



**Subject Heading:**

**High Needs Funding 2026-27**

**Report Author:**

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**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<br>budget/expenditure | Provisional<br>End of Year<br>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          |
| <b>Total</b>  | <b>73,491</b>                     | <b>79,912</b>                             | <b>-6,422</b> |

## 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.