



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 19 March 2026
Title of report:	SEND Reforms Funding Announcements
Type of report: Delete as required	For information
Executive summary: Including reason for submission	This paper sets out the position with regard to high needs and SEND funding made following the publication of the Final Local Government Funding Settlement for 2026-27 and the publication of the White Paper: Every Child Achieving and Thriving and associated consultation paper.
Budget / Risk implications:	N/A
Recommendations:	That the North Yorkshire Schools Forum notes and approves this report
Voting requirements:	None
Appendices: To be attached	None
Report originator and contact details:	Howard Emmett, Assistant Director - Resources
Presenting officer: If not the originator	Howard Emmett, Assistant Director – Resources howard.emmett@northyorks.gov.uk 01609 532118



1.0 PURPOSE OF THE REPORT

1.1 This paper sets out the position with regard to high needs and SEND funding made following the publication of the Final Local Government Funding Settlement for 2026-27 and the publication of the White Paper: Every Child Achieving and Thriving and associated consultation paper.

2.0 2025-26 HIGH NEEDS FUNDING POSITION

2.1 On 9th February 2026, part of the publication of the Final Local Government Finance Settlement, the Department for Education (DfE) published an explanatory note on the government's approach to Dedicated Schools Grant deficits. Support will be provided in phases. The first phase will address historic deficits accrued up to the end of 2025-26. All local authorities with a SEND deficit will be eligible in 2026-27 to receive a High Needs Stability Grant covering 90% of their High Needs-related DSG deficit accrued up to the end of 2025-26.

2.2 The DfE will confirm the detail on further support for deficits arising in 2026-27 and 2027-28 before the statutory accounting override set out in Regulation 30L of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ends from 1 April 2028. From 2028-29, SEND spending will be covered by the overall government DEL budget, meaning local authorities will not be expected to fund future SEND costs from general funds, once the Statutory Override ends at the end of 2027-28.

2.3 The note describes that the DfE will calculate a High Needs Stability Grant that will be payable to individual local authorities. Allocations of the High Needs Stability Grant must be used exclusively to extinguish an amount of the local authority's Dedicated Schools Grant deficit that is recognised in the unusable reserve as at 31 March 2026.

2.4 The calculation of the High Needs Stability Grant will cover 90% of historic deficits accrued up to the end of 2025-26 and with reference to a full range of sources on local authority expenditure including comparisons of Section 251 data, draft and published Dedicated Schools Grant notes, DSG s151 assurance sign-off, Revenue Outturn (RO) data and published accounts. Any proportion of the historic deficit up to 2025-26 not covered by grant ("the residual deficit") will remain in the associated statutory reserve.

2.5 The total eligible DSG deficit will "...not include overspends to DSG for matters other than high Needs including, but not limited to, charges relating to Equal Pay claims or overspends on other blocks within the DSG, e.g. early years. DfE will continue to scrutinise local authority DSG accounts on an ongoing basis to identify discrepancies and significant fluctuations, as well as potential ineligible spend. Such spending will be deducted from the total DSG balance before calculating the 90% grant."

2.6 Allocations of the High Needs Stability Grant will be paid in Autumn 2026 subject to each local authority developing and submitting to the Department for Education a Local SEND reform plan which is then approved as meeting the required criteria. Local authorities are expected to set out a clear pathway towards an inclusive system in line with the wider vision for SEND reform. The SEND reform plan will need to be



developed collaboratively by local area partnerships – including schools, health, early years settings and post-16 providers – to ensure the plan reflects the shared responsibility of the whole local system in supporting children and young people.

3.0 IMPLICATIONS FOR HIGH NEEDS BUDGET AND SCHOOL BUDGETS 2026-27

High Needs

- 3.1 For deficits that arise in 2026-27 and 2027-28, the Department for Education has not yet published guidance on how they will be treated. However, in the published information, local authorities are expected to continue to take an appropriate and proportionate approach, including with reference to best practice. The Department will also provide North Yorkshire with advisers to help ensure that spending is “effective, efficient, and focussed in improving outcomes for children and young people”.
- 3.2 A separate paper on this agenda outlines the High Needs Block budget for 2026-27 including the Block Transfer, the impact of the ‘cash-flat’ funding settlement for 2026-27 and the provisional estimate of spending for 2026-27 based on known trends and information

School Budgets

- 3.3 Following the publication of information on 9th February 2026, it has been considered that:
- The local authority consulted all mainstream schools and academies on the block transfer prior to discussion and agreement by Schools Forum in November 2025. As described in both the consultation and the Schools Forum debate, this was a principles-based consultation, due to a lack of published information from the Department for Education at that time. The Schools Forum view was presented to the Council’s Executive in early January and approved. Officers have worked to implement the Council’s decision, with school budgets issued in advance of the statutory deadline.
 - In engaging with the debate, schools, academies, Schools Forum members, officers and councillors have grappled with the systemic issues to arrive at decisions based on the information available at the time. The timing of the publication of new information from the Final Local Government Finance Settlement (9th February 2026), and subsequently through the publication of the White Paper: ‘Every child achieving and thriving’ (23rd February 2026) was considered too late to influence budgets for 2026-27. Indeed, in order to meet the statutory deadline of 28th February for the distribution of school budget information, there would not be sufficient time to undertake any consultation or democratic processes in a timely or transparent manner. However, recent announcements will be highly relevant for discussions on funding in Autumn



2026 in relation to setting 2027-28 school budgets and/or treatment of further accumulated deficits.

- Whilst initial guidance on dealing with historic deficits has been issued by the Department for Education and the Ministry of Housing, Communities and Local Government, there still remain some important technical questions which the local authority is pursuing – all of the relevant information is not yet available.
- Consideration of the block transfer was considered. The information published to date relates to the accumulated deficits up to 2025-26. Whilst it is acknowledged that the Department appears to be moving to address the historic chronic underfunding, clear details on how the Department for Education intend to address 2026-27 and 2027-28 deficits remains unclear.

4.0 WHITE PAPER: “EVERY CHILD ACHIEVING AND THRIVING”

- 4.1 This section of the report is not intended to be detailed analysis of the recently published white paper “Every Child Achieving and Thriving”. However, it is intended to provide some headline information on the direction of travel articulated within the white paper.
- 4.2 The white paper represents the largest shift in education funding in a decade. Major themes include:
- Rebalancing how deprivation funding works
 - Stronger expectations about how schools use funding
 - Capital funding for estate improvements
 - Financial implications for local authorities as key partners in system leadership
- 4.3 The intention is to move to a Direct National Funding Formula (NFF) where all mainstream schools’ funding will be calculated directly from the national formula. This will potentially remove the ability for local authorities, or Schools Forums to tailor distributions locally.
- 4.4 LAs will be given new responsibilities to lead local multi-agency planning across education, health, and safeguarding as well as manage SEND and Alternative Provision (AP) partnerships and oversee ‘SEND groups’ of schools. Local authorities will also be expected to help shape inclusion bases, local trust landscape, and admissions reforms.
- 4.5 Specific funding streams managed by local authorities and Integrated Care Boards were announced to include
- **£1.8bn “Experts at Hand” service (over 3 years):**
 - LAs and ICBs to establish an “Experts at Hand” offer and jointly plan and commission support.
 - £1bn will fund expert professionals (e.g. Education Psychologists, Speech and Language Therapists) to work directly with mainstream schools.



- £800m will build the capacity of mainstream schools through expanding an outreach from specialist and alternative provision settings
- By 2028-29, a typical school could benefit from (on average) c.40 days (primary) or c.60 days (secondary) of specialist professional time each year by 2028.
- £40m over three years to grow the education psychology and speech and language therapy workforce
- **£1.6bn Inclusive Mainstream Fund (2026–27 to 2028–29)**
 - Over £500m per year direct to schools, early years, and post-16 providers.
 - Provides flexible funding for commonly occurring SEND needs without EHCP.
 - Schools must publish an Inclusion Strategy showing use of funds.
 - Every school should be part of a local grouping to work together on SEND. In the long-term, all schools will need to pool a minimum level of funding to support needs fairly across their group. In the immediate term, many SEND groups may consist of local groups of schools working together. Over the next 3 years, all schools will be expected to join SEND group structures and agree operating principles, including peer support and challenge.
 - Part of a shift from high needs block to mainstream budgets.
 - Specialist support will use nationally defined Specialist Provision Packages for children with the most complex needs
- **£200m+ workforce SEND training programme** - mandatory staff training and new CPD expectations.
- **£3.7bn SEND capital—from 2025 to 2030** for specialist places and inclusion bases, accessibility improvements, sensory spaces, structural adaptations. A long-term expectation that every secondary school will have an inclusion base. 50,000 new specialist / inclusion base places funded nationally but requiring LA estate planning.
- **Reform of deprivation funding**
 - Move from Free School Meals as a binary indicator to a model based on household income and duration of disadvantage.
 - Potential for redistribution of funding across schools.
 - Formal consultation due summer 2026.
- **Early Years** - funding for SEND practitioners in Best Start Family Hubs (£200m over 3 years). Additional funding from a new Inclusive Early Years Fund to early years providers to identify and respond where children have emerging additional needs
- Moving to all schools being part of school trusts, including new trusts established by Local Authorities or Area Partnerships

4.6 Specifically in relation to Schools Forums, published documents indicate that Schools Forums will continue "...to play a central role in strengthening local governance, transparency and collective responsibility for SEND funding and provision" and support the local groupings of settings, "...ensuring that collaboration is underpinned by clear oversight and fair decision-making." The DfE will consult further on how Schools Forums can best work to support local decisions on the distribution of use of SEND funding.



5.0 RECOMMENDATIONS

- 5.1 The North Yorkshire Schools Forum is asked to note and approve the contents of this report.

EL MAYHEW

Corporate Director – Children and Young People’s Service

Report Prepared by: Howard Emmett, Assistant Director - Resources