



**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE:**  
**2 SEPTEMBER 2025**

**TRANSFORMING SEND AND INCLUSION IN LEICESTERSHIRE (TSIL)**  
**PROGRAMME SUMMARY AND HIGH NEEDS BLOCK UPDATE**

**REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES**

**Purpose of report**

1. The purpose of this report is to provide the Children and Families Overview and Scrutiny Committee with a summary of the work and impact of the Transforming SEND (Special Educational Needs and Disabilities) and Inclusion in Leicestershire (TSIL) programme. It sets out the progress since the update considered by the Committee on 5 September 2024, programme impact and next steps, as well as an overview of the current High Needs Block financial position.

**Policy Framework and Previous Decisions**

2. The Children and Families Act 2014 sets out the legal duties that local authorities and Integrated Care Boards must fulfil for children and young people with SEND aged 0-25. This includes a duty to identify and assess the SEND of children and young people in their area when they become aware that they have or may have SEND, and to provide special educational provision where this is identified in an Education, Health and Care Plan (EHCP).
3. The SEND Code of Practice 2015 sets out the statutory guidance for supporting children and young people with SEND. This includes the legal framework for making decisions around requests for Education, Health and Care Needs Assessments (EHCNAs).
4. The financial framework for pupils with High Needs and the Dedicated Schools Grant (DSG) are outlined within the School and Early Years (Finance) Regulations and associated guidance issued by the Department for Education.
5. In March 2022, the Government outlined its ambitions for changes to the SEND system and opened a period of consultation on the proposals which Leicestershire responded to. The Green Paper, 'SEND review: Right support, Right place, Right time' proposed some fundamental changes to the SEND system. In response, the national SEND and AP Improvement Plan was published in March 2023, outlining a vision for a more inclusive, consistent, and financially sustainable system. The national Change Partnership Programme (CPP) was then established to test and refine the proposed reforms in real-world settings before rolling them out nationally.

6. In September 2022, the Children and Families Overview and Scrutiny Committee considered a report which informed members on the development of the TSIL programme.
7. In November 2022, the Children and Family Services department was reinspected as a follow up to the local area SEND inspection which took place in Leicestershire in February 2020 by Ofsted and the Care Quality Commission (CQC). A full update on the reinspection was provided to the Children and Families Overview and Scrutiny Committee in January 2023. The outcome of the inspection has further informed the progress and direction of the TSIL programme.
8. In March 2023, the Children and Families Overview and Scrutiny Committee considered an update provided about the commencement of the TSIL programme.
9. The Scrutiny Commission also received a report in March 2023 regarding the SEND Service and Finance which provided an overview of support to children and young people with SEND, the position regarding provision, and the Council's financial position in relation to SEND. The Chairman and Spokespersons of the Children and Families Overview and Scrutiny Committee were invited to this meeting.
10. In January 2024 and September 2024, the Children and Families Overview and Scrutiny Committee considered further updates on progress of the TSIL programme.
11. In January 2025, the Children and Families Overview and Scrutiny Committee received a report on the draft SEND and Inclusion Strategy 2024-2027, noting the ongoing demand pressures on the High Needs Block and agreeing a strategic direction for improvements to partnership SEND services supporting Education, Health and Social Care in Leicestershire.

## **Background**

### **Programme background and financial drivers for change**

12. Since the introduction of the Children and Families Act 2014 and SEND code of practice in 2015, significant and sustained increased demand for SEND support including Education, Health and Care Plans (EHCPs) and High Needs funding to support educational settings to meet needs has led to an unsustainable financial position for Local Authorities nationwide.
13. Despite substantial increases in government funding for High Needs, funding has not kept pace with the increase in children and young people with EHCPs. The Institute for Fiscal Studies in their report of December 2024 noted that nationally, per-EHCP funding has fallen by around a third in real terms between 2015/16 and 2024/25.
14. In England, additional funding for pupils with SEND comes from different 'blocks' within the Dedicated Schools Grant (DSG) provided by the DfE either directly to schools or via the Local Authority following issuing of an EHCP. Leicestershire's DSG allocation for 2025/26 is £790.7m, of which £117.4m is allocated for pupils with High Needs and means that Leicestershire is the 5<sup>th</sup> lowest funded authority of gross DSG funding per mainstream pupil.

15. The **Schools Block** includes universal per-pupil funding and a delegated notional SEND budget of £6,000 per pupil with additional needs. Schools block funding is provided directly to schools as part of the annual DSG grant allocation. The £6,000 notional SEND funding amount has remained unchanged since its introduction in 2014 despite rising costs and increasing demand for SEND provision.
16. The **High Needs Block (HNB)** is provided for pupils with more complex SEND and funds the top-up cost (additional variable cost) which when added to the delegated SEND funding will fund the full cost of meeting the needs of children and young people set out in their EHCP in a mainstream school. High Needs block funding is allocated on an individual child basis to schools as agreed through their EHCP following a request for an EHCNA. Once agreed, the EHCP is reviewed and updated at least annually to ensure it continues to reflect the needs and support requirements of the child.
17. Slightly different funding arrangements are in place for pupils in special schools and independent special schools which are fully funded through HNB funding.
18. Most local authorities in England spend more on meeting their statutory obligations to support children with High Needs than available funding. Since 2020, local authorities have been able to accumulate a DSG deficit which does not impact the wider Local Authority budget through a temporary statutory accounts override which has recently been extended to March 2028. Unless further legislation changes this, from April 2028 Local Authorities will be required to make financial provision for the deficit within their wider budget.
19. In response to concerns around unsustainable levels of SEND deficits, the Department for Education (DfE) implemented a 'Changes Approach' in 2020. Nine Local Authorities with the highest level of Dedicated Schools Grant (DSG) deficit were entered into 'Safety Valve Agreements'. A further 55 local authorities (including Leicestershire) with less severe but substantial deficits were invited to join the 'Delivering Better Value in SEND Programme' in 2022. Leicestershire concluded its involvement in the DBV programme when it ceased in March 2025.
20. Leicestershire's SEND arrangements were inspected by Ofsted and the CQC in 2020 and reinspected in 2022, resulting in a Written Statement of Action and an Accelerated Progress Plan (APP) being established. A revised SEND local area inspection framework was introduced by the Government in April 2024 and Leicestershire is awaiting an inspection under the new framework.

### **The Transforming SEND and Inclusion in Leicestershire Programme**

21. Between 2016 and 2022, Leicestershire saw an increase of 94% in the number of children and young people supported through an EHCP, compared to a national increase of 85% over the same time period. In March 2022, the current financial position facing the Authority as set out in the Council's Medium Term Financial Strategy (MTFS), indicated a cumulative DSG deficit in 2025/26 of £84 million if nothing was done to reduce demand and make significant savings.
22. In recognition of the increasing demand for support for SEND and the anticipated financial position, a change programme known as Transforming SEND and Inclusion

in Leicestershire (TSIL) was established in August 2022 with partners across the SEND system, with the aim of creating a sustainable system for the future.

23. This programme built on a previous High Needs Block development programme using a wider whole-system approach to support inclusion in mainstream wherever possible. This was supported by a third-party partner, Newton Europe, which was commissioned to support the programme, provide external challenge to the system, and to ensure effective, child-centred delivery. Newton Europe were the Department for Education's delivery partner for the Delivering Better Value programme and had detailed understanding of Leicestershire's SEND system as a result.
24. Collaborative working with a wide range of parents, young people, leaders, and staff across the education system (early years, mainstream, specialist provision and further education) and health, was essential to design and implement an inclusive system that puts independence, outcomes, and educational achievement at the centre.
25. A diagnostic was undertaken in late 2021 to understand the challenges and difficulties in the local SEND system and to inform programme planning for the TSIL programme. Using the evidence and data from the diagnostic, which highlighted the biggest challenges to meeting the needs of children and young people in the right place at the right time, the delivery of the programme was structured around four key workstreams where positive improvements could be made:
  - Inclusive Practice;
  - Service Transformation;
  - Accurate Information;
  - Communication and Engagement.
26. Throughout the programme, these four workstream areas have been connected and underpinned by a set of principles:
  - Maintain a focus on children and young people;
  - No one person or organisation can solve the problems alone;
  - Shift to a mindset of collective responsibility;
  - Work in genuine partnership;
  - Foster good working relationships;
  - Improved and honest communication;
  - Define roles and responsibilities;
  - Set clear expectations;
  - Make transparent and robust decisions;
  - Support children and young people early and close to home.
27. An initial programme Design phase, using a test and learn approach, commenced towards the end of 2022 and continued into 2023. Potential improvements and changes were tested and understood before being implemented across the system. A key principle of the approach in different workstreams was 'design by doing', trialling and iterating new ways of working to maximise the impact as soon as possible.

28. During the Design phase, Leicestershire received a reassessment of SEND services and provision by Ofsted and the CQC in November 2022, and findings were incorporated into TSIL programme workstreams.
29. In the second half of 2023, the TSIL programme moved into an Implementation and Sustainability phase where improvements created in the Design phase were rolled out with the relevant teams or stakeholders to deliver change. There was a strong focus on ensuring that changes were sustainably embedded by tracking and driving measurable progress in each area.
30. In April 2024, the TSIL programme moved into a Continuous Improvement phase, focused on ensuring that changes made through the programme continue to be embedded, monitoring ongoing programme benefits, and continuing to progress with areas of further opportunity.
31. Newton Europe subsequently carried out two Health Checks on the ongoing sustainability of the changes embedded through the TSIL programme in August 2024 and February 2025. Both checks were beneficial in highlighting areas of developing and continuing good practice and providing an external perspective on progress with continuous improvement and iterative service changes. Health check findings have been incorporated into the ongoing TSIL Continuous Improvement programme.
32. TSIL ways of working have transitioned into business-as-usual service delivery during 2025, with solid performance frameworks continuing to monitor ongoing sustainability and evidence-based approaches to continued service improvements now embedded. Heads of Service across Education, Inclusion and Additional Needs are now leading on the ongoing development of their services, building on the learning from the TSIL programme and continuing to work with partners to create a more sustainable SEND system.

### **TSIL programme achievements 2022-2025**

#### **Inclusive practice**

33. The Inclusive Practice workstream aimed to ensure everyone involved in supporting children and young people with SEND takes action and gives the right support where needed. Key areas of delivery included:
34. *Early Years* – Ensuring early and consistent planning and preparation for an inclusive and successful transition from early years to primary school for children with SEND. Focused work in Early Years ensures children are set up to start school in the best way possible with the right level of support to achieve their outcomes, using a clear scoring of needs and a transition document to assist families throughout this crucial period. Through the joint working set up through TSIL and the use of the 'Demand Management' tool, 44 young people started mainstream schools in September 2023 and another 52 in September 2024 where there was a strong parental preference for a specialist setting and/or professional indication of specialist required. At the end of the Autumn Term, when intensive transition support ended for each cohort, these children were happy and thriving within their mainstream school. Over £2m of specialist placement costs have been avoided through the Early Years workstream to date. Work has continued to support a new cohort of 272 Early Years children due to start school in September 2025.

35. *Inclusive Practice Toolkit* - The toolkit provides guidance on a common set of expectations about what schools should be doing to meet the needs of children and young people with SEND, and where they can get additional support – also known as the Ordinarily Available Offer. The primary objective is to promote inclusive practices in Leicestershire schools and provides a framework to talk about provision, as well as roles and responsibilities within the system. The toolkit has been well used with over 5,900 visits to the webpages since their launch in August 2023.
36. *Specialist Provisions in Leicestershire (SPIL)* - The SPIL guide and directory Co-produced with the Leicestershire SEND hub aims to encourage parent/carers to actively explore alternative settings (e.g., mainstream and resource bases) by allowing comparison of different types of educational settings and provision available to make more informed decisions for children and young people with SEND. The SPIL directory and the SEND Provision in Leicestershire Guide were the top downloaded documents on the Council's website during 2024 and have collectively been downloaded over 4,000 times since June 2024.
37. *Setting Specific Planning* – Introduced a process of high support and high challenge for a targeted group of schools and trusts who have data that indicates they would benefit from support with the inclusion of children and young people with SEND. This ensures a consistent and high standard of SEND best practice in Leicestershire schools. The Education Effectiveness Team have worked with 36 schools since March 2024, who have benefited from support with the inclusion of children and young people with SEND.
38. *Service demands and impacts* - Supporting Autism Outreach and Inclusion services to make data-driven decisions about their capacity and provision, enabling more effective and more timely interventions for children and young people with SEND.

### **Service transformation**

39. The Service Transformation workstream built robust processes and operating models within the SENA service to ensure the local authority understands the needs of children and young people with SEND and their families and makes transparent, needs-based decisions with timely and clear communication. Key areas of delivery included:
40. *SENA operating model* – A new SENA operating model was introduced through TSIL which aimed to enhance productivity by around 30% and streamline operations by focusing on specialised areas where teams can excel. It introduced new ways of working to facilitate smoother collaboration and efficiency and facilitate robust decision making. The SENA teams which support assessments, reviews and placements have now embedded the changes introduced through TSIL and have continued to improve ways of working to better tackle the high levels of demand for EHCNAs facing the Service. Digital process improvements focused on increasing process efficiency and improving communication with parents and carers have been introduced during 2025 which are already reducing the number of complaints received by the SENA service and delivering faster decisions on requests for EHCNAs. Complaints received by the Service are down by 70% from an average of 41 complaints per month between April 2024 and March 2025 to an average of 12 complaints per month between April and July 2025. Further changes due to be

introduced in September 2025 to the SENA operating model are proposed to enable improved ongoing case management.

41. *SENA workload management* - New processes and tools improved workload visibility through stronger reporting, and performance improvement via ongoing KPI reviews. When staff were approached for their views, 94% of the surveyed SENA staff agreed that changes in their ways of working will lead to long-term benefits. There is strong ownership of performance and KPIs by the team which are reviewed weekly and used to drive operational improvements.
42. *Needs descriptors* – Early work on the development of needs descriptors allowing for more consistent and transparent decision making around levels of need was undertaken through the TSIL programme and has now been progressed into a proposed introduction of a banded model for EHCP funding which was reported to Cabinet in July 2025.

### **Accurate data and information**

43. The Accurate Data and Information workstream worked to ensure that across the Local Authority there is accurate and timely information about children and young people and service performance, owned by service areas, to support evidence-based decision making. Key areas of delivery included:
44. *Data visibility* - Throughout the programme, processes were improved to ensure collection and recording of the right information to drive key metrics and provide clear visibility through dashboards to ensure evidence-based decisions and improve operational performance. 17 new tableau dashboards have been developed to enable visibility of performance data tracking improvement progress, driving increased accountability.
45. *Forecasting* - An improved pupil forecasting methodology that takes into account the historic EHCP trends and specialist capacity was developed through the TSIL programme. This helps the Service to more accurately model financial outturns and make strategic decisions around capacity and demand.
46. *Finance data* - A Power App has been designed to ensure more structured and timely finance data collection, improving the accuracy of financial spend. Additionally, it enhances the visibility of data quality issues and prompts appropriate early action to remedy any concerns.
47. *CATT (Consults and Allocations Triage Tool)* – The CATT provides visibility of the consults sent to schools when seeking a suitable place for a child or young person with an EHCP, their responses and their vacancies, which allows us to consult in a targeted and effective way. Further work is underway to refine the CATT to support planning for sufficiency of school placements.

### **Communication and engagement**

48. The Communication and engagement workstream ensured that everyone had an opportunity to work together to improve the offer available to children and young people and understands the part they play in making a difference.

49. Throughout the programme, there was a focus on providing regular updates to stakeholders, and internal staff briefings providing information about Programme progress, next steps and evidence of impact. A system leadership group including school leaders in Leicestershire which has represented the local education system acted as a critical friend for the programme. Work is continuing throughout TSIL Continuous Improvement to foster co-production and co-design on a number of activities.
50. The local Parent Carer Forum, the Leicestershire SEND Hub, has also been a key partner supporting co-production in all phases of the programme. Work with the SEND Hub has been aligned to other activity and co-production around the departments Accelerated Progress Plan (APP) and the DfE Change Programme Partnership, as well as contributing to the strengthening and maturity of the Council's relationship with this key strategic partner.

### **Change Programme Partnership (CPP)**

51. As part of the Continuous Improvement phase of the TSIL programme, Leicestershire is part of the Leicester City, Leicestershire and Rutland local area partnership who are collectively taking part in the national Change Programme Partnership for SEND and Alternative Provision reforms. The CPP was launched by the Department for Education (DfE) in September 2023 to test and deliver reforms to SEND and Alternative Provision with a small group of local area partnerships. The Programme has recently been extended to March 2026 and includes a number of new areas to test and learn from, with a specific focus around supporting mainstream inclusion.
52. During 2024, a Local Area Inclusion Plan (LAIP) was developed to replace the existing self-evaluation of local partnership SEND arrangements which supports the work of the Leicestershire SEND and Inclusion Partnership Board. This document tested a new format for self-evaluation which drew together data and information about services across local partners. The LAIP informed a recent refresh of the SEND and Inclusion Strategy for 2025-2028 which was reported to the Children and Families Scrutiny Committee in January 2025.
53. As part of the CPP, Leicestershire has been an early adopter for the Partnerships for Inclusion of Neurodiversity in Schools (PINS) programme and is actively working with a selection of local primary schools to test models of support to enable neurodivergent children and young people to remain in mainstream education.
54. The Early Language and Support for Every Child programme (ELSEC) also being managed through the CPP is focusing on early identification and support for children and young people with Speech, Language and Communication needs, with the aim of reducing the rate of referrals, increasing workforce capacity and improving the join up between Health and Education.

### **Performance framework and culture**

55. A clear performance framework was established early in 2024 is now well embedded, with appropriate governance and ownership of KPIs supporting meaningful performance support and challenge. This framework ensures accountability among senior managers, fosters a data-driven performance culture, and instils confidence in service operation and performance. Continuous improvement of the performance



framework includes a focus on improving data quality and the visibility and use of operational KPIs, with additional performance dashboard builds underway.

56. Financial performance is monitored monthly both for TSIL benefits and MTFS monitoring cycles and further work is underway in order to refine forecasting methodology.
57. The Education Quality and Performance Service was introduced in 2024 and is now well established with roles including a Sustainability Officer in place to ensure the ongoing assurance of TSIL processes and structures and sustainability of TSIL savings. This role is working well with the wider teams engaged in TSIL and is supporting continuous improvement and iteration of processes, monitoring the impact on KPIs and finances and undertaking case audits on a regular basis to assess ongoing compliance.

### **TSIL programme impact**

#### **More children and young people supported through EHCPs in mainstream schools**

58. Pre-TSIL, the proportion of children and young people with EHCPs placed in mainstream schools was an average of 41.5% of the total number of EHCPs between 2020/21 to 2022/23, with 28.8% placed in special schools and 7.4% in independent special schools.
59. The impact of TSIL on the proportion of placements now made in mainstream schools is significant, with 50.8% of EHCPs projected to be for children and young people in mainstream schools in 2025/26, and a reduced proportion of placements in special schools (22.3%) and independent special schools (6.2%).
60. As a result of this change to the overall placement mix, analysis suggests that the programme has enabled around 750 more children and young people with EHCPs to be educated within a mainstream school than would have been achieved pre-TSIL.

#### **Avoided costs**

61. The TSIL programme is forecast to have enabled £16.6m of avoided costs this financial year. The current Medium Term Financial Strategy (MTFS) projects a total of £34.2m of defined opportunities for avoided costs through the TSIL programme by the end of 2028/29. A refresh of both projected costs and offsetting opportunities is currently being undertaken as part of MTFS budget planning.

#### **Slower growth in EHCPs**

62. From a starting position of higher-than-average growth in the number of children supported through EHCPs in Leicestershire, growth in EHCPs over the course of the TSIL programme (2022-2025) has slowed by comparison with the national average. Based on the latest published DfE data, Leicestershire showed a 24% increase in EHCPs during this period against a 35% national increase over the same period.

### **Reduction in requests for tribunals and complaints**

63. Robustness of decision making and strengthened communication introduced through the TSIL programme saw a reduction in requests for tribunal reviews of decisions around EHCPs which often lead to the Courts overturning the decision of the Local Authority, from 234 received in 2022 to 193 in 2024.
64. As noted in paragraph 40, complaints received by the SENA service are down 70% since April 2025 compared to the previous year, demonstrating the impact of improvements to timeliness, communication and processes.

### **Ongoing legacy of inclusive practice within Leicestershire**

65. The Transforming SEND and Inclusion in Leicestershire programme has built a shared ethos of inclusive practice across the SEND system, which continues to encourage children and young people to be supported within mainstream schools where their needs can be met in this type of setting.
66. Despite the ongoing challenge of funding and increasing demand, inclusion within mainstream schools continues to produce the best possible educational outcomes for most children and young people with SEND. Ongoing work with schools continues to reinforce the importance of inclusive practice and expectations of schools to make suitable accommodations to support SEND through the SEND code of practice.

### **Educational outcomes for children and young people with SEND**

67. Where children and young people with SEND receive high-quality, inclusive teaching within a mainstream school setting, research from the Education Endowment Foundation in their 2025 report demonstrates that their educational outcomes can be expected to improve.
68. Progress 8 is a value-added measure used in England to assess how much progress pupils make between the end of Key Stage 2 (age 11) and Key Stage 4 (age 16). The average progress 8 score for young people with EHCPs in Leicestershire using the latest published data for 2023/24 is significantly better at -0.94 than the national average of -1.13 and is improving over time from -1.19 in 2021/22.
69. The proportion of 19-year-olds with EHCPs achieving a level 2 qualification in Leicestershire has improved from 10.1% in 2021/22 to 20.4% in 2023/24 and is now above the national average of 18.3%. Improvements have also been noted in the proportion of 19-year-olds with EHCPs achieving a level 3 qualification, which has improved from 8.3% in 2021/22 to 12.2% in 2023/24 and is moving closer to the national average of 14.2%.

### **Current demand pressures and HNB position**

#### **EHCNA requests and EHCPs**

70. Despite the work undertaken through the TSIL programme, significant demand pressure remains locally and nationally for support for children and young people with SEND. The number of requests for EHCNAs in Leicestershire increased 12% in 2024, in line with a similar (11.7%) increase in requests nationally.

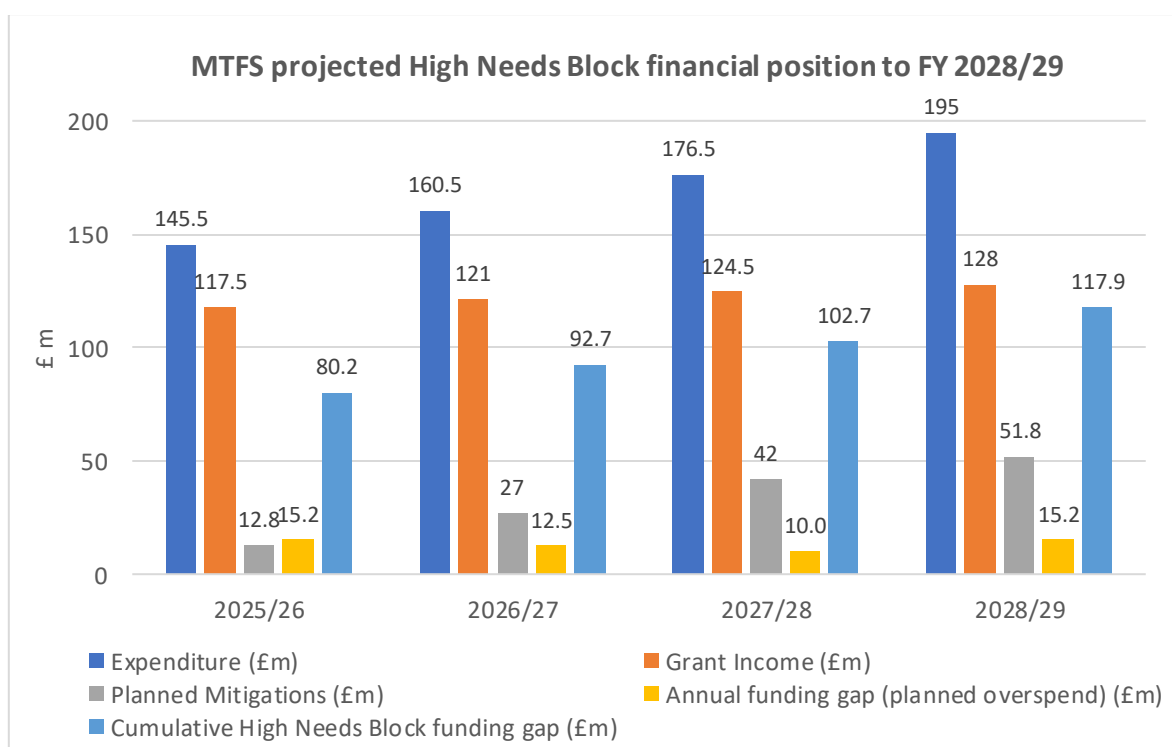
71. Leicestershire has experienced an additional 20% increase in the number of EHCNAs received between January and June 2025, following government announcements earlier in the year that a White Paper setting out the future of support for SEND in England was due to be released in the near future. Speculation on potential changes to eligibility appears to be driving up requests; while comparative data for 2025 will not be published by the DfE until June next year, it is understood from discussions with colleagues across the SEND system that this trend is being seen nationally. It is currently understood that the White Paper will be released in Autumn 2025.
72. Timeliness of the assessment process for EHCP requests has been a considerable challenge for Leicestershire for a number of years, with the authority only finalising 4.3% of assessments within the 20-week statutory timeline in 2024. This was particularly driven by delays in assessing requests, and in May 2024 the Cabinet noted action taken to award a contract for provision of Educational Psychologists in order to provide additional temporary resource to improve timeliness.
73. Despite the ongoing pressure of increased demand for assessments into the Service, process improvements in conjunction with additional temporary resource have enabled the Special Educational Needs Assessment (SENA) service to reduce backlogs of requests awaiting assessment and improve the overall timeliness of the process for requesting an EHCNA. This work has delivered an overall reduction in the number of assessments on the SENA caseload awaiting an assessment or decision from over 1500 in July 2024 to around 800 in July 2025. Timeliness is also improving, with 18.6% of assessments finalised within 20 weeks in July 2025. Improvements in the speed of assessment process mean that children and young people with SEND and their schools will receive support more quickly however also means additional costs are reflected in the HNB more quickly.
74. TSIL improvements to accuracy and visibility of caseload data have been critical to developing improved ways of working and measuring their impact.
75. As a result of the current spike in demand, the total number of EHCPs for Leicestershire stands at 8,213 as of 31 July 2025. This is 14% increase on 2024.
76. Data around decision making on requests for assessment and the decision to subsequently issue an EHCP shows that decisions continue to be made in a robust evidence-based way despite the significant increased demand. However, should the current level of demand continue, ongoing work within the SENA service to reduce backlogs of requests awaiting assessment and improve timeliness will not be sustainable without considerable additional staffing resource.

### **High Needs Block position**

77. The current DSG deficit position for 2025/26 is budgeted at £68.8m, a significant improvement on the pre-TSIL DSG budget deficit forecast for the same period of £84m. While TSIL has enabled a slowing of the growth in the deficit, the amount being spent on supporting SEND from the High Needs budget continues to outstrip available funding.

78. The High Needs Block financial plan projects an annual funding gap of £15.2m, with a subsequent cumulative HNB funding gap for 2025/26 of £80.2m. Both the bar chart and detailed table below provide a summary view of the key financial components impacting the current HNB financial position.

Year	Expenditure (£m)	Grant Income (£m)	Planned Mitigations (£m)	Annual Funding Gap (£m)	Cumulative HNB Funding Gap (£m)
2025/26	145.5	117.5	12.8	15.2	80.2
2026/27	160.5	121.0	27.0	12.5	92.7
2027/28	176.5	124.5	42.0	10.0	102.7
2028/29	195.0	128.0	51.8	15.2	117.9



79. Following recent sizeable increases in EHCNA requests and subsequent increases in EHCPs, early forecasts suggest demand increases are likely to result in at least an additional £20m in-year financial burden during 2025/26. Further work is underway to quantify the financial impact both in-year and over the remainder of the MTFS and will feed into future budget planning.
80. Nationally, concern over increasing deficits in High Needs expenditure, and the financial difficulties this exposes local authorities to, is growing. SEND system reform is anticipated through the Government's upcoming White Paper however the scale of proposed change is not yet known, and such changes may take a number of years to be implemented.
81. Based on the anticipated end of the statutory accounts override in March 2028, local authorities will be required to set aside resources to offset growing deficits. At the levels of expected growth, the financial position is unsustainable. As such it is essential that the planned measures to contain ongoing growth are successful.

### **Next steps**

82. The work of the TSIL programme has succeeded in slowing growth in demand for EHCNAs and improved the overall High Needs deficit position, and TSIL changes to ways of working, processes and an inclusive practice ethos have become embedded in business as usual. Ongoing performance and financial monitoring of changes made during the programme will be undertaken using embedded performance frameworks to ensure early visibility of changes in demand and tracking of sustained process improvements.
83. While the TSIL programme has now been concluded, recent unanticipated rises in demand reinforce that the SEND system remains unsustainable, and continued uncertainty around what might be included within the White Paper proposed for release in Autumn 2025 is expected to continue to fuel demand at least until there is more clarity over proposed changes.
84. There are still significant opportunities for improvement to be made both to internal service performance and to support inclusive practice across the SEND system. Building on the work of the TSIL programme and an expected emphasis of the White Paper on mainstream inclusion, Leicestershire will be working to embed 'belonging' in schools and other educational settings.
85. Belonging focuses on children and young people feeling personally accepted, respected, included, and supported by others in the school social environment. Children and young people who feel safe, valued and cared for within their educational setting are much more likely to experience academic success, positive social connections and a confident perception of their connection with the community.
86. The authority plans to develop a *Belonging in Education* strategy, co-producing with system partners, school leaders, parents, carers and young people with SEND. This work is due to commence in September 2025, with the aim to have a draft of the strategy by the end of December 2025. The strategy will set out how Leicestershire will deliver the ambition of belonging for every child and young person in all educational settings across Leicestershire and will provide the framework for all areas of Leicestershire's SEND and Additional Needs improvement work so that children and young people can *live their best life*.
87. Other new areas of improvement are continuing to be developed which will support the achievement of existing TSIL savings targets, contribute towards a more sustainable High Needs Block position and support children and young people to feel they belong. These include initiatives such as:
  - a. The SEN Investment Fund, which is developing a series of new support offers for mainstream schools and children with social, emotional and mental health (SEMH) needs using the 2025/26 schools block transfer. These offers have been co-produced with schools to make the most impactful use of the fund and will include training, specialist outreach support and clinics for school staff, a directory of support and advice for school staff and for parents and carers of children with SEMH needs, and a pilot of in-school alternative provision leading to a GCSE

qualification for young people with SEMH needs struggling to access standard mainstream classroom learning.

- b. The introduction of a banded model for EHCPs, which gained approval from the Cabinet in July 2025 to consult with schools on transitioning from EHCP funding based on Learning Support Assistant hours to a more flexible model of banding based on an assessment of the child's needs.
- c. More efficient processing of requests for assessment and improved communication using additional digital process improvements and an activity-based model allowing as many tasks as possible to be allocated to support staff at lower grades, supporting those at higher grades to focus on specialist tasks and reducing the need for growth in specialist staff to meet the increased demand. Work to date has been estimated to have delivered £350k benefit in 2024/25.
- d. Improvements to the EHCP review process to ensure all children with EHCPs receive an annual review and offer evidence-based support to SENA staff on prioritisation of their caseloads.
- e. Improvements to placement recording processes, changing the way in which placement financial information is captured in order to enable more efficient processing of contracts and invoices. This will drive tighter controls over sufficiency linked to finances that will better control the financial monitoring for the service area.
- f. Extending the Commissioning offer for Education, SEND and Inclusion services to improve the department's ability to broker specialist placements and work more closely with providers to shape the market.
- g. Reviewing traded services across the department to ensure ongoing value for money.
- h. Improving the overall quality of EHCPs through monthly multiagency audits and ongoing quality sign-off processes.
- i. Preparing the authority for an upcoming inspection of partnership SEND services by Ofsted and the CQC.
- j. Working with Primary Schools across the County to develop enhanced educational provision for children with SEND transitioning from Early Years settings into their first year at Primary School. Four new Early Years Foundation Stage (EYFS) enhanced resource bases were introduced in 2024 and another four are due to accept new pupils during the 2025/26 academic year. Further discussions are underway with a number of schools to develop additional enhanced resource bases for 2026/27 school starters.
- k. A School Place Planning Strategy currently under development which will set out the strategy for delivering additional school places for the future, including specialist school places. This will enable the avoidance of costs to place children and young people with SEND in expensive Independent Special Schools due to a lack of places within the Council's existing Area Special Schools.

88. A refreshed approach to governance of ongoing continuous improvement projects is underway and future updates to the Children and Families Scrutiny Committee will detail the impact of this work in conjunction with the ongoing High Needs budget position.

### **Background papers**

Transitioning to a Banded Model for Education Health and Care Plan (EHCP) Funding, Cabinet, 15 July 2025:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7878&Ver=4>

SEND and Inclusion Strategy 2024-2027, Children and Families Overview and Scrutiny Committee, 21 January 2025:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=7889&Ver=4>

Transforming SEND and Inclusion in Leicestershire (TSIL) Programme Update, Children and Families Overview and Scrutiny Committee, 5 September 2024:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=7480&Ver=4>

Exception to Contract Procedure Rules: Urgent Action taken by the Chief Executive in relation to the Educational Psychology Service, Cabinet, 24 May 2024:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7506&Ver=4>

Transforming SEND and Inclusion in Leicestershire (TSIL) Programme Update, Children and Families Overview and Scrutiny Committee, 23 January 2024:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=7477&Ver=4>

SEND – Service and Finance Update, Scrutiny Commission, 15 March 2023:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7099&Ver=4>

Transforming SEND and Inclusion in Leicestershire (TSIL) Programme, Children and Families Overview and Scrutiny Committee, 7 March 2023:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=7191&Ver=4>

SEND Local Area Revisit, Children and Families Overview and Scrutiny Committee, 24 January 2023:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=7190&Ver=4>

SEND and Inclusion, Children and Families Overview and Scrutiny Committee, 6 September 2022:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=6884&Ver=4>

SEND Provision in Leicestershire (SPIL) guide and directory:

<https://www.leicestershire.gov.uk/education-and-children/special-educational-needsand-disability/education-and-childcare/send-support-in-schools/send-provision-inleicestershire-spil>

### **Circulation under the Local Issues Alert Procedure**

89. None.

**Equality Implications**

90. The TSIL and subsequent SEND programme of work actively seek to reduce inequalities, increasing belonging so that all children and young people, including those with additional needs, can live their best life.

**Human Rights Implications**

91. There are no human rights implications directly arising from this report.

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