



# Havering

LONDON BOROUGH

## Schools Funding Forum 12th February 2026

## ITEM 5

**Subject Heading:**

**High Needs Funding 2026-27**

**Report Author:**

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**Eligibility to vote:**

**All Forum members**

### SUMMARY

This report sets out 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 provides the financial context for these proposals, including current expenditure pressures within the High Needs Block (HNB).

These topics were considered by the High Needs Working Group and the recommendations are presented for Schools Forum members' agreement.

### RECOMMENDATIONS

That the Schools Funding Forum:

1. Notes the financial position of the High Needs Block for 2026-27
2. Agrees the proposed increase to unit placement funding rates for 2026-27
3. Agrees the proposed 2026-27 mainstream top-up band values
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.

## REPORT DETAIL

### 5.1 Background

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.

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.

### 5.2 High Needs Expenditure 2025-26

The table below shows forecast High Needs Block expenditure for 2025-26.

	Forecast as @P9
Havering Special Schools	18,219
Out of Borough Maintained Schools	3,898
Primary Top-Up	20,742
Secondary Top-Up	9,320
ARPS and Special Units	4,945
Post 16	3,544
Early Years	663
Independent and Non Maintained	7,526
Alternative Provision	4,202
Inclusion and Central Support	3,113
<b>TOTAL EXPENDITURE</b>	<b>76,173</b>
Funding available	-44,769
<b>In-Year Deficit</b>	<b>31,404</b>

The forecast in-year deficit of £31.4m, when added to previous years, results in a cumulative DSG deficit of £67.7m.

It should be noted that there is a still one term to go and there is a large backlog of assessments, and new updated guidance in respect of LAC responsibilities, so there is still scope for the forecast to move. The range of estimates for the year are from £28m to £34m.

### 5.3 High Needs Expenditure 2026-27

For 2026-27, the DfE has not applied its full funding formula and has instead rolled forward funding broadly in line with 2025-26 allocations, adjusted only for in-year grants.

Havering 25-26 Baseline Funding	£49,453,340
Grant Allocations for Special Schools etc	£219,692
Special/AP Schools and Academies grant	£1,642,400
Grant funding for SSUs and ARPS	£82,884
<i>HNB before Import/Export</i>	<i>£51,398,316</i>
Import/Export Adjustment (will be updated)	-£2,094,000
<b>HNB before deductions/recoupment</b>	<b>£49,304,316</b>

This represents no real-terms increase and does not reflect rising demand or cost pressures. As a result, the DSG deficit will continue to grow.

Previously, Schools Forum has also approved a £1.349m transfer from the Schools Block to support High Needs pressures in 2026-27.

The High Needs Working Group noted the on-going pressure to the High Needs block due to the increase demand and the additional inflationary pressures, and the LA has tabled the following proposed increases to Cabinet for consideration and approval in the meeting due to be held in mid-February.

#### 5.3.1 Specialist Unit Funding

In 2025-26, Cabinet approved a revised funding rate of £30,000 per place for pupils supported in special units. This was widely welcomed by schools.

For 2026-27, the rolling-in of the Special Units grant and an uplift to reflect staffing cost pressures, allow the unit placement rate to increase to £30,800 per place.

This proposed increase ensures that unit provision remains financially viable and continues to support inclusive local provision.

#### 5.3.2 Mainstream Top-Up Funding: Banding Model

Over the past year, the LA has worked with schools to implement a needs-based banding system for mainstream top-up funding. This approach provides transparency, consistency and equity in funding allocations.

As part of the review of the arrangements for funding for 2026-27, the band values have been uplifted by 3% to reflect pay pressures, and the total cost of the uplift is £1.219m. This cost is fully funded through the approved Schools Block transfer.

Alongside the implementation of the banding model, the SEND service is continuing to work closely with schools and other key stakeholders to refine the banding descriptors, associated guidance and support arrangements. This work is focused on ensuring that bands are clearly understood, consistently applied and appropriately aligned to levels of need. On-going engagement is also supporting review of how funding flows through

the model in practice, so that it operates transparently, supports inclusive practice in mainstream schools and makes best use of the available High Needs resources.

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

<b>Band (Finance)</b>	<b>Weekly Notional SEN</b>	<b>Weekly SEN Top-up</b>	<b>Total weekly amount of support</b>
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

The first element of support continues to be met from schools' delegated budgets, with High Needs funding providing additional support according to assessed need.

Demand for High Needs provision continues to rise significantly faster than available funding and the 2026-27 High Needs Block settlement represents a holding position and does not address underlying pressures.

The proposed increases to unit placement rates and mainstream top-up band values are necessary to maintain current provision and are funded through agreed transfers. These measures do not reduce the DSG deficit, but they do provide stability and clarity for schools in 2026-27.