



Notional SEN

Consultation

**Consultation between Cumbria Schools Forum and
Maintained Schools & Academies within Cumbria**

Consultation Commences: Thursday 10 June 2021

Deadline for responding to the consultation at:
<https://cumbria.citizenspace.com/cumbria-county-council/db0137e6>

is Thursday 1 July 2021

Introduction

1. Notional SEN is the amount of funding that mainstream schools and academies are required to fund towards the cost of supporting children in their school with SEND. Where individual pupils require additional support in excess of the Notional SEN threshold the local authority is responsible for topping up the funding associated with the individual pupil. The top-up element is funded from the High Needs Block of the Dedicated Schools Grant.
2. Since 2017 mainstream schools and academies in Cumbria have been required to fund the first £7,150 of support for children with SEND from their own delegated budgets as part of a strategy to manage down and control the deficit on the High Needs Block agreed by Cabinet following recommendations from the Schools Forum.
3. Schools Forum have agreed to reinstate the notional SEN amount back to the original £6,000 threshold as soon as possible. However, as this will have a financial impact on the High Needs Block they have also considered options to mitigate this whilst at the same time helping schools manage possible changes to their budget shares.
4. The Schools Forum have agreed to consult all maintained schools and academies on the removal of the Targeted SEN Fund with effect from 1 September 2021 and this consultation seeks views on the length of time and level of transitional protection that should apply.

Background

5. Notional SEN is the amount of a mainstream school's budget share that should be used to meet low cost high incidence SEND provision. In Cumbria the calculation is based on 5% AWPU allocation, 50% deprivation allocation and 100% low prior attainment allocation.
6. Historically, Cumbria required schools to fund the first £3,000 of support for high needs pupils using their notional SEN allocation with any costs over £3,000 funded through top ups. In 2013/14 DfE strongly recommended that local authorities delegated sufficient funding for all schools to be able to fund support for high needs pupils up to £6,000. However, at its meeting on 8 November 2012 Cabinet decided, following recommendation from Schools Forum, not to implement the DfE's recommendation and to continue to require schools to fund the first £3,000. The rationale was that in doing so High Needs funding followed the child rather than being allocated across all schools regardless of the number of high needs pupils within those schools.
7. From 2014/15 DfE made it mandatory for schools to fund the first £6,000 per high needs pupil. In recognition of the additional cost to schools of doing this, £3.500m was transferred from the High Needs block to the Schools block. DfE rules required that the additional £3.500m was allocated to schools on the basis of the school funding formula rather than on numbers of SEN pupils meaning that schools with few or no SEN pupils received funding even though they had little or no additional costs of SEN provision whilst schools with high numbers of SEN pupils received funding less than the additional

cost of their SEN provision. To mitigate this DfE allowed local authorities to have a central fund to allocate to schools with a higher proportion of SEN pupils and Cabinet therefore agreed in October 2013 following Schools Forum recommendation that £0.300m of the £3.500m transferred from the High Needs block would be retained as a central fund known as targeted SEN.

8. The targeted SEN was allocated to schools where more than 3% of pupils had a SEN statement (now EHCP) on the basis of £3,000 for each pupil above the 3% threshold. Subsequently the central fund was increased to £0.870m and the threshold reduced to 2% of pupils on roll.

High Needs Deficit

9. Prior to 2014/15 the DSG High Needs block consistently reported small underspends.
10. From September 2013 the local authority took on responsibility for funding post 16 and post 19 high needs students; at the point of transfer it was recognised that funding provided was insufficient and although the Education Funding Agency provided additional funding there was still a shortfall of £0.750m.
11. In September 2014 the Children and Families Act came into force, introducing a new approach to supporting children with SEND and led to an unprecedented rise in the number of requests for statutory assessment leading to an EHCP. This, along with existing pressure on post 16 and post 19 budgets and an increased need to purchase provision from independent special schools to support the needs of pupils that could not be met within Council provision, resulted in a deficit on the High Needs block in 2014/15.

High Needs Recovery Plan

12. During 2016 Schools Forum considered a number of options to manage demand and control the resulting deficit on the High Needs block. In December 2016 Cabinet agreed the following recommendations from Schools Forum:
 - To reduce the hourly top up rate in EHCPs from £750 to £650 to reflect the actual cost of a teaching assistant;
 - To transfer 2 hours of EHCP top ups to schools.
13. It was estimated that these 2 measures would reduce pressure on the High Needs block by £2.780m. When schools were required to fund the first £6,000 of support this was based on an hourly rate of £750 and meant that schools had to provide 8 hours of support from their own budgets. The impact of reducing the hourly rate from £750 to £650 was that schools effectively had to fund 9.2 hours from their own budgets. Furthermore, the agreement that an additional 2 hours would be contributed from schools' own delegated budgets effectively meant that schools had to fund the first 11 hours of support or £7,150.

EHCP numbers and budget position

14. Since 2014 the numbers of pupils with EHCPs has increased dramatically. As at March 2021 there were 4,015 pupils with an EHCP, an increase of 1,223 since January 2018. The value of targeted SEN paid to schools has also increased from a total of £0.990m in 2018/19 to £1.923m in 2021/22.
15. Between 2017/18 and 2019/20 the number of schools in deficit increased from 61 to 72 and the overall net balance on school budgets decreased from a surplus of (£1.686m) in 2017/18 to a deficit of £0.145m in 2019/20. Although the overall net balance on school budgets has increased to (£8.476m) in 2020/21 this is mainly due to school closures during the COVID19 lockdowns however it is expected that there will be an increased demand on school budgets during 2021/22 for pupils needing additional catch-up support.
16. The increasing levels of demand mean that whilst a number of savings and spend to save initiatives are being delivered through the High Needs Recovery Plan, the deficit on the High Needs block has increased from £5.533m as at 31 March 2019 to £14.550m as at 31 March 2021.

Impact of the Proposed Changes

17. The Schools Forum have considered the financial impact of moving the notional SEN threshold from £7,150 to £6,000. To do this, for each pupil in receipt of EHCP standard hours top-up funding, as per the S251 High Needs Funding Statement for 2021/22, we have modelled increasing the top-up amount payable to schools by £1,150 per pupil. For example, for a pupil with an EHCP equating to 15 hours of additional support the local authority currently pays a top-up of £2,600 to the school as shown below:

Current Arrangement		
School	11 hrs x £650	£7,150
Local Authority top-up	4 hrs x £650	£2,600
Total Cost of Support	15 hrs x £650	£9,750

To reinstate the Notional SEN to £6,000 the top-up amount paid by the local authority will increase to £3,750:

New Arrangement		
School	9.23 hrs x £650	£6,000
Local Authority top-up	5.77 hrs x £650	£3,750
Total Cost of Support	15 hrs x £650	£9,750

18. The total value of the additional SEN support remains the same however the school contribution will reduce by £1,150 from £7,150 to £6,000 and the local authority contribution will increase by £1,150.

19. Based on pupils with EHCPs in mainstream schools in 2021/22 as per the S251 High Needs Statement the full year impact of reinstating the notional SEN threshold to £6,000 is £1.998m.
20. Due to the significant financial pressures on the High Needs block an increase in expenditure of £1.998m against the High Needs Block is not sustainable and therefore the Schools Forum have considered potential options to mitigate the increase in expenditure including:
- Removal of targeted SEN funding;
 - Amending criteria for accessing targeted SEN for example by increasing the percentage of pupils above which targeted SEN is paid, and/or reducing the amount paid per pupil;
 - Review of top up bands.
21. The total amount of Targeted SEN funding allocated to schools in 2021/22 is £1.923m. As requested by Schools Forum modelling the removal of the Targeted SEN has been undertaken and, as the Schools Forum are keen to restore the notional SEN threshold back to £6,000 as soon as possible, the modelling shows the impact of making the proposed changes with effect from 1 September 2021. The impact on individual mainstream schools and academies is shown at Appendix 1.
22. The part year impact of reinstating the first £6,000 of support for high needs pupils and removing targeted SEN from 1 September 2021 is a saving of £946. However, 99 schools would be worse off under this arrangement, 166 would benefit, and 42 would be unaffected. The Schools Forum wish to protect those schools that would be worse off under the changes as schools will have already prepared their 2021/22 budget plans based on the current funding levels and have recommended that transitional protection is made available to help those affected schools to adjust to the changes.
23. Of the 99 schools that would be worse off transitional protection totalling £378,349 would bring those schools back to their original position for the period 1 September 2021 to 31 March 2022. The net impact of the cost in 2021/22 of reinstating the first £6,000 of support, removing targeted SEN and providing transitional protection to 99 schools to make them no worse off than they would have been is £377,404. This is summarised in table 1 below:

Table 1 – Summary impact of introducing the changes with effect from 1 Sep 21

	(a)	(b)	(c) (a+b)	(d)	(e)		(f)		(g) (d + e + f)
	Total EHCP Top-Up Funding 2021/22	Total Targeted SEN Funding 2021/22	Total EHCP Top-up and Targeted SEN Funding 2021/22	Impact of reinstating Notional SEN Threshold to £6,000 wef September 2021	No of schools	Removal of Targeted SEN wef September 2021	No of schools	Transitional Protection	Net impact
	£	£	£	£		£		£	£
Primary	7,363,701	1,083,000	8,446,701	615,464	113	(631,750)	82	247,543	231,257
Secondary	4,814,077	840,000	5,654,077	505,341	25	(490,000)	17	130,806	146,147
TOTAL	12,177,778	1,923,000	14,100,778	1,120,805	138	(1,121,750)	99	378,349	377,404

24. Table 2 below show an example of the full financial year impact of introducing the proposed changes with effect from 1 September 2021 on a school with 100 pupils of which 6 pupils have EHCPs. To simplify the example, each child with an EHCP currently receives top-up funding equating to 5 hours at £650 per hour:

Table 2 – Example School Current Funding Arrangement

	Total number of pupils on roll	Number of pupils with EHCPs	Average standard hours of top-up per child	EHCP Funding	Targeted SEN Funding	Transitional Protection	Total Funding
	(a)	(b)	(c)	(d) (b x c x £650)	(e) (b - (a x 2%)) x £3,000	(f)	(g) (d + e + f)
Example School	100	6	5	19,500	12,000		31,500

25. As the school has more than 2% of pupils with an EHCP the school currently receives Targeted SEN funding for each pupil above that level – total funding available to the school is £31,500 in the financial year. Under the proposed arrangements effective from 1 September 2021 the school will still receive £31,500 in the financial year but this will include £2,973 in transitional funding, as shown in Table 3 below:

Table 3 – Example School – Financial Impact of Proposed changes coming into effect from 1 September 2021

	Total number of pupils on roll	Number of pupils with EHCPs	Average standard hours of top-up per child	EHCP Funding	Targeted SEN Funding	Transitional Protection	Total Funding
	(a)	(b)	(c)	(d) (b x c x £650)	(e) (b - (a x 2%)) x £3,000	(f)	(g) (d + e + f)
April to August 2021 pro rata	100	6	5	8,125	5,000		13,125
September 2021 to March 2022 pro rata	100	6	6.77	15,402		2,973	18,375
				23,527	5,000	2,973	31,500

26. After considering the modelling the Schools Forum have recommended that full transition protection should apply to those schools worse off under the proposed changes to at least 31 March 2022 to allow schools time to adjust to the changes.

Consultation Question 1:

Do you agree with your Schools Forum recommendation that transitional protection should be applied to those schools that would be worse off under the proposed changes which would bring them back to their original position for the period 1 September 2021 to 31 March 2022?

Yes/No

27. The Schools Forum also seeking views from schools and academies on whether transitional protection should continue beyond 31 March 2022 and if so whether the transitional protection should continue to provide full protection or protection at a reduced level.
28. Using 2021/22 data the indicative full 2022/23 financial year impact of reinstating the first £6,000 of support for high needs pupils and removing targeted SEN would be a net cost of £75,390. The indicative figures show that 93 schools would be worse off. If

transitional funding continues beyond the end of financial year 2021/22 for a full financial year £602,794 is estimated to be required to bring those schools back to their original position resulting in an estimated net full year cost of £678,184. The impact by individual schools and academies is shown at Appendix 2 and is summarised in table 4 below:

Table 4 - Summary indicative transition protection for 2022/23

	(a)	(b)	(c) (a+b)	(d)		(e)		(f)	(g) (d + e + f)
	Indicative Total EHCP Top-Up Funding 2022/23	Indicative Total Targeted SEN Funding 2022/23	Indicative Total EHCP Top-up and Targeted SEN Funding 2022/23	Indicative Impact of reinstating Notional SEN Threshold to £6,000 2022/23		Indicative Removal of Targeted SEN 2022/23		Indicative Transitional Protection	Net impact
	£	£	£	£	No of schools	£	No of schools	£	£
Primary	7,363,701	1,083,000	8,446,701	1,140,388	113	(1,083,000)	76	375,820	433,208
Secondary	4,814,077	840,000	5,654,077	858,002	25	(840,000)	17	226,974	244,976
TOTAL	12,177,778	1,923,000	14,100,778	1,998,390	138	(1,923,000)	93	602,794	678,184

29. It should be noted here that the figures in appendix 2 and table 4 above are based on 2021/22 data as the actual full year impact in 2022/23 is not certain as numbers of pupils with EHCPs will vary.

Consultation Question 2:

Should transitional protection for removal of targeted SEN be extended beyond 31 March 2022 to 31 August 2022?

Yes/No

If yes should protection be:

**in full (100%) Yes/No
at a lower level Yes/No
If yes, what level?**

Consultation Question 3:

Should transitional protection for removal of targeted SEN be extended beyond 31 March 2022 to 31 March 2023?

Yes/No

If yes should protection be:

**in full (100%) Yes/No
at a lower level Yes/No
If yes, what level?**

Consultation Question 4:

Do you have any further comments regarding the level of transitional funding that should apply?

Areas not impacted by this Consultation

30. It should be noted that the following funding streams are not impacted by this consultation:
- Early Years
 - Post 16

Responding to the Consultation

30. Schools are invited to respond to the 4 questions in this consultation using the online survey at <https://cumbria.citizenspace.com/cumbria-county-council/db0137e6> by **Thursday 1 July 2021**. Returns submitted after this date will not be included.
31. We encourage every school to respond. We kindly ask that there is only one response per school.

Appendix 1 – Impact of reinstating Notional SEN threshold to £6,000 and removal of targeted SEND by Individual School