic year. Above this level, top-up funding will be provided by the commissioning authority from its High Needs Block. This will mean that FE colleges will now discuss funding directly with commissioners.

School Funding Reform: Arrangements for 2013-14

- This financial framework is summarised within the illustration below:



- To provide the framework for the 2013 school funding reform the DfE issues Primary Legislation to confer the requirements on local authorities through the School and Early Year Finance (England) Regulations which are laid annually. Currently the 2022

regulations are in force. Regulation 11 (3) sets out the requirement to have a subset of the school funding formula i.e., the Notional SEN Budget.

[The School and Early Years Finance \(England\) Regulations 2022](#)

Determination of allocation of budget shares etc. for the funding period

11.—(1) Except as provided for in paragraphs (2), (4) and (9), not later than 28th February 2022, a local authority must determine the budget share for each school which it maintains, using the formula referred to in regulation 10(1) in accordance with Part 3 of these Regulations.

(2) Paragraph (1) does not apply to any determination of amounts to be included in budget shares under regulation 26 (sixth form funding) and in relation to such determination the local authority must make the determination and notify the school to which the determination relates within a reasonable period after the notification given by the Secretary of State under regulation 26(1).

(3) When making the determination under paragraph (1) the local authority must identify within each budget share an amount calculated by reference to the requirements, factors and criteria specified in Part 3 which are relevant to pupils with special educational needs; such amount must be calculated using a threshold sum of £6,000 per pupil below which the school will be expected to meet the additional costs of pupils with special educational needs from its budget share.

6. Guidance on the application of the financial framework and the construction of the Notional SEN Budget is through separately issued documents which are updated annually by the DfE. The current 2023/24 guidance is within the
- [High Needs Operational Guidance](#)
 - [Schools Operational Guidance](#)
 - [The Notional SEN Budget for Mainstream Schools: Operational Guidance](#)

All documents consistently state the threshold of £6,000 and the purpose of the SEN Notional Budget being not a separate budget but a notional budget for mainstream schools to help them comply with their duty to use their ‘best endeavours’ to meet the special educational needs of their pupils. The Schools Operational Guidance specifically states:

The Notional SEN Budget

4. Mainstream maintained schools and academies (“schools”) are notified each year of a clearly identified but notional budget, within their overall budget allocation, towards the costs of fulfilling their duty to use their ‘best endeavours’ to secure that 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.
5. The requirement to identify this budget for their schools is set out in regulation 11(3) of the [School and Early Years Finance \(England\) Regulations 2022](#) (which is similar to the equivalent regulation for previous years and which we intend will be included in the regulations for 2023 to 2024). That regulation says that “the local authority must identify within each budget share an amount calculated by reference to the requirements, factors and criteria specified in Part 3 [that is, the various elements of the local schools funding formula] which are relevant to pupils with special educational needs; such amount must be calculated using a threshold sum of £6,000 per pupil below which the school will be expected to meet the additional costs of pupils with special educational needs from its [annual] budget share”.

6. The notional SEN budget is not a budget that is separate from a school's overall budget. It is an identified amount within a maintained school's delegated budget share or an academy's general annual grant. It is intended as a guide for a 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 SEN.
7. In discharging that responsibility, amongst other expectations set out in the SEND Code of Practice, mainstream schools are expected to:
 - meet the costs of special educational provision for pupils identified as on SEN 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.
8. 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.
7. A review of the 2023/24 Notional SEN budget and how that compares as a percentage of total funding and the proportion of pupils with EHCP and SEN Support is currently being undertaken. However, it should be noted that the proportion of pupils with SEN Support or EHCP's is totally related to how schools identify and meet need which when compared to a formulaic budget calculation could result in perverse incentives to attract additional funding.

Conclusions

8. Leicestershire County Council fully follow the requirements of Primary Legislation and the guidance issued by the DfE in its application.
9. The Primary Legislation and additional guidance require mainstream schools to meet the first £6,000 of additional SEN needs before top-up funding is allocated in accordance with the provision set out within the EHCP.

Resource Implications

10. There are no resource implications directly arising from this report

Equal Opportunity Issues

11. All schools are expected to make reasonable adjustments for pupils with disabilities, in accordance with their duties under the Equality Act 2010, whether or not they have SEN. Where a reasonable adjustment is special educational provision, the revenue cost of that adjustment may be met from the school's SEN budget.

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