



Haverling

LONDON BOROUGH

SCHOOLS FUNDING FORUM AGENDA

8.00 am

Thursday
11 June 2026

CEME

Members 21: Quorum: 9

MEMBERSHIP:

Representative Groups

LA Maintained School Representatives:

Head Teachers (7): Emma Allen, Special
Michael Ross, Primary
Kirsten Cooper, Primary
Georgina Delmonte, Primary
Hayley McClenaghan, Primary
David Unwin-Bailey, Primary
Chris Speller, Primary

Governors (1): Vacancy

**Academy
Representatives:**

Primary (2): Chris Hobson
Vacancy

Secondary (5) Neil Frost
Scott McGuinness
David Turrell
Paul Larnar
Vacancy

Special (1) Andy Smith

AP Academy (1) Tony Machin

**Non-School
Representatives:** **Error! No document variable supplied.**

**Early Years PVI Sector
(1)** Emma Reynolds

Post 16 (1) Paul Lerner

Diocesan Board (2) Chris Speller, Diocese of Chelmsford
Michael Ross, Diocese of Brentwood

Trade Unions (2): George Blake/John McGill, Teachers
Peter Liddle, Support Staff

**For information about the meeting please contact:
Katherine Heffernan
Katherine.Heffernan@haverling.gov.uk**

AGENDA ITEMS

- 1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**
- 2 TO AGREE THE NOTES OF THE MEETING HELD ON 11TH FEBRUARY 2026**
(Pages 1 - 6)

The notes are attached at Appendix A.
- 3 MATTERS ARISING**
- 4 SCHOOL FUNDING FORUM MEETING DATES 2026 - 27** (Pages 7 - 8)
- 5 DEDICATED SCHOOLS GRANT - YEAR END BALANCE 2025 -26** (Pages 9 - 13)
- 6 SECTION 251 BUDGET SUBMISSION 2026 -27** (Pages 14 - 24)
- 7 LA MAINTAINED SCHOOLS BALANCES 2025 - 26 AND APPROACH TO DEFICIT SCHOOLS** (Pages 25 - 30)
- 8 HIGH NEEDS** (Pages 31 - 35)
- 9 ANY OTHER BUSINESS**

Zena Smith
Democratic and Election Services Manager

Agenda Item 2

MINUTES OF A MEETING OF THE HAVINGHAM
SCHOOLS FUNDING FORUM

Thursday 12th February 2026 via Teams
(8.00am – 8.50am)

Present:

LA Maintained School Representatives:

Primary Kirsten Cooper (*Chair*)
Craig Browne (CB)
Georgina Delmonte (GD)
David Unwin-Bailey (DUB)
Mike Ross (MR) (also representing the Diocese of Brentwood)

Special Emma Allen (EA)

Governor Les James (LJ)

Academy Representatives:

Secondary David Turrell (DT) (*Vice Chair*) (also representing Post 16)
Paul Larnar (PL) (also representing Post 16)
Neil Frost (NF)
Scott McGuinness (SM)

Special Andy Smith (AS)

Non-School Representatives:

Early Years (PVI Sector): Emma Reynolds (ER)

Trade Unions: Julia Newman (JN) (Support staff union representative)
George Blake (GB) (Teaching staff union representative)

Non-Members in attendance:

Marcus Bennett (MB) Head of SEND
Trevor Cook (TC) Assistant Director of Education
Katherine Heffernan (KH) Head of Finance (Business Partnering)
Michelle Morgan (MM) Clerk, HGS
Jacqueline Treacy (JT) Senior Inspector for schools causing concern (HSIS)

1. ANNOUNCEMENT OF NEW MEMBERS, APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

All were welcomed to the meeting.

There had been no apologies received.

It was agreed that Trudy Spillane (Headteacher Maylands Primary School) would be added to the distribution list and invited to the next meeting as the Primary Academy Representative.

ACTION: HM

2. TO AGREE THE MINUTES OF THE MEETING HELD ON 15TH JANUARY 2026

The minutes of the meeting held on 15TH January 2026 were received and agreed.

3. MATTERS ARISING

3.1. Matters arising from the previous minutes (that were not included elsewhere on the agenda were noted as follows.

3.1.1. Falling rolls support (Minute 4): LJ sought clarification regarding the funding level period for when a cohort had falling roll. The Chair referred to the previous minutes stating that funding would be paid for that cohort for every year that it was in school, subject to an annual recalculation of pupil numbers. The amount would reduce if pupil numbers for that cohort had increased. HM advised that this was a local policy that offered protection for schools when there was a dip in pupil numbers. It was noted that once NFF came into effect, the Government may have a different approach.

3.1.2. Lunchtime costs (Early Years) (Minute 7): HM confirmed that clarification as to how lunchtime costs could be covered would be issued as part of the Early Years provider guidance.

4. EARLY YEARS

Forum members were asked to vote on the following proposed recommended arrangements and rates, following the consultation responses and EYPRG engagement, as follows:

- 1. The base hourly rate for:**
 - a. 9 months to two-year-olds (under twos) entitlement - £11.85**
 - b. two-year-olds – working parents’ entitlement - £8.64**
 - c. two-year-olds – disadvantaged families’ entitlement - £9.20**
 - d. three/four-year-olds (universal and extended) entitlement - £6.02**
- 2. The level of a quality supplement to allocate funds to schools replacing the teachers’ pay and pension grants (TPPG) – Quality factor budget of £460,000.**
- 3. Deprivation rates of funding continue to be aligned with the rates that are used for schools in the National Funding Formula**

	Hourly rate	Annual rate (38 weeks x 15 hours)
Band	2026-27	2026-27
A	£0.80	£456.00
B	£0.60	£342.00
C	£0.57	£324.90
D	£0.52	£296.40
E	£0.33	£188.10
F	£0.27	£153.90
G	£0.00	£0.00

4. SEN Inclusion Fund (SENIF) to support providers total budget of £2.313m.

5. Centrally retained budget for LA support and commissioning total budget of £1.797m.

KH reported that the Early Years Block of the DSG was now more than the High Needs Block of the grant because of the increase of entitlements down to under 2s. The DfE calculated funding initially by using an hourly rate multiplied by their projection of the numbers of children eligible. The LA will then calculate from this total funding amount how much to pass on to providers, and in what format. The LA was able to retain a percentage of the funding to cover administrative costs from commissioning and quality assurance functions.

A consultation had been held with EYPRG and settings regarding the LA proposals. HM advised that in response to the sector's request for support, a different approach had been taken, which included providing the full technical consultation document, alongside a guidance document which summarised the detail. Webinars had also been provided to offer further guidance. Despite this investment in support, the number of responses to the consultation had dropped from 87 (2025) to 58. It was recognised that the sector had other conflicting priorities, however the response rate had been disappointing.

Based on consultation outcomes, the majority of responses were in favour of the proposals. A concern was raised from childminders about the 1:3 ratios with a funding rate of £6 per hour (total therefore of £18 per hour for three/four year olds) and the LA had been approached for support in engaging with the DfE to increase their funding. HM reiterated that such feedback was a very important part of the consultation process and the LA would look to put forward this issue with the DfE. Questions had also been raised regarding additional charging for Early Years settings; the Early Years team would provide clarity with their revised Early Years Operational Provider Guide (following legislative changes from 1 January 2026). DUB reiterated the importance of this guidance giving greater clarity as charging in settings was not currently aligned.

ER responded to the reduced response rate stating that colleagues within the sector were disillusioned as currently the rates were not sustainable and forecasts had shown that there would be a very limited number of private nurseries still financially viable after the next 3 years. ER also requested for a childminder representative to join the SFF group.

Recognising the sector's challenges, the Chair advised that the SFF had limited power to resolve issues raised. The Chair felt that most discussion held in this forum would not be relevant for childminders, however suggested that this might be a consideration for the EYPRG as clearly this was a voice within the sector that had legitimate concerns. TC advised

that the EYPRG had previously agreed that Celia Freeth (Early Years Quality Assurance Manager) would attend the meetings on behalf of a number of stakeholders (including childminders) acknowledging that such sessions were a demand on their time, however an action for the Summer Term meeting is to discuss how to improve representation.

There was a short discussion about the central retention for Q&A, and it was acknowledged that the service is found to support those providers for their statutory responsibilities.

The Chair thanked KH and HM for their summaries noting that although engagement in the consultation may have been disappointing, sometimes a new approach did take time to embed.

All eligible School Funding Forum representatives then voted on the following:

- 1. Funding Forum Members unanimously agreed with the following base hourly rates:**
 - a. 9 months to two-year-olds (under twos) entitlement - £11.85**
 - b. two-year-olds – working parents’ entitlement - £8.64**
 - c. two-year-olds – disadvantaged families’ entitlement - £9.20**
 - d. three/four-year-olds (universal and extended) entitlement - £6.02**
- 2. Funding Forum Members unanimously agreed to the level of a quality supplement to allocate funds to schools replacing the teachers’ pay and pension grants (TPPG) – Quality factor budget of £460,000.**
- 3. Funding Forum Members unanimously agreed that deprivation rates of funding would continue to be aligned with the rates that are used for schools in the National Funding Formula.**
- 4. Funding Forum Members unanimously agreed to the level of SEN Inclusion Fund (SENI) to support providers would total a budget of £2.313m.**
- 5. Funding Forum Members unanimously agreed to the centrally retained budget for LA support and commissioning of £1.797m.**

5. HIGH NEEDS FUNDING

It was noted that the report set out the proposals for 2026-27 relating to:

- An increase to unit placement funding rates, and
- Updated top-up funding levels for pupils in mainstream schools, based on agreed needs bandings.

The report also provided the financial context for these proposals, including current expenditure pressures within the High Needs Block (HNB).

These topics had been considered by the High Needs Working Group, and the recommendations were presented for Schools Forum members’ agreement.

KH reported that the High Needs block continued to be overspent; the forecasted in year overspend for 2025-2026 was £31.5m. There was also the risk that this would increase further as there remained backlogs and delays in getting assessments completed and payments

distributed. The cumulative high needs deficit would be approximately £67.5m at the end of March 2026.

The Government had announced on Monday that part of the final settlement of local government funding arrangements would be a High Needs Stability grants which would cover 90% of the agreed accumulative deficit at March 2026 (subject to audit checks). As the Government were effectively writing off 90% of the deficit, this implicitly meant that the other 10% fell to the Local Authority. The override within Local Government did currently still exist, however when this override is removed, the Local Authority had to ensure that enough funding was set aside to cover the remaining 10% deficit. Therefore, although a large amount of deficit had 'gone,' there would be even more scrutiny from corporate finance, as this £7m would be added to the Local Authority's current deficit position. The Government had not provided further details as yet; there were 2 more years before funding arrangements switched to be held centrally. The awaited SEND reforms and subsequent implications had also yet to be published.

Discussions had been held with the High Needs Group about future funding and had also been shared more widely at ESP (Education Strategic Partnership). It was noted that funding high needs would be in bands. As part of the review of the arrangements for funding 2026-2027, the band values had been uplifted by 3% to reflect pay pressures. The unit placement rate of pupil's supported in special units would also increase from 2026-2027 from £30K per place to £30,800. The increase would ensure that unit provision remained financially viable and supported inclusive local provision. The Finance team would continue to work with the High Needs working group to ensure that fair arrangements were in place, whilst not increasing the deficit. KH advised that the figures provided in the report had been submitted (due to required deadlines) and would go to Cabinet. If SFF colleagues did not agree with the proposals, then further discussion would be required.

DUB questioned why the 3% band values top up, was not reflected in the SEN units which was 2.5%. KH referred to the papers provided and the additional money provided for ARPs.

MB referred to the banding figures provided and confirmed that these were different to the figures presented at ESB; the financial amounts were correct, however the bands had been moved along to stop at Band F. Band G would be bespoke. KH advised that Cabinet would likely not require the level of detail, however she would advise officers present so that it could be explained, if required. There were however potentially further financial implications; an update would be brought to the March SFF meeting.

ACTION: KH

The Chair reflected that the news regarding SEN funding had indeed first appeared as good news, however if there was no change to the funding, then it would become even more challenging for Local Authorities and schools, which would lead to even more scrutiny.

All eligible School Funding Forum Members were asked to:

- 1. Note the financial position of the High Needs Block for 2026-27. Noted.**
- 2. Unanimously agreed to the proposed increase to unit placement funding rates for 2026-27.**
- 3. Unanimously agreed to the proposed 2026-27 mainstream top-up band values:**

The proposed banding rates for 2026-27 are as follows:

Band (Finance)	Weekly Notional SEN	Weekly SEN Top-up	Total weekly amount of support
A	£153.06	£0.00	£153.06
B	£153.06	£156.56	£309.62
C	£153.06	£259.56	£412.62
D	£153.06	£362.56	£515.62
Ep (Primary)	£153.06	£517.06	£670.12
Es (Secondary)	£153.06	£568.56	£721.62
F	£153.06	£723.06	£876.12
G	£153.06	£1,186.56	£1,339.62

4. Notes that the proposed increases are funded through a transfer from the Schools Block and do not address underlying demand pressures within the High Needs Block. Noted.

6. NEXT MEETINGS

Thursday 11th June 2026

Meetings to start at 8.00am at CEME either in room 233 or 235.

7. ANY OTHER BUSINESS

There were no additional business items.

The Chair thanked Forum members for their contributions.

Meeting closed at 8.50 am.

Schools Funding Forum 11th June 2026

ITEM 4

Subject Heading:

**Schools Funding Forum meetings
academic year 2026-27**

Report Author:

**Hany Moussa – Principal Education
Finance Officer**

Eligibility to vote:

All forum members

SUMMARY

This report proposes dates for meetings of the Schools Funding Forum for the academic year 2026-27 and invites members to discuss meeting arrangements.

RECOMMENDATIONS

That the Schools Funding Forum agrees the dates and times for meetings in the academic year 2026-27.

REPORT DETAIL

- 4.1 DfE regulations require that the Schools Funding Forum meets at least four times each year.
- 4.2 Havering Schools Funding Forum met six times during the 2025-26 academic year. The LA proposes that meetings follow a similar pattern during 2026-27 to support timely discussion of funding matters, consultation requirements and budget-setting decisions throughout the year.
- 4.3 The proposed dates for meetings are:
 - Thursday 15th or 22nd October 2026
 - Thursday 26th November or 3rd December 2026
 - Thursday 14th January 2027
 - Thursday 4th or 11th February 2027 (remote)
 - Thursday 24th June 2027

- 4.4 Meetings would commence at 8.00am and, where held in person, would take place either at CEME or Havering Town Hall.
- 4.5 Forum members are invited to comment on the proposed arrangements and to share their views on:
- The proposed meeting dates and whether they support good attendance.
 - Whether meetings should continue to be held at 8.00am.
 - Preferences for meeting location.
 - Whether the proposed balance of in-person and remote meetings remains appropriate.
- 4.6 The LA welcomes members' views and, where possible, will seek agreement on meeting arrangements for the 2026-27 academic year.

Schools Funding Forum 11th June 2026

ITEM 5

Subject Heading:

Dedicated Schools Grant – Year End Balance 2025-26 and 2026-27 Updates

Report Author:

Hany Moussa – Principal Education Finance Officer

Eligibility to vote:

Information only

SUMMARY

This report sets out the year end position on expenditure from the Dedicated Schools Grant (DSG) in 2025-26, and the treatment for any deficits or surpluses in the DSG blocks. There is an update for other DSG blocks for the present financial year.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the areas of under or overspend from the 2025-26 Dedicated Schools Grant

REPORT DETAIL

Balance carried forward from 2025-26

- 5.1 Including all earmarked funding from previous financial years, the carry forward balance from centrally retained DSG from 2025-26 into 2026-27 is a deficit of £68.973m. The revised deficit, after commitments have been taken in consideration, at the end of 2024-25 was £36.738m, so the in-year increase was £32.235m.
- 5.2 In comparison, during the financial year 2025-26, the revised forecasted cumulative deficit was estimated to be up to £67.7m.
- 5.3 This is the seventh year that the combined total of all year end balances of activities funded by the DSG has been in deficit. This is due to High Needs costs rising faster than funding and DSG underspends in other areas being insufficient to cover the overspend in the High Needs Block.
- 5.4 Any local authority that has an overall deficit on its DSG account at the end of the 2025-26 financial year, or whose DSG surplus has substantially reduced during the year, is required to complete the DSG Management Plan or to have an equivalent

framework. Although the SEND Reform has taken precedence over this now, and LAs are expected to complete the SEND Reform Plan, in conjunction with the DfE to be able to address the issues that they are encountering.

5.5 There is the DSG statutory override, extended until March 2028, which enables LAs to carry forward DSG deficits without impacting their general reserves. This provision ensures that DSG deficits are managed separately, maintaining financial stability for councils. However, it is a technical adjustment, as the cash has already been spent, leading to a shortfall. This may result in further pressures on the existing General Fund pressures that the council is facing. The SEND Reform (see **Item 8 – High Needs**) is addressing the national issues due to the override.

5.6 The overall expenditure was £228.81m, in comparison to a budget available of £196.58m.

Category	25-26 DSG Allocation £000	Use of 24-25 Cfwd £000	Budget available 25-26 £000	Actual 25-26 £000	Variance £000
Schools block	98,731	266	98,997	98,743	254
Central School Services block	1,912	0	1,912	1,872	40
High Needs block	43,478	0	43,478	78,315	-34,837
Early Years block	50,438	1,750	52,188	49,910	2,278
Additional grants			0	-29	29
Total	194,559	2,016	196,575	228,810	-32,235

5.7 The DSG deficit has increased from the previously reported revised balance (post commitments agreed in June 2025) of £36.738m to £68.973m at the end of financial year 2025-26.

	24-25 DSG deficit	Use of 24-25 Cfwd	REVISED 24-25 DSG deficit	25-26 In-year deficit	25-26 DSG Deficit
DSG deficit	-34,722	-2,016	-36,738	-32,235	-68,973

DSG Block Summary Outturn 2025-26

5.8 A summary of the under and overspends for the different DSG blocks is shown in the tables below.

Funding Block	Under/(Over) spend £000
Early Years	2,278
Under Twos	679
2 year olds	1,086
3&4 year olds	446
Centrally retained	67

Schools Block	254
Pupil Growth/Falling Rolls	272
Other	(18)

Central Schools Support	40
Admissions and Statutory Functions	40

De-delegation	0
Maternity	6
Insurance	(17)
Free School Meals Checking Service	3
Trade Union Facility Time	0
EAL	8

High Needs Block	(71,574)	
In year overspend	(34,836)	Rolled forward to next financial year
Cary forward of overspent DSG from 24-25 (prior year deficit)	(36,738)	Previous year rolled forward deficit balance (post commitments)

	2025-26	2024-25	In year change
TOTAL	(68,973)	(36,738)	(32,235)

DSG deficit – Statutory override	(68,973)
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DSG Deficit Statutory Override

- 5.9 For LAs with an overall DSG deficit, under the accounting regulations made by MHCLG, any in-year surplus on Early Years or other blocks must be used to offset the deficit on the High Needs block rather than carried forward.
- 5.10 If a local authority wishes to submit a request to use any surplus balances in the other blocks, then they are required to submit a disapplication request to DfE. Although there is an opportunity for LAs to submit a request, the DfE have advised that the likelihood of the disapplication being granted is low for any LA that is in overall DSG deficit.

- 5.11 In addition, recent updated guidance relating to the High Needs Stability Grant (HNSG) has indicated that the grant will be funded on the net deficit position across all four DSG blocks. Therefore, any surpluses within any block will not be allowed to be carried forward ([Explanatory note on the government's approach Dedicated Schools Grant deficits - GOV.UK](#)).

Outturn Review

- 5.12 For each of the blocks that underspent, we will continue to ensure that we are able to target the funding for the appropriate support required, e.g. centralised, schools, providers, etc. Details on the reasons of the outturn position for each of the different blocks are as follows:

- 5.12.1 The underspend in Schools Block is due to the Growth and Falling Rolls fund, where based at the time of setting the budget at the beginning in the preceding Autumn/Spring terms of the financial year, there was anticipated to be a demand for additional classes or support. However during the financial year, it was found that there was no need to create additional capacity to support the Admissions process.
- 5.12.2 The underspend in Early Years is primarily due to the introduction of new DfE entitlements and funding methodology, for which there was no established national or local dataset to accurately forecast demand. In setting funding rates, the LA adopted a prudent approach to ensure rates were fair, sustainable and sufficient to support providers in meeting EYFS delivery requirements over the longer term. Forecasting assumptions will continue to be refined as actual participation and funding data become available.
- 5.12.3 The underspend in CSSB is due to a few underspends in Admissions and other statutory services.
- 5.12.4 The de-delegation (pooled budgets) services were fully spent, and to note, the Insurance premiums for maintained schools was higher than initially forecasted, however there were underspends in EAL, FSM Eligibility Checking Service and Maternity Pooled Scheme, that negated that the additional cost. The FSM checking service is not being continued into 26/27 and the EAL is a fixed contribution. However there is a risk regarding the insurance premiums and maternity which will need to be closely monitored. The cost of insurance has been rising and global economic factors may have some impact. Further details about how this can be mitigated and other potential options will be provided in the autumn term.
- 5.12.5 The High Needs Block spend continues to exceed the grant (based on a DfE's formula which does not fully capture need), and further details is provided in **Item 8 – High Needs**.

- 5.13 To support LAs, the HNSG has been incepted as part of central government's SEND Reform programme. The grant will support 90% of LA's cumulative deficit (as at the financial year 2025-26) with LAs presently having to meet the remaining 10% from other streams.

- 5.14 Subject to LA's SEND Reform Plan being approved, the net balance (10% share) that the LA will inherit from the cumulative overall DSG deficit of £68.973m will be £6.897m, with £62.076m of the deficit being covered by the grant. The DfE have confirmed that any approved plans in this financial year will lead to those LAs having the grant made payable in Autumn 2026 or Spring 2027. Further details on the SEND Reform and progress made thus far is provided in **Item 8 – High Needs**.
- 5.15 Although the DfE have not confirmed the level of HNSG for 2026-27 and 2027-28 in-year deficits, it is anticipated that the protection will be 80% and 70% respectively, of the overall (all blocks) end of year position for the DSG grant.

Financial Year 2026-27 DSG and Other Updates

- 5.16 There has not been any updates for any of the DSG Blocks for 2026-27 since the budgets was finalised and set in the Spring Term.
- 5.17 The Schools Block remains unchanged for financial year 2026-27.
- 5.18 The DfE has introduced the Inclusive Early Years Fund (IEYF) for 2026-27. The purpose of this funding is to help early years providers strengthen inclusive practice and improve support for children with special educational needs and disabilities (SEND).
- 5.18.1 The funding will be allocated to LAs and must be distributed directly to eligible providers through a formula-based approach. Providers will not be required to submit applications, and funding will not be linked to individual children.
- 5.18.2 The DfE has recommended that LAs distribute the funding using a combination of a base allocation for all eligible providers and an additional element reflecting levels of deprivation. The funding is expected to be paid as a single annual allocation.
- 5.18.3 The final allocation for Havering has not yet been confirmed by the DfE. Once details are received, the LA will review the funding arrangements and determine how best to distribute the grant to eligible providers.
- 5.18.4 The LA is currently considering how the new IEYF can complement existing inclusion arrangements and strengthen support available to settings.
- 5.19 Alongside the introduction of the IEYF, the LA is reviewing its current Special Educational Needs Inclusion Fund (SENIF) arrangements for 2026-27.
- 5.19.1 The current SENIF supports early years providers to meet the needs of children with emerging or identified SEND by contributing towards additional resources, specialist equipment and enhanced support where required.
- 5.19.2 The review will consider how the new national funding can be used alongside existing local arrangements to ensure support remains targeted, effective and sustainable.
- 5.19.3 Further details of any proposed changes will be shared with providers and the Forum during the Autumn Term 2026.

Schools Funding Forum 11th June 2026

ITEM 6

Subject Heading:

Section 251 Budget submission 2026-27

Report Author:

**Hany Moussa – Principal Education
Finance Officer**

Eligibility to vote:

All members

SUMMARY

This report presents the provisional Section 251 budget statement for financial year 2026-27.

RECOMMENDATIONS

To note the Section 251 budget statements.

REPORT DETAIL

- 6.1 Local authorities are required under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 to prepare and submit an education and children and young people’s services budget statement to the Department for Education ordinarily by 30th April each year.
- 6.2 The statement is intended to provide a clear picture of the LA’s planned spending on its schools’ budget, de-delegated items, high needs budget, early years budget, and central provision funded both from the Dedicated Schools Grant and from the Council’s general fund for education and children and young people’s services.
- 6.3 All LAs in England are required to prepare this statement in a common format. The statements are used by the Department for Education for the publication of statistics, for constructing benchmarking tables for local authorities, and for answering Parliamentary Questions and other requests for data.
- 6.4 The Section 251 budgets statements submitted by Haverling for 2026-27 are shown in Appendices A to C and are currently undergoing the usual DfE assurance checks.

LA Table: FUNDING PERIOD (2026-27)**Department for Education Section 251 Financial Data Collection**

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
1.0.1 Individual Schools Budget (before academy recoupment), including sixth form grant for maintained schools, but excluding high needs place funding	£58,745,067.00	£139,177,855.00	£126,305,185.00				£324,228,107.00		£324,228,107.00
1.0.2 High needs place funding within Individual Schools Budget (before academy recoupment), excluding funding for 16-19 academies and free schools and FE colleges and independent learning providers	£0.00	£84,000.00	£603,833.00	£4,493,333.00	£558,333.00		£5,739,499.00		£5,739,499.00
1.1.1 Contingencies		£0.00	£0.00				£0.00	£0.00	£0.00
1.1.2 Behaviour support services		£0.00	£0.00				£0.00	£0.00	£0.00
1.1.3 Support to UPEG and bilingual learners		£70,438.00	£0.00				£70,438.00	£0.00	£70,438.00
1.1.4 Free school meals eligibility		£0.00	£0.00				£0.00	£0.00	£0.00
1.1.5 Insurance		£500,511.00	£0.00				£500,511.00	£0.00	£500,511.00
1.1.6 Museum and Library services		£0.00	£0.00				£0.00	£0.00	£0.00
1.1.7 Licences/subscriptions		£0.00	£0.00				£0.00	£0.00	£0.00
1.1.8 Staff costs – supply cover excluding cover for facility time		£740,756.00	£0.00				£740,756.00	£0.00	£740,756.00
1.1.9 Staff costs – supply cover for facility time		£51,087.00	£0.00				£51,087.00	£0.00	£51,087.00
1.2.1 Top-up funding – maintained schools	£0.00	£14,759,701.00	£0.00	£5,998,211.00	£0.00		£20,757,912.00	£0.00	£20,757,912.00
1.2.2 Top-up funding – academies, free schools and colleges	£0.00	£10,251,240.00	£14,175,104.00	£13,091,928.00	£1,903,420.00	£3,073,000.00	£42,494,692.00	£0.00	£42,494,692.00
1.2.3 Top-up and other funding – non-maintained and independent providers	£0.00	£0.00	£0.00	£7,000,000.00	£0.00	£1,061,000.00	£8,061,000.00	£0.00	£8,061,000.00
1.2.4 Additional high needs targeted funding for mainstream schools and academies	£0.00	£394,462.00	£258,284.00				£652,746.00	£0.00	£652,746.00
1.2.5 SEN support services	£998,340.00	£1,672,913.00	£1,095,380.00	£21,288.00	£0.00	£0.00	£3,787,921.00	£0.00	£3,787,921.00
1.2.6 Hospital education services				£0.00	£153,438.00		£153,438.00	£0.00	£153,438.00
1.2.7 Other alternative provision services	£0.00	£344,163.00	£878,205.00	£299.00	£0.00	£0.00	£1,222,667.00	£0.00	£1,222,667.00
1.2.8 Support for inclusion	£0.00	£153,254.00	£100,346.00	£0.00	£0.00	£0.00	£253,600.00	£0.00	£253,600.00
1.2.9 Special schools and PRUs in financial difficulty				£0.00	£0.00		£0.00	£0.00	£0.00

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
1.2.10 PFI/ BSF costs at special schools, AP/ PRUs and Post 16 institutions only				£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
1.2.11 Direct payments (SEN and disability)	£0.00	£302,156.00	£197,844.00	£0.00	£0.00	£0.00	£500,000.00	£0.00	£500,000.00
1.2.13 Therapies and other health related services	£0.00	£0.00	£0.00	£500,000.00	£0.00	£0.00	£500,000.00	£0.00	£500,000.00
1.3.1 Central expenditure on early years entitlement	£1,796,704.00						£1,796,704.00	£0.00	£1,796,704.00
1.4.1 Contribution to combined budgets	£0.00	£48,421.00	£11,871.00	£0.00	£0.00		£60,292.00	£0.00	£60,292.00
1.4.2 School admissions	£0.00	£367,797.00	£240,824.00	£5,249.00	£0.00		£613,870.00	£0.00	£613,870.00
1.4.3 Servicing of schools forums	£5,779.00	£26,809.00	£17,554.00	£383.00	£35.00		£50,560.00	£0.00	£50,560.00
1.4.4 Termination of employment costs	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00	£0.00
1.4.5 Falling Rolls Fund	£0.00	£1,046,775.00	£0.00	£0.00	£0.00		£1,046,775.00	£0.00	£1,046,775.00
1.4.6 Capital expenditure from revenue (CERA)	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00	£0.00
1.4.7 Prudential borrowing costs	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00	£0.00
1.4.8 Fees to independent schools without SEN	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00	£0.00
1.4.9 Equal pay - back pay	£0.00	£0.00	£0.00	£0.00	£0.00		£0.00	£0.00	£0.00
1.4.10 Pupil growth	£0.00	£548,621.00	£359,223.00	£0.00	£0.00		£907,844.00	£0.00	£907,844.00
1.4.11 SEN transport	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
1.4.12 Exceptions agreed by Secretary of State	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
1.4.13 Infant class sizes		£58,347.00					£58,347.00	£0.00	£58,347.00
1.4.14 Other Items	£32,967.00	£152,923.00	£100,130.00	£2,182.00	£198.00	£0.00	£288,400.00		£288,400.00
1.5.1 Education welfare service							£292,782.00	£0.00	£292,782.00
1.5.2 Asset management							£55,232.00	£0.00	£55,232.00
1.5.3 Statutory/ Regulatory duties							£897,176.00	£0.00	£897,176.00
1.6.1 Central support services							£0.00	£0.00	£0.00
1.6.2 Education welfare service							£0.00	£0.00	£0.00
1.6.3 Asset Management							£46,599.00	£0.00	£46,599.00
1.6.4 Statutory/ Regulatory duties							£278,294.00	£0.00	£278,294.00
1.6.5 Premature retirement cost/ Redundancy costs (new provisions)							£0.00	£0.00	£0.00
1.6.6 Monitoring national curriculum assessment							£45,046.00	£0.00	£45,046.00
1.6.7 School Improvement							£60,406.00	£0.00	£60,406.00
1.7.1 Other Specific Grants	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
1.8.1 TOTAL SCHOOLS BUDGET (before Academy recoupment)	£61,578,857.00	£170,752,229.00	£144,343,783.00	£31,112,873.00	£2,615,424.00	£4,134,000.00	£416,212,701.00	£0.00	£416,212,701.00

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
1.9.1 Estimated Dedicated Schools Grant for 2026-27 (before academy recoupment), excluding high needs place funding for 16-19 academies and free schools and FE colleges and independent learning providers							£381,997,509.00		
1.9.2 Dedicated Schools Grant brought forward from 2025-26 (show deficit as a negative)							-£68,551,427.00		
1.9.3 Dedicated Schools Grant carry forward to 2027-28							£102,766,619.00		
1.9.4 Grant for maintained school sixth forms							£0.00		
1.9.5 Local Authority additional contribution							£0.00		
1.9.6 Total funding supporting the Schools Budget (the sum of lines 1.9.1 to 1.9.5)							£416,212,701.00		
1.10.1 Academy recoupment from the Dedicated Schools Grant of schools block funding (show as a negative)							-£164,314,734.00		
1.10.2 Academy recoupment from the Dedicated Schools Grant of high needs place funding shown under line 1.0.2 (show as a negative)							-£4,168,667.00		
2.0.1 Central support services							£1,122,602.00	£959,584.00	£163,018.00
2.0.2 Education welfare service							£486,218.00	£180,000.00	£306,218.00
2.0.3 School improvement							£605,181.00	£0.00	£605,181.00
2.0.4 Asset management - education							£80,740.00	£73,150.00	£7,590.00
2.0.5 Statutory/ Regulatory duties - education							£2,550.00	£2,550.00	£0.00
2.0.6 Premature retirement cost/ Redundancy costs (new provisions)							£0.00	£0.00	£0.00
2.0.7 Monitoring national curriculum assessment							£0.00	£0.00	£0.00
2.1.1 Educational psychology service							£1,839,825.00	£0.00	£1,839,825.00
2.1.2 SEN administration, assessment and coordination and monitoring							£2,630,354.00	£0.00	£2,630,354.00
2.1.3 Independent Advice and Support Services (Parent partnership), guidance and information							£147,700.00	£0.00	£147,700.00
2.1.4 Home to school transport (pre 16): SEN transport expenditure	£0.00	£1,481,740.00	£1,318,678.00	£4,005,661.00	£283,587.00		£7,089,666.00	£0.00	£7,089,666.00

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
2.1.5 Home to school transport (pre 16): mainstream home to school transport expenditure	£0.00	£191,110.00	£0.00	£0.00	£0.00		£191,110.00	£0.00	£191,110.00
2.1.6 Home to post-16 provision: SEN/ LLDD transport expenditure (aged 16-18)			£0.00	£877,073.00	£0.00	£321,114.00	£1,198,187.00	£0.00	£1,198,187.00
2.1.7 Home to post-16 provision: SEN/ LLDD transport expenditure (aged 19-25)			£0.00	£348,592.00	£0.00	£57,219.00	£405,811.00	£0.00	£405,811.00
2.1.8 Home to post-16 provision transport: mainstream home to post-16 transport expenditure			£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
2.1.9 Supply of school places							£267,949.00	£0.00	£267,949.00
2.2.1 Other spend not funded from the Schools Budget							£0.00	£0.00	£0.00
2.3.1 Young people's learning and development			£207,057.00	£34,510.00	£198,584.00	£0.00	£440,151.00	£0.00	£440,151.00
2.3.2 Adult and Community learning							£1,945,374.00	£1,517,600.00	£427,774.00
2.3.3 Pension costs							£416,420.00	£0.00	£416,420.00
2.3.4 Joint use arrangements							£0.00	£0.00	£0.00
2.3.5 Insurance							£0.00	£0.00	£0.00
2.4.1 Other Specific Grant							£0.00	£0.00	£0.00
2.5.1 Total Other education and community budget							£18,869,838.00	£2,732,884.00	£16,136,954.00
3.0.1 Funding for individual Sure Start Children's Centres							£1,054,206.00	£286,610.00	£767,596.00
3.0.2 Funding for local authority provided or commissioned area wide services delivered through Sure Start Children's Centres							£0.00	£0.00	£0.00
3.0.3 Funding on local authority management costs relating to Sure Start Children's Centres							£199,981.00	£0.00	£199,981.00
3.0.4 Other spend on children under 5							£0.00	£0.00	£0.00
3.0.5 Total Sure Start children's centres and other spend on children under 5							£1,254,187.00	£286,610.00	£967,577.00
3.1.1 Residential care							£18,016,191.00	£1,000,000.00	£17,016,191.00
3.1.2a Fostering services (excluding fees and allowances for LA foster carers)							£6,255,353.00	£0.00	£6,255,353.00
3.1.2b Fostering services (fees and allowances for LA foster carers)							£2,724,291.00	£0.00	£2,724,291.00
3.1.3 Adoption services							£998,530.00	£0.00	£998,530.00
3.1.4 Special guardianship support							£1,569,710.00	£0.00	£1,569,710.00
3.1.5 Other children looked after services							£3,043,013.00	£0.00	£3,043,013.00

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
3.1.6 Short breaks (respite) for looked after disabled children							£0.00	£0.00	£0.00
3.1.7 Children placed with family and friends							£950,000.00	£0.00	£950,000.00
3.1.8 Education of looked after children	£10,172.00	£48,489.00	£31,281.00	£656.00	£42.00		£90,640.00	£0.00	£90,640.00
3.1.9 Leaving care support services							£5,272,123.00	£0.00	£5,272,123.00
3.1.10 Asylum seeker services children							£313,340.00	£0.00	£313,340.00
3.1.11 Total Children Looked After	£10,172.00	£48,489.00	£31,281.00	£656.00	£42.00		£39,233,191.00	£1,000,000.00	£38,233,191.00
3.2.1 Other children and families services							£792,960.00	£0.00	£792,960.00
3.3.1 Social work (including LA functions in relation to child protection)							£20,326,920.00	£0.00	£20,326,920.00
3.3.2 Commissioning and Children's Services Strategy							£3,481,510.00	£0.00	£3,481,510.00
3.3.3 Local Safeguarding Children Board							£0.00	£0.00	£0.00
3.3.4 Total Safeguarding Children and Young People's Services							£23,808,430.00	£0.00	£23,808,430.00
3.4.1 Direct payments							£2,025,180.00	£0.00	£2,025,180.00
3.4.2 Short breaks (respite) for disabled children							£2,628,500.00	£0.00	£2,628,500.00
3.4.3 Other support for disabled children							£0.00	£0.00	£0.00
3.4.4 Targeted family support							£1,890,947.00	£64,600.00	£1,826,347.00
3.4.5 Universal family support							£0.00	£0.00	£0.00
3.4.6 Total Family Support Services							£6,544,627.00	£64,600.00	£6,480,027.00
3.5.1 Universal services for young people							£1,548,776.00	£349,400.00	£1,199,376.00
3.5.2 Targeted services for young people							£769,340.00	£0.00	£769,340.00
3.5.3 Total Services for young people							£2,318,116.00	£349,400.00	£1,968,716.00
3.6.1 Youth justice							£1,017,590.00	£270,740.00	£746,850.00
4.0.1 Capital Expenditure from Revenue (CERA) (Non-schools budget functions and Children's and young people services)							£0.00	£0.00	£0.00
5.0.1 Total Schools Budget and Other education and community budget (excluding CERA) (lines 1.8.1 and 2.5.1)							£435,082,539.00	£2,732,884.00	£432,349,655.00
5.0.2 Total Children and Young People's Services and Youth Justice Budget (excluding CERA)(lines 3.0.5 + 3.1.11 + 3.2.1 + 3.3.4 + 3.4.6 + 3.5.3 + 3.6.1)							£74,969,101.00	£1,971,350.00	£72,997,751.00
6 Total Schools Budget, Other education and community budget, Children and Young People's Services and Youth Justice Budget (excluding CERA) (lines 5.0.1 + 5.0.2)							£510,051,640.00	£4,704,234.00	£505,347,406.00

Description	Early Years	Primary	Secondary	SEN/ Special Schools	AP/ PRUs	Post School	Gross	Income	Net
7 Capital Expenditure (excluding CERA)	£20,000.00	£27,094,089.00	£4,241,872.00	£37,040,232.00	£147,385.00		£68,543,578.00	£0.00	£68,543,578.00
8a.1 Substance misuse services (Drugs, Alcohol and Volatile substances) (included in 3.5.1 and 3.5.2 above)							£0.00	£0.00	£0.00
8a.2 Teenage pregnancy services (included in 3.5.1 and 3.5.2 above)							£0.00	£0.00	£0.00
1.8.1a DSG Block Planned Expenditure							Allocated DSG funding	Planned Spend	Net
Schools (before academy recoupment)							£269,893,109.00	£268,543,643.00	£1,349,466.00
Central School Services							£2,258,312.00	£2,258,312.00	£0.00
High Needs (excluding post school)							£49,304,317.00	£84,868,975.00	-£35,564,658.00
Early Years							£60,541,771.00	£60,541,771.00	£0.00
Total							£381,997,509.00	£416,212,701.00	-£34,215,192.00

Calculation of pass-through rate for 3 and 4 year olds

Calculation	Description	Amount
	1. EYSFF (3 & 4 year olds) Base Rate(s) per hour, per provider type	£20,351,017
	2a. EYSFF (3 & 4 year olds) Supplements (supply a note for your supplement payment) - Deprivation	£450,403
	2b. EYSFF (3 & 4 year olds) Supplements (supply a note for your supplement payment) - Quality	£462,882
	2c. EYSFF (3 & 4 year olds) Supplements (supply a note for your supplement payment) - Flexibility	£0
	2d. EYSFF (3 & 4 year olds) Supplements (supply a note for supplement payment) - Rurality/Sparsity	£0
A	2e. EYSFF (3 & 4 year olds) Supplements (supply a note for your supplement payment) - EAL	£0
	3. EYSFF (3 & 4 year olds) Maintained nursery school (MNS) lump sums (if applicable)	£0
	11a (i) SEN Inclusion Fund - 3 & 4 Year Olds (Mandatory) - Funding allocated from EY Block	£928,980
	11a (ii) SEN Inclusion Fund - 3 & 4 Year Olds (Mandatory) - Funding allocated from HN Block	£141,250
	12a. Early years contingency funding - 3 & 4 Year Olds	£187,768
	Subtotal =	£22,522,301
B	DFE quantum allocation to local authority of MNS supplementary funding (published in the DSG)	£0
C	Planned total base rate hours for universal 15 and additional 15 hours for 3 and 4 year olds (including	3,380,568
D	Equivalent average rate to providers for three-and four-year old entitlement hours	£6.66
E	LA EYNFF hourly rate for three-and four-year olds (published in the DSG allocations tables)	£6.67
F	Test of meeting requirement = (D / E) * 100%	99.9%

Calculation of pass-through rate for Early Learning for 2 year

Calculation	Description	Amount
	4. Early Learning for 2 year olds Base Rate(s) per hour, per provider type	£1,994,185
	5a. Early Learning for 2 year olds Supplements - Deprivation	£0
	5b. Early Learning for 2 year olds Supplements - Quality	£0
	5c. Early Learning for 2 year olds Supplements - Flexibility	£0
	5d. Early Learning for 2 year olds Supplements - Rurality/Sparsity	£0
A	5e. Early Learning for 2 year olds Supplements - EAL	£0
	11b (i) SEN Inclusion Fund - Early Learning for 2 year olds - Funding allocated from EY Block	£0
	11b (ii) SEN Inclusion Fund - Early Learning for 2 year olds - Funding allocated from HN Block	£141,250
	12b. Early years contingency funding - 2 Year Olds - Families receiving additional support	£1,149
	Subtotal =	£2,136,584
B	Planned total base rate hours for 2 year olds - Early Learning for 2 year olds (including hours through	216,759
C	Equivalent average rate to providers for 2 year old - Early Learning for 2 year olds entitlement hours	£9.86
D	LA hourly rate for 2 year olds (published in the DSG allocations tables)	£9.49
E	Test of meeting requirement	103.9%

Calculation of pass-through rate for 2 year olds - Working

Calculation	Description	Amount
	7. 2 year olds - Working parents Base Rate(s) per hour, per provider type	£13,741,373
	8a. 2 year olds - Working parents Supplements - Deprivation	£0
	8b. 2 year olds - Working parents Supplements - Quality	£0
	8c. 2 year olds - Working parents Supplements - Flexibility	£0
	8d. 2 year olds - Working parents Supplements - Rurality/Sparsity	£0
A	8e. 2 year olds - Working parents Supplements - EAL	£0
	11c (i) SEN Inclusion Fund - 2 Year Olds - Working parents - Funding allocated from EY Block	£603,730
	11c (ii) SEN Inclusion Fund - 2 Year Olds - Working parents - Funding allocated from HN Block	£141,250
	12c. Early years contingency funding - 2 Year Olds - Working parents	£295,344
	Subtotal =	£14,781,697
B	Planned total base rate hours for 2 year olds - Working parents (including hours through MNS)	1,590,437
C	Equivalent average rate to providers for 2 year old - Working parents entitlement hours	£9.29
D	LA hourly rate for 2 year olds (published in the DSG allocations tables)	£9.49
E	Test of meeting requirement	97.9%

Calculation of pass-through rate for 9 month to 2 year olds - Working parents

Calculation	Description	Amount
	9. 9 month to 2 year olds - Working parents Base Rate(s) per hour, per provider type	£17,968,636
	10a. 9 month to 2 year olds - Working parents Supplements - Deprivation	£0
	10b. 9 month to 2 year olds - Working parents Supplements - Quality	£0
	10c. 9 month to 2 year olds - Working parents Supplements - Flexibility	£0
	10d. 9 month to 2 year olds - Working parents Supplements - Rurality/Sparsity	£0
A	10e. 9 month to 2 year olds - Working parents Supplements - EAL	£0
	11d (i) SEN Inclusion Fund - 9 month to 2 Year Olds - Working parents - Funding allocated from EY	£780,612
	11d (ii) SEN Inclusion Fund - 9 month to 2 Year Olds - Working parents - Funding allocated from HN	£141,250
	12d. Early years contingency funding - 9 month to 2 Year Olds - Working parents	£180,596
	Subtotal =	£19,071,094
B	Planned total base rate hours for 9 month to 2 year olds - Working parents (including hours through	1,516,341
C	Equivalent average rate to providers for 9 month to 2 year old - Working parents entitlement hours	£12.58
D	LA hourly rate for 9 month to 2 year olds (published in the DSG allocations tables)	£12.87
E	Test of meeting requirement	97.7%

S251 Budget 2026-27 - High Needs Places Table Report

Department for Education Section 251 Financial Data Collection

Local Authority: 311 Havering London Borough Council

School Name	DfE Number	Is School/Unit Opening/Closing In-Year?	Date Opening Closing	Type of Establishment	Special Educational Needs (SEN) Places		SEN Place Funding	Alternative Provision (AP) Places		AP Place Funding	Hospital Education Places		Hospital Education Place Funding	Total Place Funding
					April 2026 to August 2026	September 2026 to March 2027	April 2026 to March 2027 (£)	April 2026 to August 2027	September 2026 to March 2027	April 2026 to March 2027 (£)	April 2026 to August 2027	September 2026 to March 2027	April 2026 to March 2027 (£)	April 2026 to March 2027 (£)
Suttons Primary School	2024			Mainstream	12.00	12.00	£72,000.00							£72,000.00
Clockhouse Primary School	2038			Mainstream	20.00	20.00	£120,000.00							£120,000.00
Nelmes Primary School	2086			Mainstream	13.00	13.00	£78,000.00							£78,000.00
Mead Primary School	2087			Mainstream	12.00	12.00	£72,000.00							£72,000.00
R J Mitchell Primary School	2093			Mainstream	48.00	48.00	£288,000.00							£288,000.00
St Edward's Church of England Voluntary Aided Primary School	3301			Mainstream	14.00	14.00	£92,000.00							£92,000.00
Corbets Tey School	7000			Special	160.00	155.00	£1,570,833.00							£1,570,833.00
Grand Total:					279.00	274.00	£2,292,833.00							£2,292,833.00

Schools Funding Forum 11th June 2026

ITEM 7

Subject Heading:

**LA maintained schools' balances 2025-26
and Approach to Schools in Deficit**

Report Authors:

**Katherine Heffernan - Head of Finance
Business Partnering**

**Hany Moussa – Principal Education
Finance Officer**

Eligibility to vote:

Information only

SUMMARY

This report provides an analysis of the LA maintained revenue school balances carried forward from 2025-26 into 2026-27 and sets out the Authority's approach to schools facing financial difficulties.

RECOMMENDATIONS

That the Schools Funding Forum notes the report.

REPORT DETAIL

Year on Year Comparison of School Balances

- 7.1 The table below shows the total revenue balances carried forward each year for the 38 primary and one special school that were LA maintained at the end of financial year 2025-26. Two pairs of primary schools operate a single budget across their federations.
- 7.2 For the fifth consecutive year, the overall schools revenue balances has reduced, and at the end of financial year 2025-26, there has been an increase of £3.1m in the overall deficit position for maintained schools.

	Total income £m	Total c/fwd balance £m	Balance as a % of income
2025-26	140.4	-3.6	-2.6%
2024-25	133.6	-0.5	-0.4%
2023-24	122.5	1.8	1.5%
2022-23	110.8	3.9	3.5%
2021-22	106.4	4.5	4.3%
2020-21	101.4	4.7	4.7%
2019-20	96.3	2.3	2.3%

Total value of school surpluses and deficits

- 7.3 The total balance for schools in surplus has remained at similar levels from 2020-21 to 2025-26, however there has been an increase of schools deficit position with an increase of £2.8m from 2024-25 to 2025-26.

Year	Total surpluses £m	Total deficits £m	Net balances £m
2025-26	5.5	9.1	-3.6
2024-25	5.8	6.3	-0.5
2023-24	5.4	3.6	1.8
2022-23	5.3	1.4	3.9
2021-22	5.4	0.9	4.5
2020-21	5.8	1.1	4.7
2019-20	3.7	1.4	2.3

School with surplus - percentage banding

7.4 The number of schools in surplus in the bands of 10% and above is similar as per previous years, however those schools that are in the lower bands have decreased in comparison.

	No. above 15%	No. between 10% & 15%	No. between 5% & 10%	No. between 0% & 5%	No. in deficit
2025-26	1	3	9	7	17
2024-25	1	5	7	10	15
2023-24	1	3	8	11	14
2022-23	1	3	11	7	15
2021-22	1	4	11	12	9
2020-21	1	4	15	7	11
2019-20	0	2	15	6	16

School in deficit – percentage banding

7.5 For the last two financial years, there has been a similar number of schools at the different ranges of % deficit range. However there has been an additional two schools that have reported an overall revenue deficit position at the end of financial year 2025-26.

	No. above 10%	No. between 5% & 10%	No. between 1% & 5%	No. below 1%	Total No. in deficit
2025-26	10	4	3	0	17
2024-25	10	3	2	0	15
2023-24	7	5	2	0	14
2022-23	0	6	8	1	15
2021-22	1	3	4	1	9
2020-21	1	4	4	2	11
2019-20	2	4	9	1	16

Schools in deficit - duration

7.6 The number of schools which have had deficits for an extended period of 3 years or more is 14, the same level as per the previous year.

No. of years	2025-26 No. of schools in deficit	2024-25 No. of schools in deficit	2023-24 No. of schools in deficit
> 5	8	9	8
5	0	0	1
4	5	0	0
3	1	5	0
2	0	0	5
1	3	1	0
Total	17	15	14

Schools with balances above 10% - duration

7.7 There are two schools that have had 10% surplus balances for 5 years or more, which is a reduction of one school in comparison to the previous year. In addition, the number of schools with surpluses above 10% has decreased from 6 to 4.

No. of years	2025-26 No. of schools above 10%	2024-25 No. of schools above 10%	2023-24 No. of schools above 10%
> 5	2	1	2
5	0	2	0
4	0	0	2
3	1	0	0
2	0	1	0
1	1	2	1
Total	4	6	4

Budget Plans and Categories of Submission

7.8 Most schools have now submitted their budget plans for 2026-27 financial year and will shortly be submitting their three year forecasts.

7.9 As in the previous financial year, the LA will be assessing these plans against the following updated categories.

Category	Definition	Action Required
A	Schools in a good financial position – forecasting to remain in surplus for at least three years	School to continue to monitor budgets
B	School at some risk – in surplus this year but may fall into deficit in subsequent years	School and Governing Body to consider action needed to reduce costs and remain in surplus.
C	School at risk of falling into deficit in this financial year	School and Governing Body to take urgent action to reduce costs in year
D – 1	School following a recovery plan to recover deficit in an agreed timescale	School and Governing Body to continue implementing plan Close monitoring of expenditure and regular update of forecasts and plans
D – 2	School has a recovery plan but may not be on track to deliver spending reductions	School and Governing Body to review plan and take action to get back on track.
E – 1	Recovery plan not yet fully agreed but School is beginning to reduce expenditure	School and Governing Body to continue to develop plans and take action to reduce expenditure as soon as possible
E - 2	School does not have adequate recovery plans and deficit is continuing to grow	Non compliance with regulations. School to take urgent action to develop plans. Authority may need to issue Notice of Concern.

7.10 For reference, the categories for financial year 2025-26 and the number of schools in each category is shown in the table below.

Category	Definition	Number	Action Required
A	Schools in a good financial position – forecasting to remain in surplus for at least three years	9	School to continue to monitor budgets
B	School at some risk – in surplus this year but may fall into deficit in subsequent years	7	School and Governing Body to consider action needed to reduce costs and remain in surplus.
C	School at risk of falling into deficit in this financial year	5	School and Governing Body to take urgent action to reduce costs in year
D	School following a recovery plan to recover deficit in an agreed timescale or extensive LA support is bring provided to deliver spending reductions	6	School and Governing Body to continue implementing plan Close monitoring of expenditure and regular update of forecasts and plans
E – 1	Recovery plan not yet fully agreed but School is beginning to reduce expenditure	7	School and Governing Body to continue to develop plans and take action to reduce expenditure as soon as possible
E – 2	School does not have adequate recovery plans and deficit is continuing to grow	3	Non compliance with regulations. School to take urgent action to develop plans. Authority may need to issue Notice of Concern.

7.11 During financial year 2025-26, the schools that had a deficit at the end of financial year 2024-25 were supported as part of **Category D and E** along with one school that was not in deficit as at the end of financial year 2024-25 that was also supported as part of the LA Deficit recovery support.

LA Support and Schools Submissions

7.12 Following submission of the one year budgets, the Local Authority will be in discussion with both LA maintained schools with balances above 10% and also those that are unable to set a balanced budget in 2026-27. Finance staff have been already been reaching out to those schools and in addition schools are able to request additional support via a booking portal.

7.13 **Any school that is unable to set a balanced budget will be asked to develop and implement a Deficit Recovery Plan showing how they will return to surplus over a reasonable period of time.** This is a requirement of the Schools Financing Regulations and Havering's own Scheme of Delegation.

7.14 Once a deficit recovery plan has been agreed then the authority will agree a licensed deficit. This will allow the authority to provide short term cash advances up to the levels set out in the plan.

7.15 Where schools do not yet have a robust and adequate recovery plan the Local Authority will continue to work with that school in order to support the development of savings measures. One of the approaches that the LA supports schools is through analysing the staffing structure within the school, and reviewing best practice and benchmarking against other similar schools. We will be paying particular attention to schools where the staffing budget is very high in comparison with funding, taking into account the level of High Needs funding.

7.16 Where a school does not yet have a deficit recovery plan approved it will still be possible to request cash advances through the existing processes as part of which the school will need to provide evidence of need and proposals as to how the advance can be repaid.

7.17 The authority will always seek to work with the school and the governing body in order to develop sustainable financial plans. However it does have the right to issue a Notice of Concern if it does not appear that the conditions of the Scheme for Financing Schools are being met. This includes not taking timely action to reduce overspending.

7.18 The Education Finance team will also be seeking to improve the system for monitoring school expenditure and budgets to make it more robust and also transparent. We will therefore be asking schools to provide quarterly expenditure and income forecasts and monitoring. This will be introduced for Quarter 2 reporting and further details will be released in this Summer term.



Schools Funding Forum 11th June 2026

ITEM 8

Subject Heading:

High Needs Funding 2026-27

Report Author:

**Hany Moussa – Principal Education
Finance Officer**

Eligibility to vote:

All Forum members

SUMMARY

The High Needs Block continues to face significant financial pressures despite Havering's strong record of mainstream inclusion.

The national SEND Reform Programme, together with new DfE funding through the Experts at Hand programme and Inclusive Mainstream Fund, provides an opportunity to strengthen local provision and improve outcomes, whilst also addressing the long-term sustainability of the High Needs system.

Further work is required to align local funding arrangements with emerging DfE expectations, and any future proposals will be considered through the High Needs Working Group and brought back to Schools Forum as appropriate.

RECOMMENDATIONS

Schools Forum is recommended to:

1. Note the 2025/26 provisional outturn position for the High Needs Block and the continuing financial pressures within the SEND system.
2. Note the national SEND Reform Programme and the implications for Havering's future approach to inclusion, specialist provision and High Needs funding.
3. Note the allocation of £2.35 million through the Experts at Hand and Local Authority SEND Transformation Fund and £2.09 million through the Inclusive Mainstream Fund for Havering schools.
4. Note the requirement for Havering to secure approval of its Local SEND Reform Plan in order to access the High Needs Stability Grant.
5. Note that the implications of SEND Reform, including any potential future changes to local High Needs funding arrangements, will be considered further through the High Needs Working Group and reported back to Schools Forum as appropriate.

REPORT DETAIL

Background

8.1 The DSG High Needs Block supports children and young people with Special Educational Needs and Disabilities (SEND) across a range of settings, including:

- Maintained and academy special schools,
- Special units attached to mainstream schools,
- Top-up funding for pupils with Education, Health and Care Plans (EHCPs) in mainstream settings,
- Alternative Provision, and
- Central inclusion and statutory SEN services.

8.2 Havering operates a highly inclusive system, with the majority of pupils with EHCPs educated in mainstream schools. While this approach delivers positive outcomes and represents value for money when compared to out-of-borough placements, the level of demand continues to significantly exceed available funding.

Financial Year 2025-26 Outturn

8.3 Below is the financial year 2025-26 original budget against the expenditure, mapped to the Section 251 budget statement. Please note that when the original budget was set, the budget required for existing commitments was more than the DfE's net allocation of £43.748m.

	Section 251 budget/expenditure	Provisional End of Year Expenditure	Variance
	£,000	£,000	£,000
High needs place funding within Individual Schools Budget (i.e. within school budget shares, after academy recoupment), including all pre- and post-16 place funding for maintained schools	2,129	2,183	-54
Top up funding - maintained schools	24,960	23,273	1,687
Top-up funding – academies, free schools and colleges	32,391	39,614	-7,223
Top-up and other funding – non-maintained and independent providers	6,931	7,380	-449
Additional high needs targeted funding for mainstream schools and academies	653	627	25
SEN support services	3,423	3,958	-535
Hospital education services	492	425	67
Other alternative provision services	1,227	1,027	200
Support for inclusion	285	285	0
Direct payments (SEN and disability)	500	518	-18
Therapies and other health related services	500	622	-122
Total	73,491	79,912	-6,422

National SEND Reform Programme

- 8.4 The Department for Education (DfE) has asked every local authority, working with schools, health partners and other stakeholders, to develop a Local SEND Reform Plan setting out how they will move towards a more inclusive, effective and financially sustainable SEND system for children and young people aged 0–25.
- 8.5 The national ambition is to improve outcomes through earlier intervention, stronger mainstream inclusion and increased access to specialist support. Local authorities are required to set out their vision, a three-year strategy and a delivery plan showing how these changes will be achieved.
- 8.6 Havering has submitted its draft Local SEND Reform Plan and received positive feedback from DfE advisers regarding the clarity of the vision, the coherence of the plan and the proposed approach to strengthening local provision.

Experts at Hand (EAH)

- 8.7 Experts at Hand is a key part of the national reform programme and aims to provide schools with quicker access to specialist advice, guidance and intervention. The intention is to support children and young people earlier, build staff confidence and expertise, and reduce the need for needs to escalate into more specialist provision.
- 8.8 The DfE has recently confirmed funding allocations to support implementation of the programme. Havering has been allocated **£2.35 million through the Experts at Hand and Local Authority SEND Transformation Fund** for 2026-27. This funding will support the development of local services and strengthen the support available to mainstream schools.

Inclusion Bases and Mainstream Inclusion

- 8.9 A key expectation of the reform programme is that more children and young people are supported successfully within mainstream education wherever appropriate.
- 8.10 In Havering, this includes the continued development of Inclusion Bases and increased specialist capacity within mainstream schools. The aim is to provide a broader continuum of support locally, improve outcomes for pupils and reduce reliance on out-of-borough and independent specialist placements.

Inclusive Mainstream Fund

- 8.11 Alongside SEND reform, the DfE has introduced the Inclusive Mainstream Fund to help schools strengthen inclusive practice and increase their capacity to meet SEND needs within mainstream education. The funding is intended to support schools to identify and meet needs earlier, remove barriers to learning and provide support without always relying on diagnosis or statutory processes.

- 8.12 For 2026/27, schools in Havering will receive a total allocation of **£2.09 million through the Inclusive Mainstream Fund**. Academy trusts will receive their allocations directly from the DfE, while funding for maintained schools will be paid via the local authority.
- 8.13 The fund is not intended to create a new programme of work, but to support schools in further developing inclusive practice as part of their core offer. This may include strengthening high-quality teaching, improving early intervention, developing targeted support for pupils, and creating learning environments that are more accessible and inclusive for all children and young people.
- 8.14 As part of the funding requirements, schools will be expected to develop and publish an Inclusion Strategy by December 2026. This should set out how the school identifies and responds to the needs of its pupils, how funding is being used to strengthen inclusion, and the actions being taken to embed inclusive practice across the school. The strategy will be subject to oversight by governors or trustees and will be available to parents and inspectors.
- 8.15 This funding represents a significant investment in mainstream inclusion and supports the wider ambition of ensuring that more children and young people can have their needs met successfully within their local school.

High Needs Stability Grant

- 8.16 Approval of Havering's Local SEND Reform Plan is critical as it is the route through which the authority can access the High Needs Stability Grant.
- 8.17 The grant is worth **approximately £63 million**, representing around 90% of the borough's historic DSG deficit, because of the High Needs deficit. National guidance confirms that access to this funding is dependent upon approval of the Local SEND Reform Plan.
- 8.18 Securing the grant would provide significant support to the long-term financial sustainability of the High Needs system while enabling continued investment in local SEND provision.

Next Steps

- 8.19 The LA is continuing to refine elements of the Reform Plan following feedback from DfE advisers, including aspects of demand forecasting and supporting financial information.

DfE Expectations and Implications for Havering

- 8.20 Whilst the initial feedback from the DfE on Havering's draft SEND Reform Plan has been positive, there is a clear expectation that local authorities demonstrate how SEND reform will improve outcomes whilst also creating a more financially sustainable High Needs system.
- 8.21 As part of its feedback, the DfE has challenged local authorities to show how future growth in Education, Health and Care Plans (EHCPs) will slow over time through earlier intervention, stronger mainstream inclusion and increased

access to specialist support through initiatives such as Experts at Hand and Inclusion Bases. The DfE has also indicated that authorities should review current funding arrangements and demonstrate how future spending can be better controlled, reducing reliance on expensive independent and out-of-borough placements wherever possible.

- 8.22 The national direction of travel is therefore not based on future increases in High Needs funding, but on local systems delivering better outcomes and better value through earlier support and more inclusive provision. This is likely to result in increased scrutiny of current funding arrangements and a greater focus on ensuring that available resources are being used as effectively as possible.
- 8.23 Schools Forum has previously agreed a number of measures to support the High Needs system, including the proposed 2026-27 increases to mainstream top-up band values and specialist unit funding rates. These decisions were taken in the context of the information available at the time and the continued pressures within the High Needs Block.
- 8.24 However, following the publication of the SEND Reform Programme, the confirmation of Experts at Hand funding, the introduction of the Inclusive Mainstream Fund and the feedback received from the DfE, there may be a need to revisit some previously agreed approaches as part of the transition to the new national model.
- 8.25 The DfE has provided additional funding to both local authorities and schools to support these reforms. Havering has been allocated £2.35 million through the Experts at Hand and Local Authority SEND Transformation Fund, whilst schools across the borough will receive £2.09 million through the Inclusive Mainstream Fund.
- 8.26 The implications of the SEND Reform Programme, including any potential changes to existing High Needs funding arrangements, will be considered further through the High Needs Working Group following Schools Forum. Any recommendations arising from this work will be brought back through the appropriate governance arrangements for discussion and agreement.