

Guidance: The notional SEN budget for mainstream schools: operational guide 2024 to 2025

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1. Introduction

1. This guidance is primarily for local authorities to help them comply with the requirement to identify for each mainstream school in their area a notional amount to guide schools in their spending to meet the costs, up to £6,000 per pupil, of additional support for the school's pupils with special educational needs (SEN). Although this is an indicative amount, it is important that it is sufficient for the reasonable additional costs that may be incurred by schools. The guidance will also help schools understand how the amount should be calculated and when it might be appropriate to seek additional resources.

2. The [Children and Families Act 2014](#) secures the general presumption in law that children and young people with SEN should be educated in mainstream education settings. The [Special Educational Needs and Disabilities \(SEND\) and Alternative Provision \(AP\) Improvement Plan](#), published in March 2023, reiterates that meeting SEN is and will remain a core part of mainstream schools' role in future and sets out how schools and their teachers will be supported in that role. The SEND and Alternative Provision Improvement Plan also points to changes to the notional SEN budget in future: this guidance is based on the existing roles and responsibilities of local authorities and schools.

3. [The SEND code of practice](#), which is statutory guidance to which schools must have regard, sets out more information on mainstream schools' current legal duties in relation to their pupils with SEN. Those duties include that schools must use their best endeavours to secure that the special educational provision called for by a pupil's special educational needs is made.

2. The notional SEN budget

4. Mainstream maintained schools and academies ('schools') are notified each year of a clearly identified but notional SEN budget, within their overall budget allocation. This SEN budget should be used towards the costs of fulfilling their duty to use their 'best endeavours' to secure that special educational provision for their pupils with SEN is made. Local authorities are responsible for calculating the amount of this notional budget using funds from the schools block of the dedicated schools grant (DSG), with reference to 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 2023](#) (which is similar to the equivalent regulation for previous years and which we intend will be included in the regulations for 2024 to 2025). That regulation requires 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
- contribute towards the costs of special educational provision for pupils with high needs (most of whom have education, health and care plans (EHC plans)), up to the high needs cost threshold set by the regulations (currently £6,000 per pupil per annum). This cost threshold applies 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, although 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.

9. In making assumptions about costs, it is important that local authorities are transparent in their assessment of what provision their mainstream schools should make as part of the local offer of provision for children with SEND. They should identify the resources necessary for schools to deliver both an inclusive environment for their pupils with SEND and any more specialist support that is needed. Local authorities must set out in their SEND Local Offer information about the arrangements the authority has for funding children and young people with SEN, including any agreements about how schools will use any budget that has been delegated or devolved to them by the local authority. This statement is relevant to decisions that the local authority makes as to whether it is necessary to issue an EHC plan.

10. 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.

11. Schools have a duty to designate a teacher to be the SEN co-ordinator (SENCO). We would expect the SENCO to be aware of their school's notional SEN budget and to be actively engaged with the senior leadership of the school in deciding what to spend on SEN support and provision.

3. Calculating the notional SEN budget

12. In the movement towards a 'direct' schools national funding formula (NFF), local authorities are only allowed to use NFF factors in their local funding formulae and must use all NFF factors, except any locally determined premises factors. In 2024 to 2025 local authorities will be required to move their local formulae factors a further 10% closer to the NFF values, compared to where they were in 2023 to 2024, unless they are already mirroring the NFF. Such changes to the local schools funding formula, as well as changes in the costs of special provision mean that local authorities should keep under review how their schools' notional SEN budgets are calculated and we recommend that all local authorities undertake a check on their calculation for 2024 to 2025. There is currently no national approach to the calculation of schools' notional budget for pupils with SEN through the NFF. Local authorities, working with their schools, should therefore continue to use the local formula factor values in accordance with the regulations.

13. 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, **we would expect the calculation of 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 pupils
- 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 SEN

14. **Other elements of the funding formula may also be used** – for example to reflect the prevalence of SEN amongst particular groups of pupils such as those who frequently move between schools, as captured by the mobility factor. 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. In local authorities with a large number of schools that receive a significant element of their funding through the minimum funding guarantee (MFG) element of the local formula, it may be appropriate to include a proportion of this funding in the notional SEN budget calculation. This should be kept under regular review, however, as this element of funding usually reduces over time, but could increase in some areas as local authorities move their local formula closer to the national funding formula. Similarly, **it may be appropriate to include a proportion of any minimum per pupil level (MPPL) funding that schools receive in the calculation of the local notional SEN budget, to demonstrate that these schools have sufficient funding for their pupils with SEN.**

15. Local authorities should decide, following discussions and consultation with schools, including in the local schools forum, how big the notional SEN budget should be. Local authorities should take into account how many pupils have been identified by schools as in the SEN support category, although these numbers will not have been subject to external moderation and may therefore be inconsistent between schools with pupils who have similar levels of need [\[footnote 1\]](#). They should also take into account how many are attracting top-up funding to the school (normally those with EHC plans) for whom schools are expected to contribute £6,000 per pupil towards the cost of their additional support. Data at local authority level on pupils in the SEN support category and those with EHC plans can be viewed at [special educational needs in England](#). Local authorities may need to ask schools for their school level data on SEN support, and also on EHC plans if there are a large number of EHC plan placements from other local authorities. Comparisons with other local authorities' calculations may also be helpful. Local formula data for 2023 to 2024 can be found at [schools block funding formulae 2023 to 2024: analysis of local authorities' schools block funding formulae](#).

16. **As noted above, we recommend that a check of the notional SEN budget calculation for 2024 to 2025 is made in line with this guidance and that an annual review is carried out subsequently.** We may undertake a validation check as part of the authority proforma tool (APT) process and ask local authorities to review their calculations if it appears that their total notional SEN budget provides schools with less than a certain amount per pupil identified as on SEN support, having deducted £6,000 per pupil with an EHC plan .

4. Targeted funding to supplement the notional SEN budget

17. A formulaic calculation of schools' notional SEN budgets, based on indicators of need used in the formula, is unlikely to be a precise match for the costs of support provided by teachers and other professionals for the pupils they identify as having SEN.

18. Any significant mismatch may be an indication that a school's approach to identifying pupils' SEN differs markedly from other schools' practice. In some schools pupils not

identified as having SEN would be so identified elsewhere. Other schools may too readily identify pupils as having SEN when their needs could be met within the normal teaching and learning environment [\[footnote 1\]](#).

19. In some cases, however, a significant mismatch between the notional SEN budget and actual costs of SEN support may be because the school has a disproportionate number of pupils with SEN in relation to its size, phase and characteristics, or has pupils with needs of a particular kind that are not captured by the formula factors used. In other cases, a significant mismatch may be because a school's small size creates diseconomies of scale in making provision for pupils with SEN. The local authority can provide targeted funding from its high needs budget to schools in such exceptional circumstances. This funding would supplement the school's notional SEN budget as calculated under the local funding formula.

20. Local authorities should carefully consider the criteria for allocating such supplementary targeted funding; simply relying on how schools identify their pupils with SEN could lead to perverse incentives. With appropriate criteria in place, however, such funding could be particularly helpful. For example, it might enable a local school to meet the needs of more children with more complex needs instead of them being referred to a special school.

5. Illustrative examples

21. In figures 1 and 2 below we have provided 2 examples to assist local authorities in reviewing their approach to the calculation of their schools' notional SEN budget. They are examples that show the calculation of the budget for a primary school of 300 pupils and a secondary school of 1,000 pupils. In these examples we have assumed:

- that the primary school has a proportion of pupils on SEN support and with high needs (such as, EHC plans) that are 13% and 2% respectively and that the secondary school has a proportion of pupils on SEN support and with high needs that are 12.3% and 2% respectively. We have used current national averages [\[footnote 2\]](#) for illustrative purposes but in practice, local authorities should consider the range of percentages in their local schools, as well as the averages across all local schools, in developing their approach, to ensure that schools are given assurance through the notional SEN budget that they are receiving sufficient funding for their pupils with SEN
- that the costs of special educational provision for a pupil on SEN support are, on average, £3,500 per annum and the cost of supporting a pupil with high needs is £6,000 per annum. In practice, local authorities should consider what are the local average costs of additional special provision for pupils on SEN support. As noted above, additional high needs top-up funding should be made available to the school for costs that exceed the £6,000 per pupil high needs threshold. Such excess costs should not, therefore, be factored into decisions on the notional SEN budget

22. These examples are illustrative only – we do not expect local authorities to use the exact calculations below. In developing these illustrative examples, we have considered what level of notional SEN budget would be appropriate (given the profile of need and cost assumptions as above) and have based the proportionate contribution of the various formula factors broadly on existing local authority practice. As noted above, **in setting their own notional SEN budget, local authorities should consider the specific profile of need across schools in their local area, as well as the extent to which they are protected by MFG and MPPL funding.**

23. The examples use 2024 to 2025 NFF factor values, before the application of the area cost adjustment (ACA). The notional SEN budget contribution percentages should be consistently applied across each phase of education.

5.1 Figure 1

Example 1: primary school with 300 pupils

Factor	Pupil numbers	Unit value (£)	Total (£)	Of which notional SEN budget contribution	Of which notional SEN budget contribution
				%	£
Basic entitlement	300	3,597	1,079,100	3.2	34,531
Low prior attainment	86	1,185	101,910	88.0	89,681
FSM6	70	830	58,100	40.0	23,240
IDACI	133	390	51,870	40.0	20,748
this is a summary of what would in practice be a more complex calculation broken down in to different IDACI bands with different pupil number and unit values.					
Mobility	1	970	970	24.0	233
Lump sum	N/A	N/A	135,700	3.0	4,071
School's notional SEN budget total					£172,504
This could pay for 6 pupils with high needs at £6,000 totalling £36,000 and 39 pupils on SEN support at £3,500 (average) totalling £136,500: equalling an overall total of £172,500.					

5.2 Figure 2

Example 2: Secondary school with 1,000 pupils

Factor	Pupil numbers	Unit value (£)	Total (£)	Of which notional SEN budget contribution %	Of which notional SEN budget contribution £
Basic entitlement (key stage 3)	600	5,072	3,043,200	2.3	69,994
Basic entitlement (key stage 4)	400	5,717	2,286,800	2.3	52,596
Low prior attainment	217	1,790	388,430	80.0	310,744
Weighted pupil numbers are used in this summary of what would in practice be a more complex calculation, using low prior attainment in different year groups					
FSM6	104	1,210	125,840	32.0	40,269
IDAC1	434	567	246,078	30.0	73,823
This is a summary of what would in practice be a more complex calculation broken down into different IDAC1 bands with different pupil numbers and unit values					
Mobility	1	1,395	1,395	15.0	209
Lump sum	N/A	N/A	135,700	2.0	2,714
School's notional SEN budget					£550,349

This could cover most of the costs of 20 pupils with high needs at £6,000 totalling £120,000 and 123 pupils on SEN support at £3,500 totalling £430,500: equalling an overall total of £550,500.

1. [Research published in 2021](#) has shown that identification of SEN can vary significantly between schools. ↩ ↩²

2. For secondary and primary schools, the national average proportion of pupils with high needs (EHC plans) is 1.7%. For these examples, however, we have round the percentage up to 2%. For primary schools, the national average proportion of pupils on SEN support is 12.7%. For the primary school example, however, we have rounded this percentage to 13%. We have used the national average proportion of pupils on SEN support in secondary schools of 12.3% in the secondary school illustrative example. [↩](#)