



# DSG - High Needs Block

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# High Needs 2025/2026

# Current Position

Currently, the grant rules permit local authorities to carry forward any surpluses or deficits into future years and deficit DSG balances must be recorded in a separate unusable reserve and rolled over annually. This policy will remain in effect until March 2028.

NELC's financial status as of Quarter 3 is as follows, a £3M increase against the Quarter 2 position

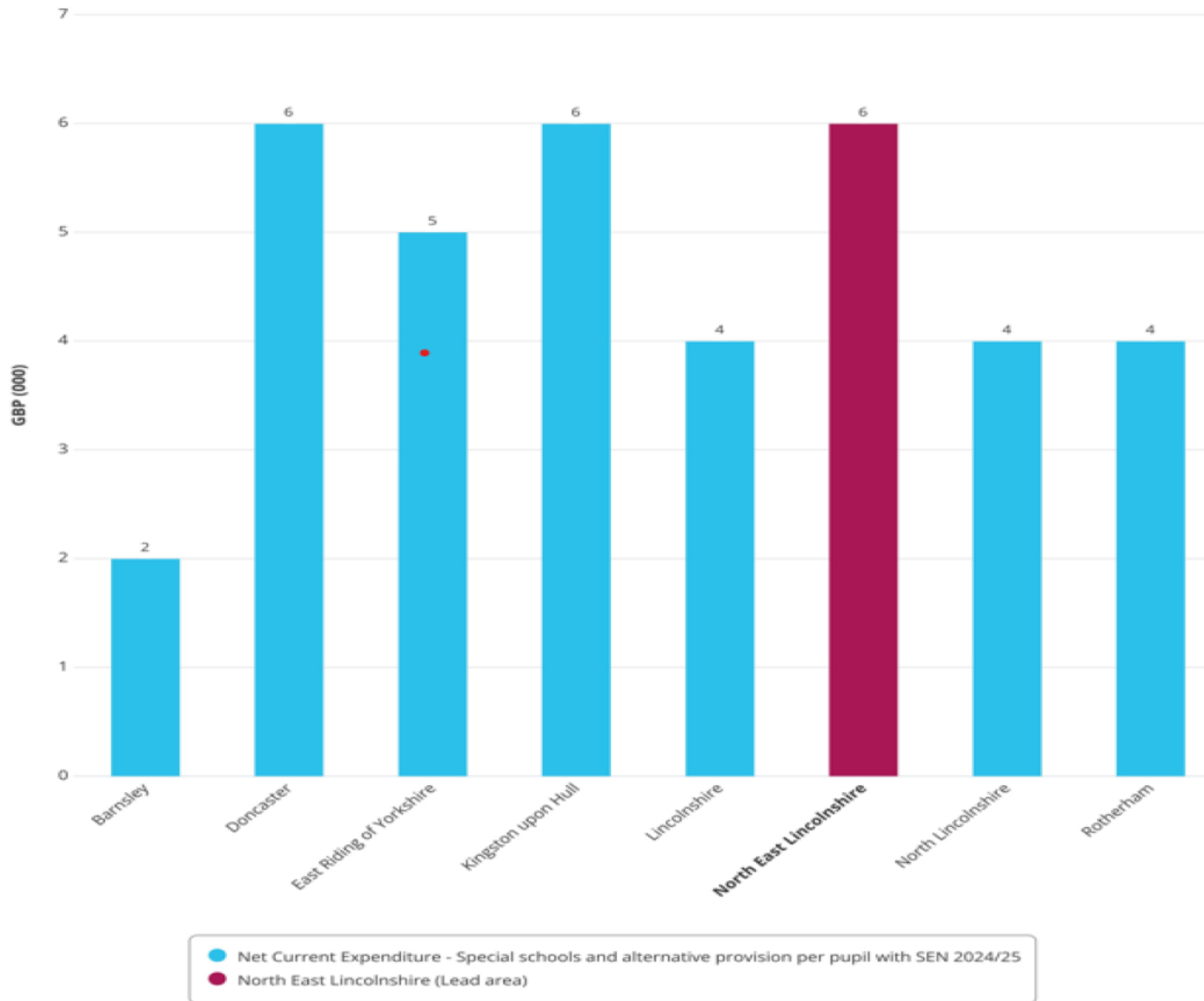
	£M
Opening Deficit 1st April 2025	(12.0)
In-year Overspend	(16.1)
<b>Forecast Closing Deficit 31st March 2026</b>	<b>(28.1)</b>

Nationally SEND deficits could reach £5 billion by 2025/2026

# Local Position

CUMULATIVE DSG POSITION Surplus/(Unusable) Reserves						Forecast
		2022/23	2023/24	2024/25		2025/26
Authority	DfE Support	£M	£M	£M		£M
Lincolnshire		16.0	16.3	1.8		Deficit
North Lincolnshire		6.9	7.0	4.4		Deficit
Hull	DBV	(3.5)	(3.5)	(8.5)		
North East Lincolnshire	DBV	(1.5)	(4.0)	(12.0)		
Barnsley	SV	(17.9)	(17.9)	(17.9)		
Rotherham	SV	(21.3)	(21.3)	(21.3)		
East Riding	DBV	(14.9)	(23.4)	(38.2)		
Doncaster	DBV	(19.8)	(25.3)	(37.6)		

### Net Current Expenditure - Special schools and alternative provision per pupil with SEN (2024/25) for NELC



Powered by LG Inform

Source:

Calculated by LG Inform, N/A, Net Current Expenditure - Special schools and alternative provision per pupil with SEN , Data updated: 04 Dec 2025

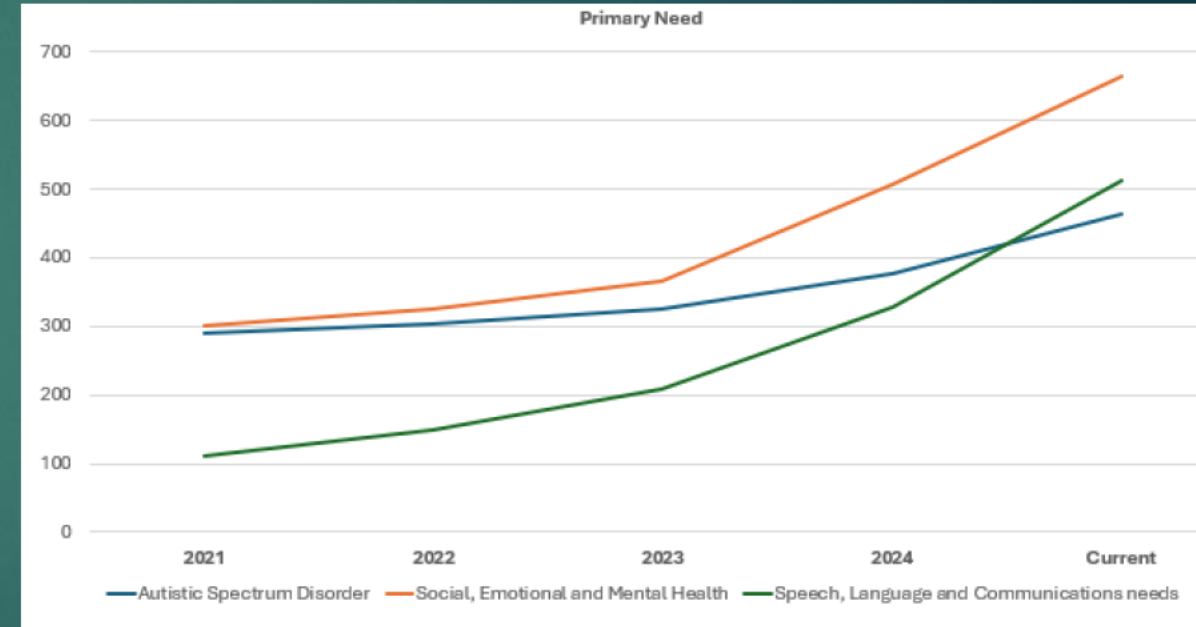
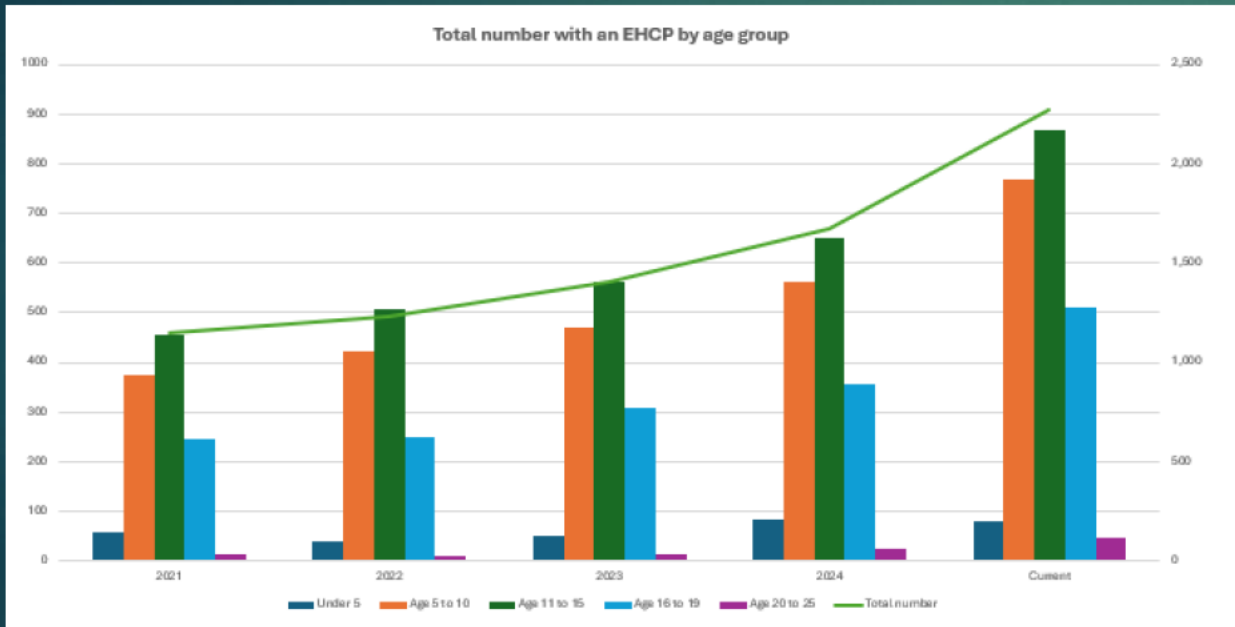
Using 2024/25 actual expenditure and pupils with SEN numbers

The average cost per pupil with SEN is shown opposite

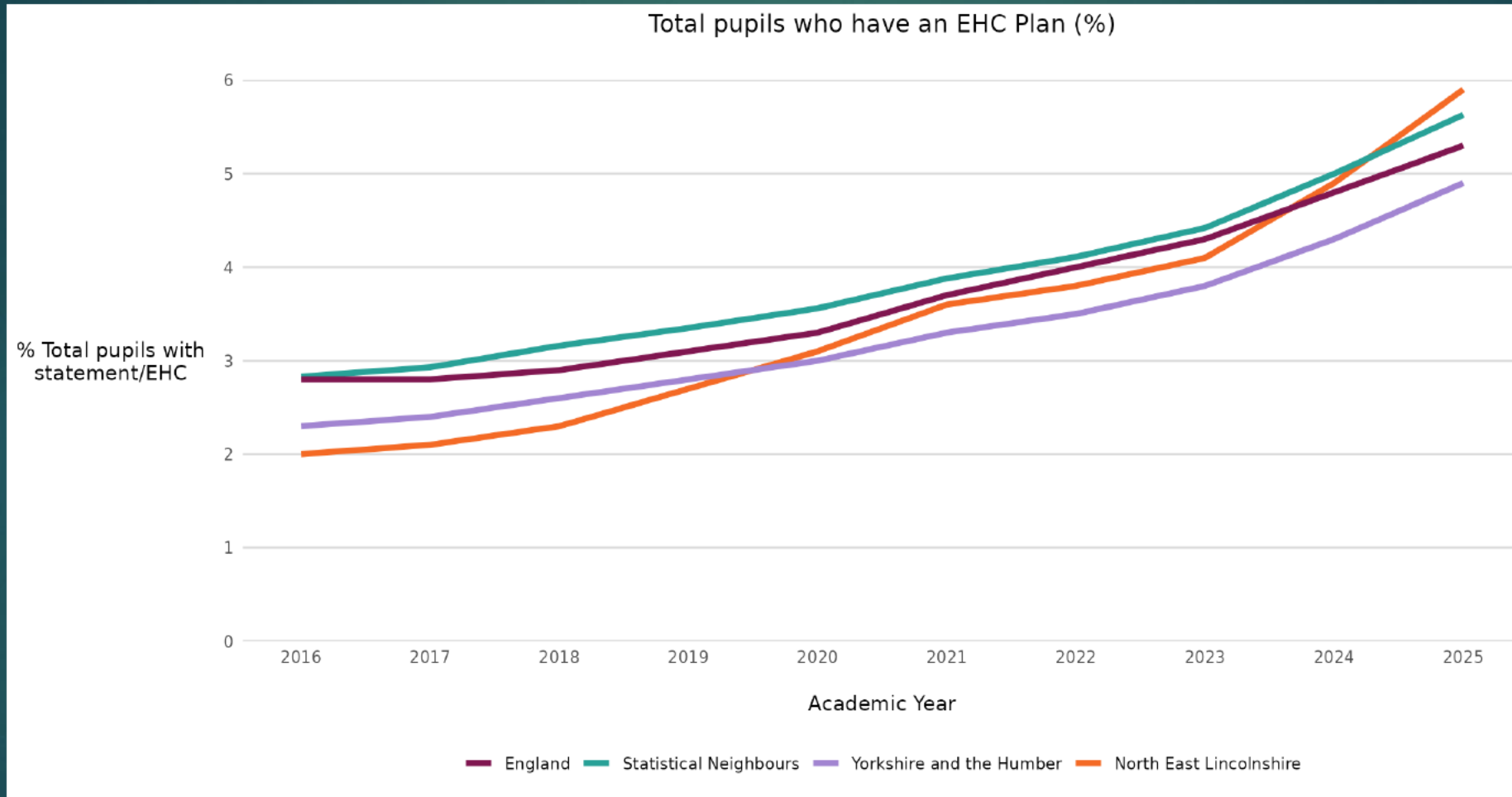
# Activity and Demand

We are continuing to see a significant increase in both the demand and complexity of needs among young people in the borough, with approximately 2273 Education, Health and Care Plans (EHCPs) currently in place.

This trend is one of the primary factors contributing to the increasing expenditure levels within our High Needs Block.



# Activity and Demand cont..



# RSP and SEN Unit Development



Programme of investment to increase local provision to reduce pressure on DSG

Waltham Gateway  
primary: SEMH (12)

Scartha Gateway  
primary: SEMH (12)

Littlecoates primary:  
Communication  
and Interaction (12)

Fairfield primary:  
Communication  
and Interaction (18)

Yarborough  
primary: SEMH (24  
phased process  
and opening)

Healing secondary:  
Communication  
and Interaction (12)

Waltham Tollbar  
secondary: SEN Unit  
SEMH (12)

RSP Provision  
under  
development:

Waltham Tollbar secondary:  
social, emotional and mental  
health (12)

Welholme Primary:  
communication and interaction  
(12)

Bursar Primary: Specific learning  
difficulty (20)

# Specialist Provision Development

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Cambridge Park Academy 6<sup>th</sup> Form  
development – opened Sept 2025  
(12 place)

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SEMH free school (150 places)  
confirmed by cabinet

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Exploration of further capacity to  
increase provision for children and  
young people with profound and  
multiple or severe learning difficulties

# High Needs 2026/2027

# SEND Reforms

- The DfE Local Partnership Maturity Assessment tool uses the 7 pillars to assess the current position of the local authority in relation to SEND: Emerging, Developing or Maturing
- This then feeds into the SEND Reform Plan which has to be submitted in June, officially. The DfE have provided very specific guidance of areas they will need to see in the plan.

**Pillar 1: Co-production with parents and carers and Children and Young People**

**Pillar 2: Effective system leadership and governance**

**Pillar 3: Accurate understanding of needs through effective use of data  
( Understanding and evidencing the needs of children and young people with SEND and children and young people who may benefit from AP )**

**Pillar 4: High Quality Service Delivery at universal, targeted and specialist level to promote inclusion**

**Pillar 5: Effective partnerships working across education, health and social care**

**Pillar 6: Skilled workforce across the partnership**

**Pillar 7: Targeted, judicious and sustainable use of resources including sufficiency, place planning and capital**

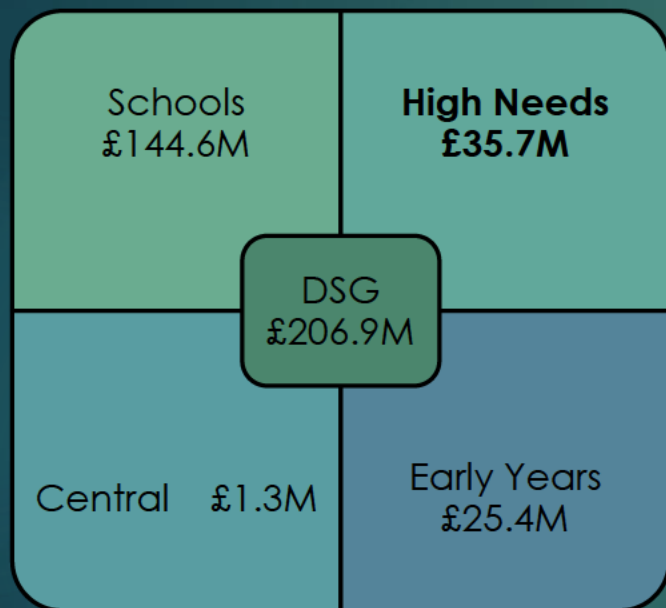
# SEND Reforms - Finance

- Central funding for SEND from 2028/29 - full details not yet known.
- Introduction of High Needs Stability Grant from 2026/27 , which will cover 90% of eligible high needs deficit at the end of March 2026.

This will be subject to submission of SEND Reform plan, and we expect similar approach for 2027/28 and 2028/29. We will need to consider options for dealing with the residual 10%

# Funding 2026/27

High Needs is one of four blocks that make up the total Dedicated Schools Grant (DSG), with allocations for 2026/27 confirmed as follows:



The 2026/27 High Needs Block provisional allocation is £35.7M (pre recoupment)

No inflationary uplift has been applied to the High Needs Block this year due to SEND reforms - however some previously standalone grants have been rolled in, accounting for the increase in the total grant. These are:

- Core Schools Budget Grant
- NIC Grant
- School Budget Support Grant
- Historical Teachers Pay and Pension Grant

The block allocation needs to cover those payments as well as price increases for providers and growth in the system.

# 2026/27 High Needs Block

The following factors have been considered when allocating the 2026/27 High Needs Block:

- ▶ Increase in demand and complexity
- ▶ Current spend commitments
- ▶ Provider market in respect of price/rate uplifts
- ▶ The current DSG position and outturn forecast
- ▶ The mix of places and need to facilitate mainstream inclusion where possible

As a result, budgeted expenditure totals £45.9M, our HNB allocation after DFE recoupment is £28.3M. Therefore, we are forecasting a £17.6M in year deficit during 2026/27. This would increase our cumulative deficit to around £45.7M.

<b>Forecast High Needs Spend</b>	<b>Latest 2025/26</b>	<b>Original 2026/27</b>		
	<b>£'000</b>	<b>£'000</b>		
High Needs Block Allocation	34,283	35,711		
Less: DfE Recoupment	(7,494)	(7,362)		
<b>Net Allocation</b>	<b>26,789</b>	<b>28,349</b>		
			<b>Change</b>	<b>Comment</b>
Special Academy School Top-Ups	6,039	6,004	(35)	Updated pupil numbers
Out of area Independent Special Schools	15,000	21,000	6,000	Projected increase in demand and price
Top-Up Funding Mainstream	6,562	7,650	1,088	Expected increase in demand
SEN Equipment	10	10	0	
PRU & AP Provision - net of recoupment	2,328	2,055	(273)	One provision ended 31st August 2025
EY SEN Inclusion Fund	350	373	23	
SEND Contracts	148	186	38	
Primary Resource Provisions	1,206	2,712	1,506	Increase due to new RSPs
Post 16	2,000	2,000	0	
SEN Services	1,749	2,993	1,244	Increased EOTAS packages
Hearing & Vision Service /Other Outreach	932	965	33	Uplift due to pay awards
Mainstream Inclusion Funding	40	0	(40)	Provision ended 31st August 2025
<b>Total Spend</b>	<b>36,364</b>	<b>45,948</b>	<b>9,584</b>	
<b>Over Allocation</b>	<b>9,575</b>	<b>17,599</b>		