

Meeting date: 12th October 2023

Report to: Solihull School Forum



Subject/report title: Review of the Schools notional SEN budget for 2024-25

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Schools affected:

☒ All Primary | ☒ All Secondary

Type of Report For Forum to express view to the Local authority

Forum Voting Whole of Forum

Public/private report: Public

1. Executive Summary:

- 1.1 This report builds on the guidance the DfE published last year and together with the latest published guidance and the latest data builds a revised model of the notional SEN budget (NSB) for Solihull mainstream schools from 2024-25.
- 1.2 The recommended approach uses the latest guidance together with learning from the DBV programme to construct a NSB that represents a quantum of funding that enables all schools within each sector to fund the meeting of needs of SEND pupils, at current levels of School Support (which appear to be high) and at national and then statistical neighbour levels of pupils with an EHCP (which appear to be low in Solihull).
- 1.3 The NSB does not represent an actual grant level, it highlights the level of funding schools should be considering as available from their revenue formula funding to meet the needs of pupils with SEND. The data signals that schools, on average, will need to allocate more resources than is signalled by the current NSB.
- 1.4 The report highlights the opportunity to link review of the notional SEN budget with strategic developments concerning the high needs block deficit, in particular

the achievement of statistical neighbour levels and proportions of pupils with EHCPs being educated in mainstream schools.

2. Decision(s) recommended – that Forum approves:

- 2.1 that the total amounts for the SEN budget be referenced to the *actual* Solihull proportion of school action pupils at £3,000 pp, and the *national average* number of pupils with an EHCP at £6,000 pp.
- 2.2 The use the school funding formula factors and the proportions shown in Table 3, paragraph 4.4.1.
- 2.3 The approach of linking the notional SEN budget with the strategic aims of the high needs block recovery plan, that notional SEN budget is sufficient for the current numbers of pupils identified at school support, and is sufficient for an increased number of pupils with EHCPs.

3. Matters for Consideration:

- 3.1 At your meeting of 11th October 2022 Forum considered a report on revised guidance issued by the government on 19 July 2022, and recommended that:
 - (a) The new guidance be implemented from 1st April 2023;
 - (b) The revised NSB be developed to emulate as far as possible the examples used in the guidance (i.e. to follow the DfE thinking as a national approach is inevitable)
 - (c) To develop an approach to high needs funding protection that delivers broadly the same amount of funding as in 2022-23, and to consider protection arrangements, if necessary for schools currently receiving such protection funding.
- 3.1.2 Unfortunately, the LA was unable to finalise a set of suitable arrangements for 1 April 2023 implementation.
- 3.1.3 On 17th July 2023, the government issued a set of papers relating to 2024-25 school funding matters, including a revised notional SEN budget operational guide for 2024-25.
- 3.1.4 Building on the work of last year and considering the 2024-25 guidance I have built on the modelling undertaken last year. Although the LA was unable to finalise a revised NSB for 2023-24, the opportunity to reflect on the DBV outcomes, and build those outcomes into this revised modelling has been invaluable; in particular, you may recall I was unsure how to decide the overall quantum of NSB for each sector, but the DBV work and updated guidance has provided further clarity on this key issue.
- 3.2 This report does not seek to go back over the purpose of the notional budget or

the current Solihull approach, those matters were comprehensively dealt with in the previous report to Forum. This report focuses on the process and outcomes of rethinking the notional budget to meet requirements of the government guidance whilst also making the strategic link to the key DBV action of seeking to remove barriers to further inclusion in mainstream settings.

4. Building the notional SEN budget:

4.1 Building on the work from last year, it is clearer that the necessary approach is, for each sector:

- (a) Step 1 – establish the current Solihull proportions (of pupils on roll) of EHCP and school support and establish the national and statistical neighbour proportions.
- (b) Step 2 – Using the DfE guidance of £3,000 per school support, and £6,000 for EHCP, establish the quantum of funding required to meet those proportions.
- (c) Step 3 – Using the guidance, considering the Solihull school funding formula, and using the quantum from step 2, establish which national funding formula factors to include.
- (d) Step 4 – establish the proportion of each factor to count as notional SEN budget to deliver the required quantum of funding for each sector.
- (e) Step 5 – check answer is credible, and Step 6 - model different scenarios to check for model stability.

4.2 **Step 1 – using the published January 2023 census data the proportions of pupils in mainstream schools with SEND of whole school roll are:**

		Jan23 Census		Solihull current at Jan23 census		
		SEN support (K)	EHC plans (E)	Total Pupils	SEN Support	EHCP
Solihull	Pri	13.07%	1.96%	21,433	2,802	420
Solihull	Sec	15.02%	2.10%	18,205	2,734	382
Nat	Pri	13.54%	2.53%			
Nat	Sec	12.36%	2.41%			
W Mids.	Pri	14.24%	1.93%			
W Mids.	Sec	13.20%	1.84%			
Stat Neighbours	Pri	12.08%	2.61%			
Stat Neighbours	Sec	11.34%	2.63%			

4.2.1 This latest data accords with the DBV conclusion that Solihull schools, compared to national and statistical neighbours have fewer pupils with an EHCP on a

mainstream roll. It also suggests that Solihull schools, particularly secondary schools, are identifying more pupils at school support than statistical neighbours.

- 4.2.2 It is also possible to see the actual numbers of pupils that the notional SEN budget needs to fund at national and statistical neighbour levels (a minus means fewer pupils):

	Current Solihull		At Nat Levels		Difference	
	K	EHCP	K	EHCP	K	EHCP
Primary	2,802	420	2,902	542	100	122
Secondary	2,733	382	2,250	439	-483	57
Total pupils:	5,535	802	5,152	981	-383	179

	Current Solihull		At Stat. Neighbour Levels		Difference	
	K	EHCP	K	EHCP	K	EHCP
Primary	2,802	420	2,589	559	-213	139
Secondary	2,733	382	2,064	479	-669	97
Total pupils:	5,535	802	4,653	1,038	-882	236

4.3 Step 2 – model the funding required for each sector at the proportions shown in Table 1 above:

Table 2 – the implied level of notional SEN budget for different proportions of school support/EHCPs:

		SEN support K %	EHC plans %	SEN support (K)	EHC plans (E)	Total
Implied Notional SEN quantum (Solihull Jan23 data):				£3,000	£6,000	
Primary		13.07%	1.96%	8,406,000	2,520,000	10,926,000
Secondary		15.01%	2.10%	8,199,000	2,292,000	10,491,000
Solihull		13.96%	2.02%	16,605,000	4,812,000	21,417,000
At National levels:						
Primary		13.54%	2.53%	8,706,085	3,253,529	11,959,614
Secondary		12.36%	2.41%	6,750,043	2,632,298	9,382,342
Solihull				15,456,128	5,885,828	21,341,956
At Stat Neighbour levels:						
Primary		12.08%	2.61%	7,767,319	3,356,408	11,123,727
Secondary		11.34%	2.63%	6,193,001	2,872,591	9,065,592
Solihull				13,960,320	6,228,999	20,189,319

- 4.3.1 For step 3 we need to establish the required quantum for school support and EHCP plans. From the table above, I recommend the new quantum is the current Solihull level of SEN support, because schools will need to fund that level whilst they review the numbers and decisions that ascribe a pupil to school support. For

EHCP plans. I recommend we use the national level, and when we approach that, use the statistical neighbour level. The aim is to reach statistical neighbour levels over time.

- 4.3.2 This approach gives a level of notional SEN budget that meets current numbers of school support pupils (which currently may be relatively high) and national levels of EHCPs (which currently may be relatively low).
- 4.3.3 Appendix 2 shows the funding for each school at £3,000 per SEN support and £6,000 for each EHCP pupil for each of actual numbers as of January 2023, at the national and statistical neighbour proportions.
- 4.3.4 Creating this “headroom” implies a total notional SEN budget of £1.093m more than using Solihull actual proportions.
- 4.3.5 However, when we reach Statistical neighbour proportions for both school support and EHCPs, the total notional SEN budget could be £1.228m less than the current implied requirement. This suggests at these levels schools would have £1.228m more to spend on whole school matters. For primary it is about the same, for secondary, a saving of £1.4m.

4.4 **Step 3 – establish the notional SEN budget by selecting funding factors and in what proportions:**

- 4.4.1 Table 3 – notional SEN budget factors – DfE model and recommended for Solihull:

	DfE example		Modelled for Solihull	
%	Pri	Sec	Pri	Sec
AWPU	3.2%	2.3%	3.2%	2.3%
LPA	88.0%	80.0%	88.0%	80.0%
FSM			30.0%	32.0%
FSM6	30.0%	32.0%	30.0%	32.0%
IDACI	40.0%	30.0%	40.0%	38.0%
Lump sum	3.0%	2.0%	3.0%	2.0%
Mobility	24.0%	15.0%	24.0%	15.0%
MPP			65.0%	65.0%
In addition to DfE example				

- 4.4.2 The table shows the factors and proportions in the DfE example. However, this only delivers a notional SEN budget of £18.1m which is £4.4m less than the required quantum calculated in Step 2.
- 4.4.3 The “modelled for Solihull” half of the table shows factors and proportions that meet the £22.5m total funding requirement, and the right quantum at each sector level.
- 4.4.4 I have assumed the starting point is to use DfE example figures. I have then included free school meal factor on the same basis as Ever6 measure (it’s not

clear why the DfE have not included FSM). I have included MPP (minimum per pupil) factor as the purpose of this factor is to boost the average funding per pupil for schools with pupils with less needs.

- 4.4.5 Appendix 3 shows the detailed workings for each factor for each school, and then the EHCP/School support split. Note that it is close to, but not identical to the quantum target value.
- 4.5 Appendix 4 summarises the steps and shows the data for each school.
- 4.6 In considering if the approach is reasonable, Table 4 below shows the % of the total school budget for the current actual school action /EHCP as per Jan23 census, the current notional SEN budget approach, and then for the recommended new approach of current school support with national average EHCP numbers. The figure for each school is shown in Appendix 4.

Table 4: NSB as % of school budget (see Appendix 4)

	Current K & EHCP NSB requirement	Current notional SEN budget method	Recommended NFF factors and proportions - New NSB
Pri	11.9%	11.2%	12.7%
Sec	10.1%	9.0%	10.5%
Total	11.0%	10.0%	11.5%

- 4.7 At this stage I have not considered high needs exceptional funding, I will do this when we have an agreed notional SEN budget approach.

5. Reasons for recommending preferred option:

- 5.1 A key outcome of the DBV work, is that there must be a greater proportion of pupils with EHCPs educated in mainstream schools, and fewer in specialist provision. This is a critical outcome for Solihull to stabilise, and then repay the current and forecast deficit on the high needs block element of the dedicated schools grant.
- 5.2 The revised proposed NSB allows for the right quantum of funding for current levels of pupils identified as School Support, which appears to be high compared to national and statistical neighbours. It also allows for the required increase in inclusion of pupils with an EHCP in mainstream schools.
- 5.3 The latest guidance advises that LAs now review their SEN budget annually, and as the DBV actions impact, the notional SEN budget will be amended to reflect the move to statistical neighbour norms.
- 5.4 Whilst the NSB cannot guarantee each individual school will have a NSB that exactly meets its actual numbers of identified school support and pupils with

EHCPs pupils (or actual costs for each individual pupil), the proposals do ensure there is sufficient quantum of funding for each sector, primary and secondary.

- 5.5 It is now imperative revised notional SEN budget arrangements are put in place for 2024-25; the local authority must signal to schools the implications of the DSG management plan, and the DfE have stated they will audit local authority NSB arrangements for 2024-25.
- 5.6 School Forum set out their preferred approach last year, and this recommended approach accords with that. The innovation this year is to set the target notional SEN having regard to the DBV review, which implies a move to statistical neighbour levels of EHCPs. This approach uses national average data, which is also consistent with what a national approach may entail.

6. Implications and Considerations:

6.1 Impact on schools:

- 6.1.1 As described in Appendix 4. The proposed new notional SEN budget gives a clear signal to schools about a proportion of their budgets to meet current and future levels of school support and EHCP pupils.

6.2 Consultation and Scrutiny:

- 6.2.1 This report to Finance Group and report with their recommendations to October 2023 Forum meeting. Finance group endorsed the approach but noted concerns that this represented a considerable proportion of the overall school budget. Note this report now includes explicit consideration of the proportion of school budget implied by the recommended approach in paragraph 4.6.

6.3 Financial implications:

- 6.3.1 There are no direct financial implications. This is a notional budget, however there is the expectation that schools, governors and SENCOs will use this information to consider the resources applied to pupils on school support and with EHCPs.

6.4 Legal implications:

- 6.4.1 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.

6.5 Risk implications, including risk appetite:

- 6.5.1 The LA is now required to review the notional SEN budget annually and is subject to scrutiny by the DfE.

6.6 Equality implications:

6.6.1 The notional SEN budget is intended to help schools to meet their obligations to pupils with special needs as outlined in the Childrens Act 2014 and equalities legislation.

7. List of appendices referred to:

7.1 Appendix 1 The notional SEN budget for mainstream schools: operational guide 2024 to 2025 - GOV.UK

7.2 Appendix 2 Step 2 – totals by school for proportions of school support and EHCPs based on January 2023 census.

7.3 Appendix 3 Step 3 to 6 - Determine funding factors and proportion to deliver correct quantum of funding required for notional budget.

7.4 Appendix 4 – Summary of proposals by school