

## **School Funding 2026/27 - Consultation Document**

### **PURPOSE**

To seek views from maintained schools, academies and free schools on proposals in respect of Schools and High Needs Budgets for 2026/27. The results of this consultation will be presented at the School Forum Meeting on 10<sup>th</sup> November for relevant Forum Members to vote.

School's forums have a range of responsibilities relating to local funding formulae for mainstream schools. For example, they must be consulted by their LA on changes to local funding formulae for schools and Schools Forums must decide on LAs' proposals to move up to 0.5% of the school's block to other funding blocks. This consultation fulfils the Forums responsibilities.

This consultation ends on **Wednesday 5<sup>th</sup> November 2025**.

### **HIGH NEEDS BUDGET**

The High Needs block supports provision for pupils and students with special educational needs (SEN) and disabilities (SEND), from age 0 to 25, and alternative provision (AP) for pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.

As schools will be aware, since the introduction of the new SEND code of practice in 2014, there has been a year-on-year increase in the demand placed on the High Needs Block due to increased numbers of children requiring SEN support and Education, Health and Care Plans (EHCPs).

At the end of the 2024/25 financial year the deficit against the Dedicated School Grant (DSG) was **£6.72m**.

Based on the quarter 2 budget monitoring exercise it is apparent that the high needs budget continues to see increased demand for additional placements and higher levels of support and an **additional in year deficit of £4.65m** is now expected. This will take the estimated **cumulative deficit to £11.37m** by the end of the financial year. The main areas of pressure are as follows: -

Agency Placements – There are currently 223 placements which is an increase of 56% so far since March 2023 (143 to 223). Although the budget does include additional growth funding, further placements and fee increases are expected to result in an outturn of c£13.4m this year. This is an increase of over 89% since March 2023 (£7.1m to £13.4m).

Out of area placements – There are currently 161 placements in other LA schools with an average annual placement cost of £21k. The number of placements has increased by 49% since March 2023 (108 to 161) with the annual cost increasing by over 156% (£1.6m to £4.1m).

Alternative Provision (AP) – Although the LA is looking at AP and the support available, as this is one of the mitigations in the DBV programme, the costs of support are continuing to increase. At present, the AP budget is expected to be c£200k overspent.

The Council is currently working on all of the mitigating actions as notified to the Government as part of the Delivering Better Value Programme. The current DSG Management Plan, provided as part of the DBV Programme, is showing a cumulative deficit of £35m at the end of 2027/28. The authority is working on mitigating actions to reduce this down to a balanced position, but these actions will take time to develop and implement before savings can be made / increased costs offset.

For 2026/27 local authorities will continue to be able to transfer up to 0.5% of their school's block to the high needs block of the DSG, with Schools Forum approval. Last year the Forum supported a transfer of 0.5% (£0.897m) from the Schools Block to the High Needs Block. A disapplication will be required to the Secretary of State for transfers above 0.5%, or any amount without Schools Forum approval.

ESFA aim to publish NFF allocations for schools and all supporting documents on the NFF (including the schools operational guide and NFF technical note) for 2026 to 2027 in the Autumn. As a result of the above an accurate figure that equates to 0.5% cannot be calculated but it is estimated to be between £900k to £950k.

Due to the continued pressures with the SEND service particularly, the Council may decide to request additional funds above 0.5% via the disapplication request process to the Secretary of State for Education.

**Question 1 - Do you support the transfer of 0.5% from the Schools Block to High Needs Block in 2026/27?**

	Response	Comments
Yes		
No		
No views		

Please complete and certify this sheet and return electronically with your consultation to: [andy.bryson@stockton.gov.uk](mailto:andy.bryson@stockton.gov.uk) by 5pm on Wednesday 5<sup>th</sup> November 2025.

If you are unable to include electronic signatures could you please provide authorisation within the body of the email from both the Headteacher and Chair / Clerk to Governors.

**Name of School:** .....

.....  
**Chair or Clerk to Governors (Please specify)**

.....  
**Headteacher**

.....  
**Print Name**

.....  
**Print Name**