

Report to Schools Forum

Item	5
Meeting Date	24 February 2025
Subject	High Needs Block Funding 2025-26
Report Author	Steve Drake

Report purpose

To inform Schools Forum members as to the Dedicated schools grant (DSG) High Needs Block allocation for 2025/26 along with an overview on how this funding is to be utilised

Need for consideration

Schools Forum is asked to note the allocation of the 2025/26 High Needs DSG and be aware of the extreme funding pressures we have in delivering the services funded by this grant

Need for decision

Schools Forum is asked to note the allocation of the 2025/26 High Needs DSG

Contact Officers

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1. Background information and context

- a) Local authorities are required to advise their schools forums on the proposed use of the High Needs block (HNB) funding
- b) The operational guide sets out restrictions on how authorities can spend their allocations, and that authorities have flexibility to move money to and from their High needs block into and from other DSG blocks if they wish. Schools forum have approved a movement of 0.5% from schools block into HN block in 2025/26. This equates to £1,012,024
- c) The High needs funding system supports provision for children and young people with Special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the Children and Families act 2014

High needs funding is also intended to support good quality Alternative Provision (AP) for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools. The High needs funding block provides local authorities with resources for place funding and top up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with institutions, as permitted by regulations
- d) The use of High needs DSG funding is very specific. Attached in Appendix 1 is an extract from the Section 251 regarding the uses of the High Needs funding. Section 251 is part of the Apprenticeships, Skills, Children and Learning Act 2009
- e) There is severe pressure on the High Needs budget and there has been an overspend in 2022/23 & 2023/24 which we are required to address and reduce. The brought forward overspend into 2024/25 was £6.123m and we are forecasting an overspend of £14.647m in 2024/25 which will mean a cumulative of overspend of £20.77m at the end of 2024/25. Local authorities who are overspending their High Needs budget are required to maintain a High needs deficit recovery plan and the DFE work with authorities to try & mitigate the overspend and require Schools forum to receive regular updates regarding High needs and the Management Plan is a standard item on each forum agenda

- f) A High Needs deficit recovery group has been set up to look at ways of addressing the pressures on the budget and meets on a regular basis. The group has members from all areas of the High needs spending areas

2. Main issues for Schools Forum

- a) The 2025/26 High Needs allocation is £36,310,431. The allocation in 2024/25 was £32,967,286 which means an increase of £3,343,145
- b) A block transfer of £1,012,024 has been made from the Schools Block into High Needs meaning a total funding envelope of £37,322,455
- c) A detailed breakdown of the total budget requirement is shown in Appendix 2. The total required is £53,106,247 which will mean a forecast overspend of £15,783,792. A narrative description of what each of the budget areas of spend is shown below.
- d) **Special schools £14,721,913** Funding includes place funding, top ups for all three special schools including the hubs, the special school additional grants and a contingency for growth and increases to individual pupil top ups. Special schools will also receive an additional grant funded outside the high needs block based on 24/25 CSSB, TPG & TPEG.
- e) **Top ups £11,055,233** Budget is based on current top ups plus a 3% increase from 24/25, EFR that were approved in 24/25 and a contingency of 20% on maintained and academy top ups for forecasted increase in plans.
- f) **Resource provision £1,091,543** Budget is based on the current resource provision plus growth for new ARPS plus a 3% contingency for increase to top ups following reviews of current provision.
- g) **TWAPA £1,601,467** Budget based on the current SLA which includes Historical TPG, TPEG and supplementary funding. The TWAPA will also receive an additional grant funded outside the high needs block based on 24/25 CSSB, TPG & TPEG.
- h) **Additional alternative provisions and EFR £1,012,024** This budget is the 0.5% transfer from the schools block and will be used to fund setting up additional alternative provision and additional EFR.
- i) **Speech & Language therapy (SALT) £225,175** This is the value of the existing commissioned service

- j) **Disabled childrens team £136,178** Funding is required to pay for the existing 2.5 FTE Occupational therapy posts in the team
- k) **Specialist inclusion £3,200,000** Funding is required for the Autism team, Cognition & Learning team, Early Years SEND team, Visual & Multisensory team & the Hearing Impairment & Moving & Handling Team
- l) **EHC support £2,840,000** EHC support is Post 16 College provision & Education other than at school (EOTAS) for young people with EHC plans and bespoke packages of support (including music therapy, horse riding, activities & sports). There is also a requirement to fund specialist equipment & loan store, mediation, OT support and other one off special support
- m) **Medical needs team £300,635** This funding is required to fund the team of staff who support children who'se medical needs mean they cannot access schools
- n) **Special extra district £16,500,000** This funds children being accommodated in special, independent and private provision both within Calderdale & out of area rather than in our own mainstream or special schools. There continues to be a significant increase in Independent and non maintained special school placements, reflecting the increased demand for special school places and the lack of capacity in our own maintained special schools. Individual children with complex learning and behavioural needs require bespoke provision and this is the subject of potential capital projects to provide in house provision in Calderdale
- o) **Central overheads, management and other central high needs DSG funded staff costs £544,656** The High needs funding rules allow us to budget for a maximum of 1.5% of the total High needs DSG allocation to pay for these costs. The actual costs will be higher than this budget & will be funded by Local authority base budget and other external grant funding
- p) **Senif / Early years high needs DSG £1,150,000** This is the budget required for the cost of 2,3 & 4 year olds in receipt of EHC plans
- q) **Post 18 development officer £50,000** This post is to support young people with SEND to make a positive transition to adulthood, including paths to employment, good adult health, independent living and participating in society

3. Recommendations

Schools Forum is asked to note the content of the report and support the recommended use of the High Needs funding envelope for 2025/26

4. Reasons for recommendations

Contained in this report

5. Impact of funding, targets, and milestones

Contained in this report

6. Resource implications

Contained in this report

7. Appendices

Appendix 1 : Extract from Section 251 guidance – use of High needs budget

Appendix 2 : Analysis of High needs DSG budget by area of spend

Appendix 1

Top-up funding – maintained schools

Include planned expenditure on top-up funding for maintained schools, including PRUs.

Top-up funding is paid to schools for pupils with high needs in:

- mainstream classes
- special units and resourced provision attached to mainstream schools
- special schools
- PRUs
- sixth forms

Top-up funding is usually administered directly by local authorities from a central high needs budget. Where such funding has been devolved to groups of schools or individual schools for them to decide what to pay other schools (for example, when a school pays top-up funding for a pupil it places in a PRU), this funding should also be included. It is important, however, that this excludes any funding already in schools' budget shares and included in line 1.0.1. This line should also include any high needs funding paid to maintained special schools and PRUs for teachers' pay and pensions (employer contributions) costs, under the additional condition of grant attached to local authorities' DSG (section 3.6(7)).

Monies paid to local authority maintained special schools (including hospital schools) and PRUs (including medical PRUs) under the additional condition of grant that requires payment of a sum equivalent to 3.4% of total grant funding should also be included in this line.

Top-up funding – academies, free schools and colleges

Include planned expenditure on top-up funding for academies and free schools. Top-up funding is paid to academies for pupils with high needs in:

- mainstream classes
- special units and resourced provision attached to mainstream academies and free schools
- special academies and free schools
- AP academies and free schools
- academy and free school sixth forms

Also include, in the 'post-school' column, top-up funding for students with high needs in:

- FE colleges
- sixth form colleges
- 16 to 19 schools and academies without pupils of compulsory school age
- local authority post-16 provision

Top-up funding is usually administered directly by local authorities from a central high needs budget. Where such funding has been devolved to schools and academies for them to decide what to pay other schools (for example, when an academy pays top-up funding for a pupil it places in an AP free school), this funding should also be included. It is important, however, that this excludes any funding already in academies' budget shares and included in line 1.0.1. This line should also include any high needs funding paid to special academies and free schools, and to AP academies and free schools, for teachers' pay and pensions (employer contributions) costs, under the additional condition of grant attached to local authorities' DSG (section 3.6(7)).

Monies paid to special academies and free schools (including hospital schools), and to AP academies and free schools (including medical AP facilities), under the additional condition of grant that requires payment of a sum equivalent to 3.4% of total grant funding should also be included in this line.

Top-up and other funding – non-maintained and independent providers

Include planned expenditure on top-up funding for non-maintained special schools in the special schools column.

Planned expenditure on pupils with EHC plans at independent special schools, including pupils in their sixth forms, should be included in the special school column.

Planned expenditure on mainstream independent schools should be recorded in the primary or secondary columns, as for mainstream maintained schools and academies.

In the post-school column include planned expenditure on top-up funding for:

- students at independent learning providers of post-16 education and training (previously called commercial and charitable providers)
- independent specialist colleges
- other independent special post-16 institutions

While independent and non-maintained provision frequently offers integrated education, health and social care provision, only educational costs should be charged to the DSG. The social care element of accommodating children with SEN in schools should be recorded elsewhere (for example, 3.1.1). In the event that health costs are recorded here (for example, paid up-front as part of an integrated package of support), they should be recorded with associated health income.

Additional high needs targeted funding for mainstream schools and academies

Include expenditure from the local authority's high needs budget which is given to mainstream schools and academies (and exceptionally colleges) to ensure they have

enough funding to meet additional support costs up to £6,000 for pupils with SEN, where they cannot reasonably do this out of their budget share or other mainstream funding.

Local authorities were asked to give more detailed information in their APT return (including the amounts and criteria) about such targeted funding for mainstream schools. More information is available in the detailed [APT guidance](#).

SEN support services

Include the costs of non-delegated centrally retained specialist SEN support services for children with and without EHC plans, whether supported directly by the local authority or commissioned by them. This will include services for:

- visual, hearing and physical impairment
- specific learning difficulties
- speech, language and communication
- profound and severe learning difficulties
- autism

You should include:

- the costs of these services for 0 to 5-year-olds
- any costs of providing these services to home educated children
- the costs of early years special educational needs coordinators (SENCOs) who are centrally managed across a number of early years providers

Do not include the costs of behaviour support services which are not in support of SEN (see line 1.1.2).

Do not include recharges or the cost of assessing the need for and monitoring SEN provision. This should be included in 'Other Education and Community Budget', line 2.1.2, under 'Monitoring of SEN provision'.

Hospital education services

Hospital education is defined in the regulations as education provided at a community special school or foundation special school established in a hospital (usually called a hospital school), or under any arrangements made by the local authority under section 19 of the Education Act 1996 (normally provision in PRUs or services centrally managed by the local authority, where the child is being provided with such education by reason of a decision made by a medical practitioner).

In line 1.2.6 include expenditure on hospital education services only. It should include services made available to children and young people resident in the local authority's area,

and services made available to those who are in the area because that is where they are receiving their health care. It should also include expenditure on the local authority's pupils who are receiving their education from an independent hospital education provider.

It is important to exclude from this budget line any funding for hospital education places in special schools (including those special schools that are hospital schools) or PRUs (sometimes these are known as medical PRUs), which should instead be included in line 1.0.2 with a breakdown in the 'High Needs Places Table'.

Other alternative provision services

Include planned expenditure on AP services provided directly or commissioned by the local authority. This may include funding for home educating parents.

Also include funding for AP providers other than PRUs, AP academies and AP free schools. Include funding for commissioned services delivered by PRUs, AP academies and AP free schools.

Exclude any funding for high needs places at PRUs and AP academies (which should be included in line 1.0.2 instead and, in the case of PRUs, specified in table 2) and any top-up funding in respect of pupils at these providers (see lines 1.2.1 and 1.2.2).

Any funding for places in AP free schools that is recouped from local authorities from the third year that the free school is open should be included in this line, with the same amount included in the academies recoupment line 1.10.2.

Support for inclusion

Include here expenditure for:

- collaboration between mainstream and special schools and primary and secondary schools to enable children with SEN to take part in mainstream activities
- devolved expenditure for the integration of children from specialist to mainstream settings and the provision of discrete services or projects to promote such integration, such as commissioned outreach services

Do not include recharges or the cost of assessing the need for and monitoring SEN provision. This should be included in the 'Other Education and Community Budget', line 2.1.2, under 'Monitoring of SEN provision'.

Special schools and PRUs in financial difficulty

Include expenditure on assisting local authority maintained special schools and PRUs in financial difficulty.

Private finance initiative (PFI)/Building Schools for Future (BSF) costs at special schools, AP/PRUs and post-16 institutions only

Include expenditure on funding private finance initiative (PFI) or Building Schools for the Future (BSF) costs at special schools, special academies, PRUs and AP academies, where the local authority has decided to fund this outside the place funding and top-up funding. This line should also be used for funding PFI or BSF costs at maintained 16 to 19 institutions and 16 to 19 academies, which can no longer be funded through the schools formula as the post-16 factor has been discontinued.

Direct payments (SEN and disability)

Include all expenditure planned by the local authority under [The Special Educational Needs \(Personal Budgets\) Regulations 2014](#) to provide a direct payment to the parents of children, or to young people, with an EHC plan.

Include here SEN transport expenditure where there have been direct payments made to families to cover these costs.

Carbon reduction commitment allowances (PRUs)

This code is no longer in use.

Therapies and other health related services

Include costs associated with the provision or purchase of speech, physiotherapy and occupational therapies. Include any expenditure on the provision of special medical support for individual pupils which has been deemed to be special educational provision (for example, recorded under section F of an EHC plan) and therefore the responsibility of the local authority.

Appendix 2

Analysis of High needs DSG budget by area of spend

Special schools	14,721,913
Top ups	11,055,233
Resource Provision	1,091,543
TWAPA	1,601,467
Additional alternative provisions	1,012,024
Speech & Language therapy (SALT)	225,175
Disabled childrens team	136,178
Specialist Inclusion	3,200,000
EHC support	2,840,000
Medical needs team	300,635
Special extra district	16,500,000
Central overheads, management & other staff costs	544,656
Senif / Early years high needs DSG	1,150,000
Post 18 development officer	50,000
Total budget requirement	54,428,824
2025/26 High needs DSG	36,310,431
Block transfer from schools to High needs	1,012,024
Total funding available	37,322,455
Forecast overspend for 2025/26	17,106,369