

Notional Special Educational Need & Disability (SEND) Budgets 2022/23

Report to the Schools Forum 16 September 2021

1 Background and Context

- 1.1 The vast majority of funding for pupils with additional needs in mainstream schools comes from Dedicated Schools Grant (DSG) schools block income. Funding from the high needs block, e.g. for Education, Health & Care Plans (EHCPs) represents only a fraction of the costs of additional needs. Even for pupils with EHCPs, the first £6,000 of support over and above that provided to a pupil without additional needs, is funded predominantly from the schools block income.
- 1.2 In order to provide an indication to schools of how much funding for SEND is within their general budget, a 'notional SEND budget' is calculated. The calculation of this is devolved to each individual local authority and there is little national guidance on precisely how this should be done.
- 1.3 In recent years, the notional SEND budget has been little highlighted in T&W – it hasn't been included in budgetary information sent to schools. From a T&W finance perspective the context has been the lack of any basis for assuming that the figures identified in the calculation are a reasonable representation of how much of the school budget should be considered as relating to SEND.
- 1.4 However, the lack of emphasis placed on the notional budget in recent years carries a risk of failing to support the emphasis that is otherwise being placed on the role of all schools in supporting SEND. We have therefore re-examined the calculation of the notional SEND budget in T&W as a basis for 're-launching' this aspect of school finances in 2022/23.

2 The Existing Notional Budget model in T&W

- 2.1 The current notional budget is calculated by assuming that the following percentages of formula factors are for SEND:

Table 1: Existing calculation of notional SEND in T&W

Formula Factor	Primary	Secondary
AWPU (basic per pupil funding)	2.10%	2.20%
Deprivation	34.50%	34.50%
Low prior attainment	34.00%	82.50%
English as an Additional Language (EAL)	50.00%	50.00%
Lump sum	2.10%	2.20%
Total	9.59%	11.24%

- 2.2 To at least some extent the rationale for the percentages above is based upon the historical model for the notional SEND budget. It is not immediately apparent why there is such a difference between the proportion of low prior attainment funding allocated for primary and

secondary schools, nor why there is a marginal difference between the percentages of AWPU and the lump sum between the two sectors.

3 National Averages for calculating the Notional SEND Budget

- 3.1 Given the anomalies described above in the existing notional SEND budget in T&W and the lack of any guidance on how much should be allocated, we have instead looked at how other local authorities calculate notional SEND budgets, with the intention of arriving at a local model that is similar to the national average.
- 3.2 The DfE publishes details of each local authority's notional SEND budget. For 2021/22 the average amount of each formula factor distributed was as follows:

Table 2: Average notional SEND in England 2021/22

Formula Factor	Primary	Number of LAs using this factor*	Secondary	Number of LAs using this factor*
AWPU (basic per pupil funding)	3.29%	119	2.99%	114
Deprivation - Ever 6	33.53%	119	32.66%	119
Deprivation – IDACI A	33.54%	113	33.36%	114
Deprivation – IDACI B	33.44%	113	33.65%	113
Deprivation – IDACI C	33.73%	112	33.57%	112
Deprivation – IDACI D	33.65%	111	33.59%	112
Deprivation – IDACI E	33.72%	111	33.62%	112
Deprivation – IDACI F	32.75%	109	32.86%	110
English as an Additional Language (EAL)	16.27%	41	16.30%	41
Mobility	9.30%	25	9.22%	25
Low Prior Attainment	85.72%	146	86.80%	147
Lump Sum	1.89%	32	1.75%	31
Sparsity	0.16%	4	0.16%	4
Rates	0.03%	1	0.03%	1
Minimum per pupil funding	1.77%	8	1.77%	8
Minimum funding guarantee	1.15%	9	1.15%	9
Total	11.71%		10.89%	

* out of a total of 151 local authorities

- 3.3 A number of points arise from this:

- the overall percentages are not hugely different when comparing the national average figures to the existing T&W calculation;

- however the relationship between primary and secondary is reversed, the primary sector having a higher proportion of the budget deemed to be notional SEND nationally compared to the secondary sector, whereas the reverse is true for T&W;

- for factors where low proportions are allocated to the notional SEND budget, this generally indicates that many local authorities don't include the factor at all, as illustrated above.

4 Proposed Revised Calculation of the Notional SEND Budget

4.1 There are a number of general principles that we propose to adopt for the 2022/23 notional SEND budget:

- Categorise a similar amount of funding as the national averages to the T&W notional SEND budget;
- Use the same percentages of each funding factor for the primary and secondary sectors;
- Don't categorise any of the current eligibility for free school meals factor to the notional budget, because the allocation is used by T&W schools to pay for the provision of free school meals and so is not available for any other purpose;
- Use round figures for the percentage applied to each formula factor.

4.2 The proposed model is as follows:

Table 3: Proposed revised calculation of notional SEND in T&W

Formula Factor	Primary	Secondary
AWPU (basic per pupil funding)	3%	3%
Deprivation	40%	40%
Low prior attainment	80%	80%
English as an Additional Language (EAL)	20%	20%
Lump sum	3%	3%
Minimum per pupil funding	25%	25%
Minimum funding guarantee (MFG)	10%	10%
Total	11.7%	10.9%

4.3 As noted above there is little general guidance about how to go about constructing a notional SEND budget, but most authorities have concluded that there is a strong correlation between low prior attainment and SEND and a less strong, but still significant correlation between deprivation and SEND. Both these assumptions seem reasonable. Authorities have also concluded that some SEND will exist in the general population of pupils even in circumstances where there is little or no deprivation or low prior attainment.

This also seems reasonable and accounts for assuming that a small proportion of the AWPU and lump sum allocations should be included in the notional SEND budget.

- 4.4 It is more debatable whether EAL should be included as a factor. It's not used as a factor in the DfE's formula for allocating high needs funds to LAs and it is not necessarily the case that there would significantly more SEND in this population compared to a non EAL population with similar demographics.
- 4.5 It also may not be immediately apparent why we are proposing to include some of the MFG and minimum per pupil funding in the local notional SEND budget. The rationale for each of these is that the protection assists schools to appropriately staff the school and a proportion of school staff will be supporting SEND. The reason that the minimum per pupil factor is at a higher percentage is that this funding ensures every school has a minimum amount of funding per pupil, regardless of the demographics of the pupils. It seems reasonable to assume that the additional funding, to a significant degree, is utilised to provide additional support to pupils where needed.
- 4.6 It is worth noting just how much funding in mainstream school budgets is deemed to be allocated for SEND. The proposed model represents over £15m of funding,
- 4.7 Forum's views are invited on the proposed model above, which is intended to be introduced in 2022/23.

Tim Davis
Group Accountant
September 2021