
SCHOOLS' FORUM

Tuesday 10 February 2026 – 10 am

Conference Hall,
Centre for Excellence in Teaching and Learning,
Brierton Lane

A G E N D A

1. Apologies *Chair*
2. High Needs Block (HNB) Projected Outturn 2025/26 *Amanda Whitehead*
(For Information)
3. Consolidated High Needs Block Budget Requirement 2026/27 (Including Strategic Proposals) *Amanda Whitehead*
(For Decision)
4. Permanently Excluded Pupils (PEXs) *Emma Rutherford*
(Standing Item)

Date and Time of Next Forum Meeting –
Tuesday 10 March 2026, 10 am at the CETL

**Report to Hartlepool Schools' Forum 10 February 2026
From Amanda Whitehead, Assistant Director – Education**

Item 2: High Needs Block (HNB) Projected Outturn 2025/26

1. Introduction

- 1.1 The purpose of the report is to present the projected 2025/26 outturn for high needs services based on spending to the end of quarter three.

2. Background

- 2.1 Financial pressures affecting the provision of services for Special Educational Needs and Disabilities (SEND) are reported to Schools' Forum at regular intervals.
- 2.2 Projected outturns for 2025/26 based on worse-case, mid-case and best-case have been prepared.
- 2.3 The final position for 2024/25 was a year-end overspend of £3.343m. When added to the Dedicated School Grant (DSG) deficit balance from 2023/24 of £1.589m, the DSG deficit stands at £4.932m.
- 2.4 Children's Services Committee approved proposals from Officers to set a budget requirement exceeding the available HNB funding by £4.257m in 2025/26. The budget shortfall would increase the deficit to £9.189m by 31 March 2026.

3. 2025/26 Block Funding

- 3.1 Before recoupment of academy place funding, the latest Hartlepool HNB allocation for 2025/26 is £21.575m. Schools Forum will recall their agreement to transfer £0.436m (0.5%) of the School's Block and the residual Central School Services Block (CSSB) of £0.080m to the High Needs Block. This provides total funding of **£18.115m** after recoupment of £3.976m for academy place funding, or **£22.091m** before recoupment.
- 3.2 When the original budget was set for 2025/26, this was based on an indicative funding estimate of £17.899m. As funding available is confirmed at £18.115m, the additional £0.216m is shown as an underspend in the table at paragraph 4.2.

4. 2025/26 Outturn Projection

- 4.1 Based on spending to quarter three, along with estimated expenditure for the remainder of the financial year, the projected outturn position for high needs ranges from £5.191m overspend best case to £5.525m overspend worse case. This is summarised by each area of spend in the table below.
- 4.2 The paragraphs that follow explain the main variances to budget based on the mid-case projection of £5.416m.

High Needs Expenditure 2025/26	Worst Case		Mid Case		Best Case	
	Projection	Variance Over/(under) Spend	Projection	Variance Over/(under) Spend	Projection	Variance Over/(under) Spend
	£m	£m	£m	£m	£m	£m
DSG High Needs Block Grant	-	(0.216)	-	(0.216)	-	(0.216)
ESFA recoupment – academy place funding	3.976	-	3.976	-	3.976	-
Place funding (LA)	0.696	-	0.696	-	0.696	-
Independent school fees	5.187	(0.094)	5.166	(0.117)	5.141	(0.140)
Out of Area top-ups	0.386	(0.056)	0.386	(0.056)	0.386	(0.056)
Top-up funding and support	13.643	1.557	13.555	1.471	13.355	1.269
Horizon, Haven & AP	1.428	0.038	1.428	0.038	1.428	0.038
Post-16 top-ups	1.587	0.039	1.587	0.039	1.587	0.039
Support services	0.713	-	0.713	-	0.713	-
Approved budget shortfall	-	4.257	-	4.257	-	4.257
Total projection	27.616	5.525	27.507	5.416	27.282	5.191

4.3 Local authority place funding (on budget).

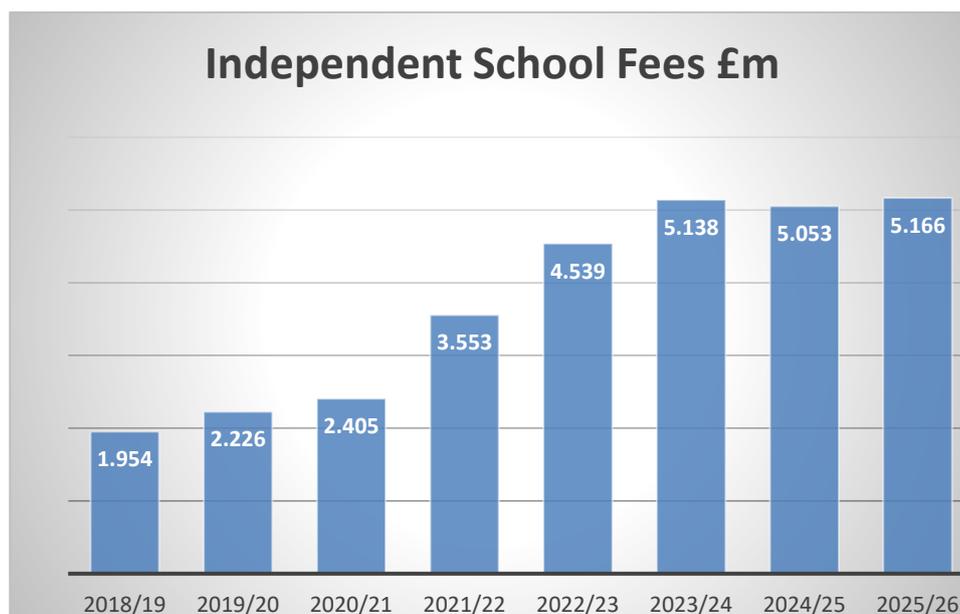
This budget head covers payment of place funding to Additionally Resourced Provisions (ARPs) within maintained schools. Outturn is expected to be in line with budget. New primary school ARP provision has been agreed, as standard practice for all newly established ARPs, funding is being paid based on cost via top-ups as opposed to place funding and top-up in 2025/26 until the new provision is established. This spend is included under the Top-Up Funding and Support budget line.

4.4 Independent school fees (£0.117m underspend)

The mid-case projected spend for independent school placements is £5.166m. To date, 79 pupils with SEND have been placed in independent school provision for at least part of this financial year. The projected spend gives an average cost of £0.066m per place. The improvement is primarily attributed to confirmed Year 11 leavers. The projection assumes a further 3 new placements will be commissioned for spring 2026, based on the lower end of placement costs. These new placements are forecast at £0.069m per annum, with a total of £0.023m included for the term.

There are currently nine placements with annual costs exceeding £100,000. These high-cost placements are driven by social care needs, and they represent the most expensive commitments within the independent school provision.

The projected £5.166m compares to total spend of £5.053m in 2024/25.



Although the projection for 2025/26 would result in an increased spend from 2024/25, the previous trend of year-on-year significant increases has ceased.

4.5 Out of authority top-ups (£0.056m underspend)

The mid-case projected spend for out of authority placements is £0.386m, compared to £0.395m in 2024/25. To date, 30 pupils with SEND have been placed in Out of Area provision for at least part of this financial year. The projected spend gives an average cost of £0.014m per place. Although there were ten school leavers between Summer and Autumn term, so far there have only been three new starters to offset the reduced cost of leavers.

4.6 Horizon, Haven & AP (£0.038m overspend)

The Horizon School 2025/26 budget was initially approved at £1.675m. However, following an improved final outturn position for 2024/25 after the budget was set, the Executive Head Teacher proposed a reduced budget requirement of £1.390m for 2025/26. This revised budget was subsequently approved by the Management Committee. The latest, provisional outturn estimate indicates an underspend of £0.200m. However, this position is pending clarification of the running and set up cost of the new Complex Social Emotional and Mental Health (SEMH) and Emotional Based School Avoidance (EBSA) ARPs. Whilst the work to establish costs are underway, the mid-case scenario included in this report assumes the previous estimate of £0.038m overspend.

4.7 Top-up funding and support (£1.471m overspend)

This budget heading includes funding for Individual Pupil Support (IPS) and funding for Special Schools, the SEMH Free School and ARP top-ups.

IPS

The mid-case projected spend for IPS is £4.384m. This represents current commitments and the assumption to fund a further 10 new funding agreements for 3 months over spring 2026 at an average IPS funded range of 5i. Growth has also been assumed in exceptional/group funding of £0.050m. This gives a projected overspend of £0.930m. The newly established Seeking Support Panels continue to challenge and scrutinise all new funding requests.

ARPs

The cost of ARPs is showing a projected spend of £2.498m which is an overspend of £0.476m when compared to the original budget. The primary reason for the overspend relates to the new Complex SEMH and EBSA ARPs being managed by Horizon School. The original budget assumed one new Complex Need ARP of 6 places at £30,000 per place. However, following further discussion and identification of need, two new 12 place units were commissioned, increasing costs beyond initial estimates.

Although there is a slight improvement from quarter 2, as previously reported, additional financial pressure is occurring because of higher bandings for pupils with SEND in ARP provision. This is acknowledged as part of the strategy to reduce more costly provision.

Special Schools

The projected spend on Catcote and Springwell Special Schools estimates an overspend of £0.075m which represents a part-year impact of unbudgeted growth for Academic Year 2025-26. Children's Services Committee approved the AY2025-26 special school growth requests at their meeting on 2 December 2025.

Free School

Places at the SEMH Free School for the 2025 academic year have increased from the initial 30 to 41. The HNB formula for 2025/26 includes funding for pupils on the January 2025 census, along with additional funding from DfE to support the Council during the transition period. These two elements provide new funding of £0.364m. Places at the Free School are now being recouped by DfE from the Hartlepool formula at a cost of £0.364m. Although an improvement on the funding lag of £0.514m in 2024/25, a funding lag impact of £0.243m continues as a financial pressure in 2025/26, once top-up payments are considered. As the funding lag was accommodated in the 2025/26 budget, an overspend is not anticipated.

The top-up funding for the SEMH Free School includes provision for 41 places, along with additional funding for pupils requiring support beyond the standard top-up.

HI/VI (Hearing / Visually Impaired)

The HI/VI joint agreement is showing a projected underspend of £0.012m, based on an early indication from Middlesbrough Borough Council that a 4% uplift in fees would be requested. Formal confirmation has now been received, and this is in line with this projection. This uplift was not known at the time of budget setting and is lower than originally anticipated, resulting in the underspend.

4.8 Post-16 top-up funding (£0.039m overspend)

Provision for post-16 education for pupils with SEND appears to be levelling out, following significant increases in recent years. Costs have now been confirmed for some of the establishments, with estimated values remaining in place for settings that have not yet finalised their charges.

4.9 Support Services (on budget)

Nil Variance.

4.10 The approved budget shortfall of £4.257m is added to the outturn position as this represents unfunded expenditure included in the budget headings above.

5. DSG Deficit and Mitigation

- 5.1 There is a negative reserve balance recorded against the DSG Block of £4.932m. Should the mid-case projection of £5.416m included in this report materialise, there would be a total deficit reserve of £10.348m (before any final outturns on the other DSG Blocks). At quarter 3, an underspend of £0.550m is anticipated against the Early Year's Block. Should this materialise at final outturn, the total deficit reserve would be £9.798m. This remains subject to the statutory override, which has now been extended until the end of 2027/28 financial year, allowing councils to exclude DSG deficits from their general fund balances while longer-term reforms are developed.
- 5.2 The authority keeps the DSG Management Plan under regular review as mandated by DfE. Regular review meetings are in place, led by the Assistant Director, Education. The plan includes details of mitigations that are being implemented to reduce the deficit. These are listed below.
- SEMH Free School opening Sept 2024 (avoidance of more costly independent school provision)
 - Seeking Support / move to clusters (increase challenge and scrutiny of funding requests and explore innovative solutions)
 - Increase Additional Resource Provision (avoidance of more costly provision)
 - Transfer of funding for Haven pupils
 - 3 Tier AP Model (reduce permanent exclusions)
 - Restrict inflationary Increases to Top-Up Payments
- 5.3 The cost to the Local Authority General Fund from the projected overspend is circa £0.500m a year in lost investment income.

6. Recommendations

- 6.1 Forum is recommended to note the contents of this report.

**Report to Hartlepool Schools' Forum 10 February 2026
From Amanda Whitehead – Assistant Director, Education**

Item 3: Consolidated High Needs Block Budget Requirement 2026/27 (Including Strategic Proposals)

1. Introduction

- 1.1 The purpose of the report is to present the complete draft budget requirement for High Needs Block (HNB) spending in 2026/27. An earlier report to Forum on 26 January presented proposals for “Business as Usual” budget requirements.
- 1.2 Strategic changes include increasing local provision, ensuring sufficiency and improving outcomes for pupils with SEND.
- 1.3 Planned costs to deliver education for permanently excluded pupils are also included in this report.
- 1.4 The two reports and associated discussions bring together the full budget requirement proposals for the HNB in 2026/27 for consideration by Schools' Forum and for onward recommendation to Children's Services Committee on 3 March 2026.
- 1.5 The upcoming SEND White Paper will provide significant direction for the authority's strategic plans for SEND provision. **The White Paper has such a degree of influence on future plans that the authority does not feel in a position to make firm budget proposals ahead of its publication.** The timing of budget decisions by Committee versus the expected publication date means that the 2026/27 budget for the HNB can not fully reflect strategic plans.
- 1.6 For that reason, the authority will present strategic proposals in-year during 2026/27 once commitments under the SEND reform are published and reflected on, making a prioritisation of strategic changes possible.

2. Background

- 2.1 Schools' Forum is consulted on the proposed HNB budget requirement each year for onward decision making by Children's Services Committee.
- 2.2 From financial year 2023/24, a HNB budget exceeding the funding available was approved by Children's Services Committee. The budget shortfall for 2023/24 was £2.147m, with an actual shortfall of £2.348m. The budget shortfall for 2024/25 was £2.171m, against an actual shortfall of £3.598m. The budget projected shortfall for 2025/26 is £4.257m with a projected shortfall at quarter 3 of £5.416m.
- 2.3 Forum will recall from the report presented on 26 January 2026, that the Hartlepool allocation before recoupment has increased by £1.290m, or 5.98%. However, this increase relates solely to the Core School Budget Grant (CSBG), NICs grant and School Budget Support Grant (SBSG) being included. These separate grants were paid in addition to the High Needs Block allocation in 2025/26. Grant funding must be passed on to providers, **meaning that none of the increased funding is available for growth or financial pressures in 2026/27.**

- 2.4 The updated funding available in 2026/27 (after recoupment), including block transfers is **£18.954m**.
- 2.5 The draft proposals reviewed by Forum at their meeting of 26 January 2026, resulted in a total budget requirement of £25.950m – a funding shortfall of £6.996m.
- 2.6 The shortfall did not reflect the cost of any strategic changes, or the full cost of the Exclusions Service.

3. Risks and Financial Pressures on the High Needs Block

- 3.1 Although budget proposals for strategic change are largely on hold awaiting SEND reforms, this report considers the key risks and pressures on the High Needs Block in 2026/27 and beyond. This information will underpin future financial planning.
- 3.2 Perhaps the most significant risk facing future HNB spending is the anticipated SEND Reforms. At this stage, the DfE agenda and focus is unknown. The authority is therefore unclear on what changes will be required in response to the White Paper and whether the necessary changes will attract additional funding. The timescale for release of the White Paper is unclear, although DfE have stated that publication will be “early in the new year”.
- 3.3 Linked to that uncertainty is the ongoing sustainability of the changes implemented within the SEND / AP (Special Educational Need and Disability / Alternative Provision) Change Programme. The cost of these changes is primarily funded from temporary grant funding, or at best, from the SEMH (Social Emotional Mental Health) Pot funding approved by Schools’ Forum.
- 3.4 The increasing volume of pupils with SEND, greater complexity of need and inflation on the cost of provision continue to present a key risk to HNB spending. As DfE funding for 2026/27 is frozen at 2025/26 levels, the cost of these increases in 2026/27 places full pressure on the funding available.
- 3.5 Social care needs, such as childhood trauma and life experience, are increasingly having a greater impact that cuts across the full spectrum of education provision. This has a direct effect on Independent School placements (where residential provision is necessary for social care) and the level of Exclusions, for example.
- 3.6 The growing expectation of parents places further risk on the system. The resources necessary to manage the administration, investigation and litigation from complaints and SENDIST Tribunal appeals are extensive and can impact financially. This effort inevitably shifts key staff away from other priorities, that in turn negatively affects outcomes and the ability to support.
- 3.7 There are further emerging risks and pressures in the system that require a response in the Council’s strategy for educating pupils with SEND. These emerging risks and pressures include:
- Sufficiency of places in the right provision at the right time
 - Section 19 Challenges
 - Unregulated Alternative Provision
 - Level of Permanently Excluded Pupils and their re-integration

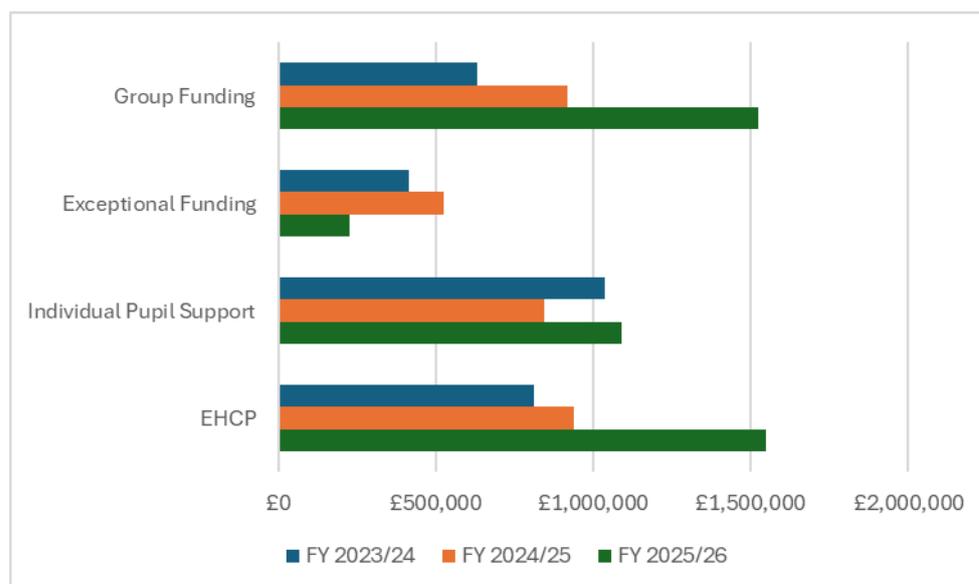
- Emerging needs at Early Years and responding to the challenges set out by government reform

3.8 The proposed response to each of these challenges is explored in more detail in the sections that follow. Any proposals affecting the 2026/27 budget are included in the strategic budget proposal summary in section 10 of this report.

4. **Increased Volume of Pupils with SEND and Complexity of Need**

The Risk / Issue we face:

- 4.1 The authority has invested in Individual Pupil Support (IPS) funding (including group arrangements) in recent years in line with the SEND strategy to extend “ordinarily available” provision and avoid more costly placements. This strategy has seen benefits through reduction in Independent School fees and Out of Area provision. However, the additional costs to fund SEND provision in mainstream outweigh the costs avoided.
- 4.2 The following graph shows the recent scale of investment by type of funding. Exceptional funding relates to particularly complex individual pupil needs, or to central funding for equipment, mediation, etc. Funding for pupils with an EHCP plan or those without a plan (Individual Pupil Support) are shown separately.



- 4.3 Increased requests for statutory assessment adds pressure to the system. EHCP numbers have continued to rise significantly with the latest estimate of 1,055 up from the previous two years of 798 and 858. New requests have risen from a baseline of circa 205 to 255. In responding to the increase in statutory demands, there is less time and capacity available for intervention support and preventative work, this directly affects outcomes such as pupils at risk of permanent exclusion.
- 4.4 Concern around the extensive use of group funding is growing. There are examples of group arrangements that demonstrate innovation and ensure a more efficient approach, however, more scrutiny around planned and actual outcomes is needed now that group funding has become the norm.

Our Response:

- 4.5 At their meeting on 16 September 2025, Schools' Forum agreed to fund the newly appointed Inclusions Team beyond the scope of the SEND / AP Programme until August 2028 from the SEMH "Pot". Early indications are that this is having a positive impact. The authority is continuing to measure impact and outcomes. These posts are considered critical in supporting inclusion across schools.
- 4.6 The authority, with School Forum support, will continue to equip cluster panels to challenge, scrutinise and quality assure applications for funding. This will include the implementation of an improved process and model for greater scrutiny of group funding requests and the introduction of budget targets at cluster level.
- 4.7 The authority will continue to engage in regional review work and take every opportunity to learn from other authorities, building on the work as part of the SEND / AP Change Programme.

5. Sufficiency of Places

The Risk / Issue we face:

- 5.1 As new pupils are supported through HNB funding, or as pupils move from primary to secondary phase and transfer into more specialist provision, the authority must ensure the sufficiency of places, whilst having regard to the limited funding available. To support the sufficiency planning, the authority has recently completed a sufficiency strategy.

A summary of the risks and pressures we face from the recent sufficiency strategy are:

- Increasing numbers of children with Education, Health, and Care Plans. Special schools are becoming full, lack of specialist provision within town.
- Increasing numbers of children and young people with complex SEMH and challenging behaviour is continuing, leading to high rate of suspensions, permanent exclusions. We are also seeing more young people going through statutory assessment after being excluded.
- Increasing numbers of children requiring specialist provision (identified within their EHCP). The needs relate in particular to ASD with challenging behaviour at secondary level, or SEMH with complex challenging behaviour. This is resulting in residential school placements or children and young people not in formal or Ofsted regulated education.
- Escalating high costs of independent day and residential school provision, costs continue to rise well above the rate of inflation, due to needs of the young person being unable to be met in area.
- Current levels of ICB contributions toward Children's Continuing Care (CCC) do not fully meet assessed costs, creating an annual financial pressure on the High Needs Block and children's social care budgets.
- Increasing numbers of children and young people with Emotional School Based Avoidance (EBSA) with an EHCP plan whose needs cannot be met in mainstream setting.

- Parents continue to choose a small number of schools that they believe provide high quality provision for children with additional needs. This is leading to “magnet” schools struggling to manage.
- Increasing numbers at early years for children who are going through diagnosis at a younger age and who will require specialist ASD or complex SEND provision.
- Opportunities into employment for young people post-16 with an EHCP.
- The need to improve post-19 lifelong learning opportunities for young people with additional needs and EHCPs.

Our Response:

- 5.2 Additional places will be created at Kingsley Primary School; however, the total number is difficult to determine at this stage as it will depend on pupil needs and appropriate matching. It is estimated the new building will provide up to 12 additional places, this may also create further capacity in the school’s existing ARPs but this is unknown as yet. The budget proposal presented to Forum on 26 January 2026 assumes 6 additional places from September 2026. The list and location of existing ARP provision is shown at appendix A to this report, along with the current basis of funding.
- 5.3 Two new 12 place ARPs have been established from September 2025 in response to the rise in secondary age young people across KS3 and KS4 with EBSA and the growth of complex SEMH needs.
- 5.4 The authority has identified the need to increase capacity in secondary special school places from the 2028-29 academic year. This is reflected in the Council’s planned SEND and Alternative Provision Capital Strategy 2025-2028.
- 5.5 The feasibility of increasing special school places at primary level will be considered. However, the timing and funding of implementation is uncertain at this stage.
- 5.6 DfE have confirmed there will be no further Free School bidding rounds. The authority is awaiting DfE confirmation of what future bidding rounds may look like. However, this is not an option in the short to medium term.
- 5.7 In response to the growth in complex and challenging behaviour and ASD pupil need, the authority is seeking to partner with a local specialist provider to establish an ASD provision within the town.

6. Section 19 Challenges

The Risk / Issue we face:

- 6.1 The authority continues to demonstrate compliance with section 19. Other regional authorities have already reported significant challenges and costs under section 19 responsibilities.

Our Response:

- 6.2 Owing to capacity at Horizon School, day 6 provision is primarily managed through online tuition billed at a day rate. The Council has considered whether employment of a teacher to deliver online tuition, or to teach at an appropriate site would be a viable alternative. This review demonstrated that such an alternative would not be cost effective at this stage. However, this position is being kept under review. At present it is not a viable option.
- 6.3 Provision from day 6 will be managed as part of the overall AP provision sitting with Horizon School.

7. Unregulated AP**The Risk / Issue we face:**

- 7.1 Concern over use of unregulated AP is escalating and the need to ensure quality AP places for Hartlepool pupils is critical.
- 7.2 AP providers operate in an open market and negotiation of costs is problematic. Several providers attempt to place pressure on authorities to book AP places in advance as the level of competition for quality placements is so high.

Our Response:

- 7.3 One of our key aims to mitigate this risk is to reduce our overall reliance on AP by limiting pupil placements. This strategy is working, with significant reductions in the cost of AP in the last two years. The strategy does place additional pressure on Horizon School as it is only made possible through pupils spending a greater percentage of their time at Horizon.
- 7.4 The authority has a commissioning framework in place to mitigate the risk of unregulated AP. The framework is necessary as there is no OFSTED framework in place to manage compliance.
- 7.5 The Council is working with secondary schools to minimise external AP placements via specialist provision units already established within school. The authority has also extended the pilot of regulated AP provision at Hartlepool College of Further Education (HCFE) year on year. This has now increased to cover 40 young people. HCFE are looking to develop a purpose-built AP provision on their existing site. Local authority funding would be needed to progress this development.
- 7.6 The authority is considering the feasibility of a primary phase AP unit. If feasible, this will move towards expressions of interest during 2026/27.

8. Level of Permanently Excluded Pupils and Re-Integration**The Risk / Issue we face:**

- 8.1 The number of permanent exclusions in 2024-25 reduced from the previous year (66 2023-24 to 53 2024-25) It is hoped that this reduction will continue into the remainder of 2025-26. In 2024-25, 13 young people transitioned back to mainstream schools. It is hoped that this will increase to 18 by the end of 2025-26.

Our Response:

8.2 Work in progress to respond to the level of exclusions is:

- The authority is working alongside all secondary head teachers to provide alternatives to permanent exclusions.
- Tracking and monitoring number of suspensions and providing support and challenge to schools where suspensions are rising to attempt to prevent permanent exclusions.
- Hartlepool Inclusion Panel, a multi-agency panel occurs monthly. This well attended meeting provides a vital opportunity for head teachers to discuss children and young people that they are concerned about with the focus on avoiding suspension and permanent exclusion. More recently, this has been widened to include Police Prevention panels which provides additional support and resources to children and young people at risk of PEX.
- Schools' creation of own internal Alternative provision – Tier 2 and Tier 3.
- Positive relationships between head teachers to support each other with prevention of PEX – including directions to off site provision and in-house Tier 2 and Tier 3 AP.
- Inclusion Support from the authority - Hartlepool Inclusion Support Team (HIST) and Vulnerable Pupils Team- identifying and supporting children and young people 'at risk' of PEX.

8.3 The authority is committed to increasing the number of successful re-integrations through:

- New process agreed with all secondary head teachers to identify children and young people who are ready and able to transition back to mainstream and the support they require to make this transition successful.
- Positive relationships between all secondary heads and between head teachers and the authority to be able to discuss and allocate transition to mainstream.
- Restructure of Horizon School to create the 'transitional unit', Integrate. This unit supports thorough assessment of young people and transition back to mainstream for pupils who can transition quickly.
- Appointment of Specialist Educational Psychologist in Horizon School to support understanding of needs and ensure positive transition back to mainstream is appropriate and successful.
- Amendments to Fair Access Protocol to support transition back to mainstream and ensure schools are supported for the young people they welcome into their school.
- Support from secondary schools providing Tier 2 and Tier 3 Alternative Provision to aid transition back to mainstream.
- Reduction in the use of unregulated Alternative Provision to ensure that young people are mainstream ready – this also reduces the amount of funding required for transport to AP.

8.4 Pending information released in the White Paper, the authority would want to continue the work of the Alternative Provision Support Taskforce (APST). Funding is not secured beyond August 2026 (SEND / AP funding). Alongside this, impact and outcomes of the APST will continue to be measured.

8.5 The budget proposal for Horizon, Haven and AP in 2026/27 assumes 2025/26 budget levels, the Core School Budget Grant added to the funding formula in 2026/27 and the top-up increase in line with other HNB provision of 0.37%.

9. Emerging Needs at Early Years (0 to 5 years)

The Risk / Issue we face:

9.1 The most significant risk relates to emerging legislation – early help, early prevention and early identification linked to government initiatives such as Better Start, Family Start, Family Hubs and Good Level of Development (GLD) targets.

Our Response:

9.2 An Early Years sufficiency exercise is in progress – for completion by the end of March 2026. This will inform provision requirements moving forward.

9.3 The Council is strengthening the existing Early Years Panel. Work is underway to clarify SEND needs and to understand whether the current offer is fit for purpose, along with how the authority will need to respond to the emerging legislation.

10. Consolidated Budget Proposal 2026/27

10.1 As outlined earlier in this report, the authority is limiting strategic budget proposals for 2026/27 pending release of the White Paper.

10.2 Estimates have been added to the “Business as Usual” budget requirement for 2026/27 for the potential specialist ASD provision outlined at paragraph 5.7 of this report and for the possible primary AP provision included at paragraph 7.6. The budget proposals represent early, indicative estimates at this stage.

10.3 The budget for the Exclusions Service, including Horizon, Haven and Alternative Provision has been updated to include the budget requirement plus a 0.37% top-up increase and to include the Core School Budget Grant rolled into the HNB formula.

10.4 When combined with the “Business as Usual” budget requirement presented to Forum on 26 January 2026, the draft budget amounts to £26.347m, a funding gap of £7.393m. This is confirmed in the following table by budget area, with a comparison to 2025/26. Updated proposals added to the “Business as Usual” budget requirement are shown in bold text in the penultimate column.

Budget Area	£m	£m	£m	£m
	2025/26 Budget	2026/27 Proposed (26 Jan report)	2026/27 Proposed (10 Feb report)	2026/27 Increase (+) / Decrease (-)
	£m	£m	£m	£m
Independent Schools	5.283	5.235	5.235	(0.048)
Special Schools	6.136	7.994	7.994	1.858
Individual Pupil Support	3.453	4.620	4.620	1.167
ARPs Top Ups	2.022	2.685	2.685	0.663
Post-16 Top-ups	1.548	1.587	1.587	0.039
Horizon, Haven & AP	1.390	1.512	1.549	0.159
High Needs Block Services	0.713	0.735	0.735	0.022
LA Place Funding	0.696	0.717	0.717	0.021
Out of Area	0.442	0.384	0.384	(0.058)
HI/VI	0.251	0.251	0.251	-
Early Intervention	0.223	0.230	0.230	0.007
Strategic Changes	-	-	0.360	0.360
TOTAL	22.157	25.950	26.347	4.190

Block Funding Estimate	17.900	18.954	18.954
Funding gap	4.257	6.996	7.393

11. Recommendations

11.1 Forum is asked to:

- Review the contents of the report and acknowledge the challenges presented from the timing of the SEND White Paper;
- Review the strategic budget proposals in paragraphs 5.7 and 7.6 of this report;
- Recommend the additional budget proposals contained in the table at paragraph 10.4 to Children's Services Committee for approval.

APPENDIX A: Additionally Resourced Provisions (places as at 10 Feb 2026)

ARP Location / Description	Places	Funding Basis	Notes
Eskdale	10	£10k place funding	Pupils not on school roll so payable at £10k
Grange	33	£6k place funding and top-up	
Greatham	16	At staff and set up cost	
Kingsley ASD	25	£6k place funding and top-up	Increase by 6 places from September 2026
Kingsley Complex Need	25	£6k place funding and top-up	
Rossmere	6	£10k place funding and top-up	Pupils not on school roll so payable at £10k
St Helen's	20	£6k place funding and top-up	Moves to DfE recoupment basis from September 2026
High Tunstall MLD	46	£6k place funding and top-up	
High Tunstall Autistic and Medical	20	£6k place funding and top-up	
Manor	20	£6k place funding and top-up	
Horizon EBSA	12	At staff and set up cost	
Horizon Complex SEMH	12	At staff and set up cost	
Total Places	245		