

Exceptional E2 Funding

Consultation with Schools and Academies

Launch date: 20th June 2018

Respond by: 20th July 2018

Introduction

Changes introduced through the National Funding Formula to notional Element 2 SEND funding allocations as well as pressures on the high needs budget have led to the need to review criteria for the distribution of Element 2 exceptional funding.

This consultation document provides information on the changes to notional SEN budget (Element 2) allocations as well as a summary of the expectations as to how this should be used in schools.

It also suggests a rationale, in line with national guidance, as to the type of school that should be able to access exceptional Element 2 funding and to establish a fair and transparent criteria as to how this funding will be allocated.

Throughout the document a number of key consultation questions are asked that the Local Authority would like feedback on.

Who this consultation is for

- Headteachers;
- School Governors;
- SENCos.

How to respond

By email to

Deborah.Wilbor@northyorks.gov.uk

By post

FAO: Deborah Wilbor

County Hall, Northallerton, DL7 8AE

Deadline

The consultation closes at 5pm on Friday 20th July 2018.

1.0 Notional SEN Budgets (Element 2)

- 1.1 The notional SEN budget (Element 2) is a proportion of all schools (maintained and academies) base funding which is 'notionally' set aside for meeting the needs of children and young people with SEN attending their school.
- 1.2 The purpose of the notional SEN budget is not to provide a separate funding stream for schools and academies to meet the needs of pupils with SEN, but to provide clarity that money is incorporated into their base budgets for that purpose.
- 1.3 From their formula funding, schools and academies are expected to provide a core offer of teaching and learning for all pupils, and up to the first £6,000 of the costs of providing additional and different support to pupils with SEN. This should be aligned with the identification of children at SEN support with details of the additional support required specified in an SEN Support Plan in accordance with the SEN Code of Practice.
- 1.4 From April 2014, this £6,000 threshold has been mandatory. Whilst notional element 2 funding is not ring-fenced, there would be the expectation that schools and academies can account for how they have used this level of funding to meet the support needs of a pupil with SEN prior to seeking additional top-up funding for that pupil. Neither should schools and academies regard the notional SEN budget as a fixed budget sum for spending. Good practice would also include transparency in the use of this money within a school's SEN information report on their web site.
- 1.5 Following the introduction of the National Funding Formula in 2018/2019, the calculation of the notional SEN percentage allocation within school and academy delegated budgets has increased to 8.68% from 3.89%. In effect this means that schools will be required to provide support for more children with SEN in their establishments before they will be entitled to additional exceptional funding from the LA. It is important that school and academy leaders, governors and SENCOs are aware of notional SEN budget allocations and how resources are being deployed.

Questions for consultation related to 1.1 to 1.5

We would welcome your views on the following:

1. Is the information provided by the LA clear enough about how much of the school's base budget is notionally identified for meeting the needs of SEND pupils? If you think that this is not the case, what suggestions do you have about what is needed to improve this?
2. 1.5 above suggests that school and academy leaders, governors and SENCOs should all be aware of the detail of notional SEN budget allocations. Do you agree? What are your thoughts on this?

2.0 Exceptional Element 2 Funding

- 2.1 Education and Skills Funding Agency (ESFA) guidance provides that local authorities can provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their high needs pupils cannot be reflected adequately in their formula funding and where it would be unreasonable to expect them to pay for the costs of the first £6,000 of additional support for all high needs pupils.
- 2.2 Local authorities are also able to provide additional funding from their high needs block to schools and academies that have a higher proportion of pupils with SEN, for example for schools that have developed a particular specialism or have a strong local reputation for inclusion that means that they attract higher than average numbers of pupils with Education, Health and Care Plans (EHCPs) or pupils with SEN support needs.
- 2.3 There may also be some instances where it is debatable whether schools have sufficient money in their core budgets to meet the first £6 000 of additional support costs and where economies of scale come into play, for example, in very small schools.
- 2.4 The Local Authority is proposing to apply a number of key criteria in order to determine whether or not a school should receive exceptional E2 funding. These will also be used to calculate the level of funding allocated. There will be two routes through these:
- i. 'Small schools' – where the size of the school is less than 100
 - ii. 'Inclusive schools' – where the percentage of children and young people with identified SEN, is greater than LA cohort averages – currently 13% at primary and 9.1% at secondary (we are intending to use current EHCP numbers plus three year average SEN support figures to identify 'inclusive schools')
- Following this initial identification the following criteria will then be applied:
- iii. The current number of children and young people with EHCPs and the number identified at SEN support (from January census).
 - iv. The school's notional SEN budget and any potential shortfall.
 - v. The school's current revenue balance – where these are greater than 15%
- 2.7 The LA is proposing to make a fixed allocation of four fifths of the exceptional E2 funding budget at the start of the financial year. The remaining fifth will be set aside as contingency for in-year EHCP movement for small schools.

Questions for consultation related to 2.1 to 2.7

We would welcome your views on the following:

3. The LA is proposing to make exceptional E2 funding available to inclusive schools where there are higher proportions of SEN pupils on roll. Do you agree with this principle?
4. The LA could apply the exceptional E2 criteria above to allocate funding automatically to schools at the start of the financial year. Alternatively we could

introduce an application process whereby schools apply for this funding. Which of these two proposals do you prefer and why?

5. The LA is currently suggesting that its definition of a 'small school' is one with less than 100 pupils on roll. Do you agree with this? If not, what do you feel constitutes a 'small school'?
6. Previously, exceptional E2 funding criteria only took account of EHCP numbers. The revised proposal is to factor in SEN support cohort averages as well. Do you think that we should use EHCP cohort only? or EHCP and SEN support cohort combined? Why?
7. The LA is proposing to include revenue balances in its criteria for deciding allocation of exceptional E2 funding. The figure proposed is a revenue balance of over 15%. Do you think that this is fair?
8. Do you think that the LA is right to maintain a contingency fund for in-year EHCP movement for small schools?