

To: The Chair of Governors and Headteachers of all Lincolnshire maintained schools and academies

23 January 2025

Dear colleague

Mainstream Schools Funding 2025/26 - Notional SEN

Lincolnshire County Council's consultation with all maintained schools and academies

Lincolnshire's mainstream schools funding formula adopts the Government's National Funding Formula (NFF) in 2024/25 subject to a 0.072% downward adjustment to the Key Stage Age Weighted Pupil Unit (AWPU) value to address the affordability gap caused by Schools block lagged funding. Lincolnshire will continue adopting the NFF in 2025/26 subject to affordability.

Within the mainstream schools determined budget allocation, each year schools are notified of their **notional SEN budget**, which is a clearly identified but a notional sum, within their overall budget allocation.

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 SEND code of practice which is statutory guidance to which schools must have regard, sets out 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.

The notional SEN budget should be used towards the costs of fulfilling their duty to use their 'best endeavours' to secure special educational provision for their pupils with SEN. The budget is intended as a guide for a school's spending decisions and is neither a target, nor a constraint. Local Authorities (LAs) are responsible for determining the amount of this notional budget using their local formula.

The concept of the Government's notional SEN has been in place over a decade ago. There is however no national approach to the calculation of schools' notional budget for pupils with SEN through the NFF. LAs are therefore required to establish the notional SEN budget at a local level. Lincolnshire's notional SEN percentages assigned against each formula factor are based on historic funding devolved through the formula prior to the NFF, specifically for SEND, such as funding for mainstreaming of SEN specific standards funds; school action and school action plus; statements 1-5; first £6,000 for pupils with an EHC plan and additional funding to support SEN solutions. The tightening of the funding framework through the NFF has seen reduced flexibility for LAs in how it funds schools with funding formula values being established at a national level and LAs being required to move towards adopting them. This therefore provides a challenge to LAs in correlating funding increases to notional SEN funding.

LAs have received updated guidance regarding their notional SEN budget calculations within a schools delegated budget¹, therefore the LA considers it an opportune time to consider its approach in funding notional SEN budgets within the Lincolnshire formula. LAs have been asked to review notional SEN alongside their local formula to make sure that their schools notional SEN budget is a realistic amount for meeting the costs of additional SEN support up to £6,000 per pupil. It is

¹ Requirement to identify for each mainstream school a notional amount to guide schools in their spending to meet costs, up to £6,000 per pupil, of additional support for the school's pupils with special educational needs (SEN).

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.

Context

Lincolnshire 2024/25 overall schools funding identified as notional SEN was 10.99% (£63.646m). The overall percentage across all LAs is 12%², therefore Lincolnshire is just below the mid-point.

The Department for Education (DfE) has determined that the costs of special educational provision for a pupil on SEN support are, on average, £3,500 per annum. Lincolnshire's rate is £3,324³ through the local formula; therefore, this consultation considers aligning more to the DfE level for 2025/26.

Total Number of Pupils with an EHC plan	2,582
Total Funding for notional SEN (meeting the first £6,000)	£15.492m
Total Number of Pupils on SEN Support	14,489
Total Funding for notional SEN (meeting the DfE average cost of £3,500)	£50.711m
Total Notional SEN Budget Advised	£66.203m
Lincolnshire's Notional SEN (2024/25)	£63.646m
Notional SEN Variance	-£2.557m

The DfE advise that most LAs calculate their schools' notional SEN budget using a combination of funding in the local funding formula:

- 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

Local data also identifies that deprivation levels is a good indicator of EHC plans and SEN support levels.

Proposals

In the absence of no national approach to the calculation of schools' notional budget for pupils with SEN through the Government's NFF, Lincolnshire has considered the following approach to reviewing the notional SEN percentages assigned against each formula factor:

- For Lincolnshire's total notional SEN allocation to be more aligned to the DfE's advised rate of £3,500 amount per pupil identified as on SEN support, having deducted £6,000 per pupil with an Education Health Care (EHC) plan.
- Align more to the national LA averages and other comparable LAs notional SEN budgets.
- Consider local data to better direct notional SEN funding and required quantum (£72m).
- Taking account of DfE advice on formula factors proxy's that reflect lower-level SEN correlation.

The proposed notional SEN percentages assigned to each formula factor would have provided £3,646 (marginally above the DfE advised rate) per pupil value identified as on SEN support in 2024/25, having deducted £6,000 per pupil with an Education Health Care (EHC) plan. For 2025/26, £3,705 per

² Schools block funding formulae 2024 to 2025: Analysis of local authorities' schools block funding formulae

³ The current Targeted Funding criteria considers the current level of notional SEN through the local formula.

pupil value is identified as on SEN support (following the 0.5% Schools Block transfer to the High Needs block, the per pupil value is £3,688 identified as on SEN support). This however considers January 2024 data, which we have seen grow through the year.

Formula Factor	2025/26 Proposed Notional SEN Percentages	2024/25 Notional SEN Percentages	Comments
Primary AWPU	4%	4.72%	Proximity to the national average and median.
Key Stage 3 AWPU	4%	4.59%	
Key Stage 4 AWPU	4%	4.63%	
Free School Meals	0% (Primary) 0% (Secondary)	14.94% (Primary) 18.68% (Secondary)	Funding for school meal cost.
Free School Meals Ever 6 (deprivation measure)	35% (Primary) 35% (Secondary)	11.47% (Primary) 14.35% (Secondary)	Proximity to the national average and median.
IDACI (deprivation measure)	30% (Primary) 30% (Secondary)	61.14% (Primary) 71.06% (Secondary)	Proximity to the national average and exact median.
English as an Additional Language	0% (Primary) 0% (Secondary)	0% (Primary) 0% (Secondary)	Other pupil support.
Mobility	0% (Primary) 0% (Secondary)	0% (Primary) 0% (Secondary)	Other pupil support.
Prior Attainment	100% (Primary) 100% (Secondary)	70.47% (Primary) 59.26% (Secondary)	DfE recommended – applied mode and median.
Lump Sum	0% (Primary) 0% (Secondary)	8.35% (Primary) 5.00% (Secondary)	Supports infrastructure of the school.
Sparsity	0% (Primary) 0% (Secondary)	0% (Primary) 0% (Secondary)	Supports infrastructure of the school.

The consultation seeks views on the proposed changes to the notional SEN budget funding calculation for the 2025/26 financial year.

Cost of SEN Support

The DfE has determined that the costs of special educational provision for a pupil on SEN support are, on average, £3,500 per annum.

The consultation seeks views on whether that value is a fair reflection of the costs incurred by schools when supporting a pupil on SEN support? Supporting information on types of costs and their value is welcomed.

Targeted Funding

An LA can provide targeted funding from its High Needs block to schools in such exceptional circumstances. This funding would supplement the school's notional SEN budget as calculated under the local funding formula, namely, the adopted Government NFF.

Section 251 guidance outlines that additional support costs up to £6,000 for pupils with SEN can be provided through a targeted approach, where a school cannot reasonably do this out of their budget share or other mainstream funding.

LAs are required to 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, such as SEN support not being moderated. The Education Policy Institute (2021) highlighted significant inconsistencies in how children with SEN are identified and supported nationally. Lincolnshire has a higher EHC plan rate and SEN support rate than national and regional averages.

Targeted funding consideration can be made whereby there is a disproportionate number of pupils with SEN in relation to its size, phase and characteristics.

Lincolnshire has a targeted funding approach (local decision) in the High Needs block to support inclusive practice, thereby supporting schools with a higher number of EHC plans. This approach is currently being reviewed due to the increasing costs within this local factor and the financial impact it is having on the High Needs block.

Targeted funding is currently automatically triggered when a school's notional funding EHC requirements exceed the value that is equivalent to 30% of the Notional SEN in their delegated budget.

LA 2024/25 analysis from Section 251 benchmarking data provides some interesting analysis:

- Only 66 LAs (or 44%) operate a targeted SEN funding approach.
- Lincolnshire is the 7th highest planned spend per capita (£38). England average is £6 per capita.
- Planned gross expenditure is 4th highest at £4.2m.
- Only 13 upper tier LAs (or 54%) operate a targeted SEN funding approach.
- The largest concentration of upper tier LA planned spending is between £3-5 per capita (or £0.26m to £0.50m) compared to Lincolnshire's £38 per capita.

The conclusion is that Lincolnshire is an outlier when providing a targeted SEN funding approach. The local approach was designed to ensure that schools are not being financially disadvantaged by having a disproportionate number of pupils with more complex needs, however this needs to be re-assessed. Lincolnshire is adopting the Government's National Funding Formula (NFF), therefore there is no reason why Lincolnshire should be an outlier compared to other LAs when providing targeted funding. The percentage of schools in receipt of targeted funding is 55%, therefore this is no longer exceptional, as per the DfE expectations of such a funding mechanism.

The consultation seeks views from schools on what thresholds or measures can be applied through a local targeted funding approach that can be applied in exceptional circumstances and is financially sustainable for the High Needs block, considering a situation where there is a disproportionate number of pupils with SEN in relation to its size, phase and characteristics. Consideration of objective measures is important. It will be important for the LA to provide transitional financial protection through such a change.

The LA intend to establish a working group with school representatives to consider and take forward this workstream.

Link to the MS Forms consultation response platform:

The closing date of the consultation is midday on Thursday 30 January 2025.

The results of this consultation will be considered by Children's Services Directorate Leadership Team. Executive Councillor decision will be made in February 2025, which will consider the consultation outcomes of the notional SEN proposals to ensure the schools budgets are published by the end of February 2025.

Privacy statement

We will only use the information you provide, for the purposes of this consultation and to discuss your survey responses if follow-up is necessary. We will only ask you to provide the minimum amount of information we need in order to do this.

Your information is only shared where necessary and where the law allows it.

We will only keep your information for as long as is necessary, and in line with our [retention schedules](#).

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