

## SEN funding in April 2013

### **Introduction**

The Department for Education is intending to introduce national school funding reforms from April 2013. The final policy will be known in December 2012. These funding reforms affect all areas of schools and colleges, not just SEN, as the indicators used in the funding formula are refined.

The Dedicated Schools Grant (DSG) is to be divided into three streams (schools block, high need block and early years block), and the LA will set the budget it gives to schools according to a much-simplified formula, keeping back cash for a limited number of specified central functions. The LA has to outline its formula to the Educational Funding Authority (EFA), which can act if it thinks the LA's budget is wrong or unfair. As part of these reforms how SEN funding works is also changing dramatically to allow more flexibility and a range of providers.

The Government's reform agenda "aims to encourage the development of high-quality provision", to "improve transparency", to "empower young people and their families" and to "increase choice". The document says the current funding system is insufficiently responsive and may create perverse financial incentives which prevent pupils getting the right educational experience.

The document refers to "high needs" students and pupils, who require provision not normally available in mainstream settings, and identifies four "fundamental problems" with existing arrangements. It says potential perverse financial incentives to place pupils and students in one provider over another must be removed, that the "awkward divide" in funding arrangements at the age of 16 must be addressed, that there must be a long-term basis for funding high needs pupils in academies and free schools, and that "bureaucratic process" must not get in the way of dialogue between the commissioner and provider about the student and their results.

### **What are the reforms to SEN funding?**

Local Authorities will get a High Needs Block of funding with the DSG. The document says there will be a "... move to a funding approach based more on actual pupil numbers and to combine this with a base level of funding to offer specialist providers some stability. The new approach will see provision for high needs pupils and students funded on a mixture of a place- and a pupil-led basis."

Under a place-plus approach high needs funding will comprise of three elements, which can be applied across all provision for high needs pupils and students. Appendix 1 is a useful diagrammatic representation of SEN funding.

- **Element 1 or “core education funding”**: the mainstream unit of per-pupil or per-student education funding. In the school sector for pre-16 pupils, this is the age-weighted pupil unit (AWPU), while for post-16 provision in schools and in the FE sector this is the mainstream per-student funding as calculated by the national 16-19 funding system.
- **Element 2 or “additional support funding”**: a clearly identified budget for providers to provide additional support for high needs pupils or students with additional needs up to an agreed level. This is identified as the ‘notional budget’
- **Element 3 or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs.

### **How will SEN Funding work in Bath and North East Somerset?**

**Special schools and units** - regardless of whether the school is an academy or not, the school/unit will be funded by the EFA at the rate of £10,000 per commissioned place. This is the place element of the funding. It is important to note that this is not new funding - it will have been removed from our grant. The LA is then responsible for providing any ‘top up’ funding based on the pupils individual needs from the high need block. This will be determined by the SEN team through assessment and a banding mechanism. Other LAs placing pupils in our schools will deal direct with the school as recoupment arrangements will cease.

**Mainstream schools** – The Government has determined that each school has within its formula budget £4,000 core funding (element 1) and £6,000 additional support funding (element 2) and this funding must be used to support pupils with additional or SEN needs. If the school is unable to meet the needs of each pupil with SEN, within the core and additional support funding, they can ask the LA to provide ‘top up’ funding (element 3) from the high needs block. Any request will be assessed, as now, through a request for a statutory assessment. The difference to the current system is that as the Government have introduced a financial threshold, the LA will be asking schools for details of how they have spent the additional needs funding to the value of £6,000.

Currently, schools have a notional SEN budget and additional funding called MAF (Mainstream Additional Funding) as well as any funding attached to a statement of SEN. From April 2013, the MAF funding and the first £6,000 of any statement funding will be distributed to schools via the new formula. Where a school currently has a child with a statement of SEN, from April

2013, the LA will only be providing the 'top up' funding i.e. the school will provide the first £6,000.

Where a school has more statements than the sector average e.g. 1:60 in the primary sector, the LA will provide an additional £5,000 in recognition of the financial strain this may place on an individual school.

The Government have asked the LA to identify for schools; a new 'notional' SEN budget i.e. the old formula that made up the notional budget is changed. As it suggests, this budget is not a figure that schools must spend or only spend on SEN. It is an indicator of the likely level of funding that might be reasonable to spend given the demographics of the school. In practice schools must make provision for all pupils with SEN and a lack of funding is not a reason for failing to do so.

**In the FE sector** – funding is calculated using the national 16-19 funding formula and will be paid direct to them by the EFA. Elements 1 and 2 are within this funding and colleges will be expected to contribute £6,000 to meet the needs of Learners with Learning Difficulties and Disabilities (LLDD). Additional 'top up funding' can be provided by the LA, as it would in schools, from the high needs block. This would normally be identified through a Learning Difficulties Assessment (LDA). A proportion of the funding currently held by the EFA for colleges and LLDD will come to the LA in April 2013.

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## Appendix 1

	Pre-16 SEN and AP		Post-16 SEN and LDD
	Mainstream settings	Specialist settings	All settings
Element 1: Core education funding	Mainstream per-pupil funding (AVPU)	Base funding of £10,000 for SEN and £8,000 for AP placements, which is roughly equivalent to the level up to which a mainstream provider would have contributed to the additional support provision of a high needs pupil. Base funding is provided on the basis of planned places.	Mainstream per-student funding (as calculated by the national 16-19 funding system)
Element 2: Additional support funding	Contribution of £6,000 to additional support required by a pupil with high needs, from the notional SEN budget	Contribution of £6,000 to additional support required by a high needs pupil. Base funding is provided on the basis of planned places.	Contribution of £6,000 to additional support required by a student with high needs
Element 3: Top-up funding	"Top-up" funding from the commissioner to meet the needs of each pupil or student placed in the institution		