

SCHOOLS FORUM



Subject	High Needs Update for 2025/26
Meeting Date	23 June 2025
Executive Summary	<p>The report provides a summary of the high needs budget for 2025-26 and includes details of new activities to support pupils with additional needs in mainstream schools – the inclusion fund and outreach plus.</p> <p>The inclusion fund is funded by surplus school block funding as agreed by Schools Forum in January 2025. The report sets out the how the fund will be allocated in 2025-26 following further consultation with headteachers since February this year.</p> <p>Outreach plus is a new service to support mainstream schools establish resourced provision with the aim of increasing specialist capacity for children with autism spectrum condition and social, emotional and mental health needs.</p> <p>Once fully implemented these two activities should deliver savings to the high needs budget through future cost avoidance.</p>
Recommendations	To note the contents of the report.
Reasons for Recommendations	To update School's Forum on the high needs block 2025-26
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Wards	Council-wide
Classification	For Information

Summary High Needs Budget 2025-26

1. The table below sets out the high needs budget for 2025-26 alongside the final outturn for 2024/25 for context.

Table 1: High Needs Budget 2024/25 and 2025/26

	2024/25	2025/26	
DSG High Needs Budget	Outturn	Budget	Increase
	£000's	£000's	£000's
Place Funding	14,814	18,518	3,704
Top up Funding - State Sector	34,065	33,828	-237
Top up Funding - Independent/NMSS	30,704	31,237	533
Top up Funding - Post Schools	8,004	11,982	3,978
Top up Funding - Pre schools	224	374	150
Top up Funding - Excluded Pupils/AP	5,039	4,500	-539
Commissioned Services	2,439	2,809	371
Hospital Education Top up	64	100	36
Bespoke SEN /Therapies	12,070	14,238	2,168
Support for Inclusion	144	200	56
Teachers Pay & Pension Grants	1,918	2,000	82
Inclusion Fund	464	1,237	773
Early Years Central SEN support	861	1,266	405
Sensory Impaired Service	1,095	922	-173
Total Expenditure	111,906	123,211	11,305
Funding	62,034	65,708	3,674
High Needs Funding Gap	49,872	57,502	35,716

2. The outturn for 2024-25 was high needs expenditure of £111.9m compared with funding of £62.0m (a DSG funding gap of £49.9m). This outturn was £5.3m more than the quarter three forecast which informed the budget set for 2025-26 in February 2025.
3. The expectation in the high needs budget for 2025-26 is that the annual funding gap will grow to £57.5m as demand growth is expected to be on-going. There are initiatives in the SEND improvement plan (an element being invest-to-save) that should have an impact on the high needs budget over time.
4. The new year budget would have been 16% higher than the forecast outturn for 2024/25 established in quarter three. Compared with the final outturn, annual expenditure growth budgeted for 2025-26 is now only 10%. This is still a considerable increase but less than historic annual growth.
5. There were some non-recurring payments made in the final months of the year that had not been included in the forecast but most of the increase is likely to be ongoing as more young people were being supported by the high needs budget by March 2025 than had been expected.
6. The forecast outturn for 2025-26 will be considered at the September meeting. New assumptions will be needed to reflect current levels of demand and data trends, updated cost expectations and factor in initiatives in progress to manage costs going forward.

Inclusion Fund 2025-26

7. The 2025-26 high needs budget allocated £1.2m to the inclusion fund. This was finalised based on the decision of Schools Forum in January 2025 to permit the transfer to high needs of surplus school block funding. The surplus is the balance available after all mainstream schools had been allocated funding according to the national funding formula (NFF) in full and a central growth fund provided.
8. The amount is higher than the forecast surplus of £1.1m reported at the January 2025 meeting as the DfE disallowed continuation of the exceptional premises funding factor for joint use agreements for two schools. An application for inclusion in the local formula was required annually and until the current year consent had been given. This funding is included in the 2025-26 school block allocation to the council (as this is based on previous year exceptional premises costs in the local formula), but it will no longer be included from 2026-27.
9. The DfE did not permit a higher level of transfer to fully fund the inclusion fund proposals that had been drawn up in consultation with headteachers and presented to Schools Forum over the autumn. The inclusion fund has been scaled back accordingly.
10. As a result of the decreased level of funding available, schools were consulted on which aspects of the inclusion fund to take forward through the remaining £1.2m at the Head Teacher Forum on 26 February 2025. After discussion at this event and further feedback from our online invitation, it was agreed to take the following options forward:
 - a. The provision of additional specialist outreach support for mainstream schools via £550,000.
 - b. A pilot of three inclusion advisor posts to work with a decided patch of mainstream schools to trial their impact over the next year via circa £270,000.
 - c. To deliver training and development support to mainstream schools as per the original proposals and enabling schools to choose which option would be more impactful for them at circa £380,000.
11. Processes are now underway to enable implementation of these elements from September 2025, with an impact review to then take place in 2026-27 to assess the difference made as a result of these support elements being in place.

Outreach Plus

12. Outreach plus is a group of services to support mainstream schools in establishing resourced provision as part of the delivery of the SEND sufficiency programme of work. The aim of this work is to increase the availability of places for children with an education, health and care plan (EHCP).
13. The council is working with special school headteachers to agree a package of support that will enable mainstream school headteachers to establish resourced provision under the advice and guidance of specialist staff.
14. Building on round one of the sufficiency programme, round two is focused on commissioning resourced provision in mainstream primary and secondary schools for children with autism spectrum condition and social, emotional and mental health needs. In applying the learning from round one, services to support our mainstream school headteachers are vital to ensure our newly commissioned resourced provision operate as inclusive models that enrich the entire school community by valuing diversity, promoting individualised learning, enhancing staff expertise, and embedding a culture of inclusion and belonging.

Service aims and objectives

15. The overall aim is to provide specialist advice and support to BCP mainstream schools to enhance their skills and expertise to effectively meet the requirements of children with additional needs.
16. The service aims to:
- Provide specialist advice and guidance to mainstream schools
 - Provide training and guidance to mainstream schools
 - Increase opportunities for children and young people with additional needs to reach their academic potential within mainstream schools
 - Promote effective practice in meeting the needs of all children and young people
17. The service objectives are:
- To improve provision and outcomes for children and young people with SEND enabling schools to provide the right place at the right time and with the right support
 - To improve confidence and capacity to meet special educational needs in local mainstream schools
 - Preventing schools from being SEN magnet schools, widening the distribution of provision available for children and families
 - To develop inclusive environments and develop expertise in mainstream schools
 - To provide children and young people with SEND with equitable educational opportunities alongside their peers
 - To review the data and information to inform future service planning.
 - To use collated data and information to determine the financial impact of the service.

Service Description

18. The service will provide targeted support, advice, guidance and training to mainstream primary and secondary schools seeking to develop resourced provision. The service will be allocated to schools who form part of round two of the SEND sufficiency programme of work and appropriate support will be provided following an initial audit of each school and associated proposal.
19. Accessibility: Access to the service will be through round two of the SEND sufficiency programme. The special school will audit the maintained school's proposal for the development of the Resourced Provision to assess the scope of work.
20. Population covered: The service will work with learners in mainstream education settings covering the primary and secondary age range.
21. Interdependence with other service providers: The service provider will be expected to work in collaboration with the SEND local area partnership which includes local authority officers, relevant health professionals, local schools, teaching schools hubs and other local providers.
22. The service will provide a formalised package of support for a maximum period of one year and will assist mainstream school headteachers in the following areas:

- Curriculum
- Planning
- Assessment
- Environment
- Sensory
- Timetabling
- Resource advice
- Staff training
- In-reach / observations
- Consultancy

23. **Year 1 Support Programme**

Duration: 2 Terms

- Initial meeting following submission of request for support, what is already in place, what support the school has identified?
- Allocation of senior leader & team - mainstream school & Linwood
- Planning meeting to look at student need – EHCPs / outside agency reports / IEPs etc
- Areas of focus established & UP3 expert teachers allocated
- Support schedule drawn up, half termly review points set

Duration: 1 Term

- Planning for areas to develop further, growth & succession
- Support schedule drawn up, half termly review points set

24. **Year 2** – Individual school takes responsibility for training and development of staff

25. Providers of the Service: The council will imitate a light touch expression of interest to commission special schools in BCP to provide the support to local mainstream primary and secondary schools.

Financial implications of outreach plus

26. Round two is expected to deliver a total of 20 projects over at least two academic years (depending on the scale of individual projects). This could provide a total of between 160 places – 240 places depending on a range of between 8-12 place provisions.
27. The cost of a support package for each school is a maximum of £20,000 which necessitates a total budget of £0.4m over a 2-year period. This covers the costs of outreach teachers/backfilling, training, site visits, initial audit and assess, plan, do review approach. It is planned that the cost is met from the High Needs Budget.
28. The table below sets out that the impact of the cost of the service on the cost per place in year one. It shows a year one additional cost of £2,500 based on an 8-place provision. This brings the total cost per place for resourced provision to £23,300 based on an 8-place provision. The costs per place decrease for provisions based on 10 and 12 places. The year 2 costs reduce to £22,000 per place. This is a cost avoidance of £4,000 per place taking an estimated cost of a special school place of £25,000.

Year 1	Cost per place £	8 Places £	10 Places £	12 Places £
Element 1, 2 and 3 funding	22,000	176,000	220,000	264,000
Running Costs	1,000	8,000	10,000	12,000
Year 1 costs	23,000	184,000	230,000	276,000
Cost of outreach per school and per place	20,000	2,500	2,000	1,667
Cost of provision based on 8, 10, 12 places		186,500	232,000	277,667
Cost per place including the cost of outreach		23,313	23,200	23,139

Year 2	Cost per place £	8 Places £	10 Places £	12 Places £
Element 1, 2 and 3 funding	22,000	176,000	220,000	264,000
Cost per place		22,000	22,000	22,000

Summary Financial Implications

29. The financial implications for the DSG high needs budget are set out in the body of the report.

Legal Implications

30. The Schools Forum regulations require Schools Forum to be consulted on arrangements for pupils with high needs.

Summary of human resources implications

31. There are no direct human resources implications from the recommendations in this report.

Summary of sustainability impact

32. There are no direct sustainability impacts from the recommendations in this report.

Summary of public health implications

33. The council is seeking to maintain appropriate services for the vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.

Summary of equality implications

34. Budget holders are managing their budgets with due regard to equalities issues.

Summary of risk assessment

35. The high needs budget funding gap is an ongoing risk to the council's financial health. Government is aware of this national problem with an indication given that consultation on a way forward will be issued in due course.

Background Papers

36. The DSG budget for 2025/26 and implementation of the inclusion fund was set out and discussed in the Schools Forum meetings over the autumn and spring of financial year 2024/25. The link to all School's Forum papers is available through the link below:

[http://ced-pri-cms-02.ced.local/ieListMeetings.aspx?Committeed=149&\\$LO\\$=1](http://ced-pri-cms-02.ced.local/ieListMeetings.aspx?Committeed=149&LO=1)

Appendices

None