Leicestershire County Council

CABINET – 18 NOVEMBER 2025

PROPOSED TRANSFER OF FUNDING FROM THE SCHOOLS BLOCK TO THE HIGH NEEDS BLOCK OF THE DEDICATED SCHOOLS GRANT FOR 2026/27

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

PART A

Purpose of the Report

1. The purpose of this report is to note the outcome of the consultation process with schools on a proposed funding transfer from the Schools Block to the High Needs Block of the Dedicated Schools Grant (DSG) for 2026/27, and feedback from the Schools Forum.

2. The report outlines two options for funding a sustainable outreach and graduated support offer to mainstream schools, continuing with the transfer from the Schools Block to the High Needs Block or implementing a range of other measures to continue to fund the outreach support.

Recommendations

3. It is recommended that the Cabinet:

   a) Notes the responses to the consultation on a 0.5% transfer from the Schools Block to the High Needs Block of the Dedicated Schools Grant (DSG) for the 2026/27 financial year;

   b) Considers the two options set out in paragraphs 48-64 for funding a sustainable outreach and graduated support offer to mainstream schools through Oakfield School, noting the decision of the Schools Forum who did not support either option but proposed further consultation with schools on Option 2.

      - **Option 1** is a 0.5% transfer from the Schools Block to the High Needs Block, or

- **Option 2** is a per-pupil contribution from schools to support pupil outreach support and a commitment from schools to supporting ongoing mainstream inclusion.

c) Agrees a preferred option for implementation, noting that if it agrees to progress with a Schools Block Transfer, the Director of Children and Family Services will be authorised to seek permission from the Secretary of State to approve a 0.5% transfer.

(KEY DECISION)

Reasons for Recommendation

4. Demand for support for children and young people with SEND in Leicestershire is growing at a significantly faster rate than was anticipated in the current Medium Term Financial Strategy, leading to an increasingly unsustainable financial position for the council and education system in the county. These pressures are also reflected nationally. There is a need for ongoing support for inclusion and belonging of children and young people with SEND in mainstream schools, and a clear need for outreach and graduated support for pupils with additional needs following the ending of existing offers funded through the SEN Investment Fund for 2025/26. Mainstream inclusion is anticipated to be a key expectation from the upcoming Schools White paper.

5. Local authorities are able to transfer 0.5% of funding from the Schools Block to the High Needs Block of the DSG following consultation with schools and the approval of the Schools Forum. If the Schools Forum does not approve, or if a transfer in excess of 0.5% is being sought, local authorities can seek formal permission from the Secretary of State to disapply sections of the School and Early Years Finance England Regulations which govern the use of DSG.

6. This report notes the views of consultees, feedback from the Schools Forum and seeks a decision from the Cabinet on the preferred approach for funding a sustainable outreach and graduated support offer for children and young people with SEND in mainstream schools.

7. Should a School Block Transfer of 0.5% be the preferred option, the Cabinet's approval is necessary in order for the Director of Children and Family Services to approach the Secretary of State for permission to undertake the transfer which would be used to continue the SEN Investment Fund.

Timetable for Decisions (including Scrutiny)

8. On 6th November 2025, the Schools Forum received a report setting out the findings of a consultation with schools on the proposal for a further School Block Transfer for 2026/27. The Schools Forum considered options set out for funding a sustainable outreach and graduated response model from Oakfield School and did not agree to support either option presented.

9. Should a decision be made to continue with the School Block Transfer without the agreement of the Schools Forum, a request for a decision from the Secretary of State will need to be submitted by mid-November 2025. Confirmation of the decision from the Secretary of State would be expected prior to the next Schools Forum meeting in February 2026.

Policy Framework and Previous Decisions

10. 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).

11. 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).

12. 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 High Needs Funding Operational Guide issued by the Department for Education. The decision on a transfer of funding is devolved under legislation to the Schools Forum following consultation with mainstream schools and academies. Local authorities are able to seek approval from the Secretary of State should the Schools Forum not approve the transfer or if they are seeking a transfer in excess of 0.5%.

13. At its meeting on 22 November 2024, the Cabinet agreed that the Council could seek the approval of the Secretary of State on the proposed 0.5% transfer for 2025/26. The decision of the Secretary of State to approve the School Block Transfer for 2025/26 and the subsequent establishment of an SEN Investment Fund was reported to the Schools Forum in February 2025.

14. The Cabinet, at its meeting on 7 February 2025, considered a report on the Council's Provisional Medium Term Financial Strategy (MTFS) and noted the on-going significant financial challenges facing the authority, including a growing deficit in the High Needs Block of the Dedicated Schools Grant (DSG).

15. The Cabinet agreed the SEND and Inclusion Strategy 2025-2028 at its meeting on 17 June 2025. The proposal to improve support for inclusion and belonging in mainstream schools supports the delivery of actions within Section 5 of the Strategy.

16. A report to the Cabinet on 12 September 2025 noted that demand pressure on the High Needs Block had continued to increase since the report in February, leading to a significantly worsening projected overspend position for 2025/26 and an increase in the cumulative DSG deficit.

17. The proposal for a sustainable outreach and graduated support offer for children and young people with SEND in mainstream schools aligns with the ambitions set out in the Children and Family Services Department Plan 2024-26 and the County Council's Strategic Plan 2022-26.

Resource Implications

18. At the end of 2024/25 the accumulated DSG deficit stood at £64.4m. Due to sustained year-on-year growth in demand for funded EHCPs since they were introduced in 2014, a £15m overspend on the HNB grant was anticipated for the 2025/26 financial year, based on a 7% increase in EHCPs from the previous year which was expected to increase the overall DSG deficit to around £80m by the end of 2025/26. The percentage uplift built into this year's MTFS was based on historical trend data from the last 5 academic years.

19. Growth in demand for EHCPs has risen at unprecedented levels both nationally and locally during 2025/26, with Leicestershire experiencing a 15% increase in active EHCPs since the beginning of 2025 to 8,311 at the end of September 2025. This is expected to increase the deficit to £110.5m by the end of 2025/26.

20. The growth in demand for EHCPs and the related DSG deficit directly impacts the availability of financial resources for other council priorities, as funding is required through the General Fund (including Council Tax). This is required due to lost interest income on the entire £110.5m deficit, payment of transport costs for pupils with SEND (£26.9m) and the cost of assessment and psychology services (£3.7m). This impact is forecast to grow significantly.

21. Whilst the Government's Schools White Paper is expected to result in systemic changes to the national SEND system, such changes will take several years to deliver, and none appear to directly address the current or forecast funding issues. Any announcements linked to SEND reform are now not expected until the New Year. However, an announcement on Government's approach to the deficit is expected in December alongside the Local Government Finance Settlement.

22. The 0.5% transfer proposed from the Schools Block to the High Needs Block is expected to generate around £2.8m for 2026/27, which would maintain a similar level of funding transfer to 2025/26 – the exact amount to be confirmed when budget allocations are received from the DfE. Alternatively, a per-pupil contribution from schools and mainstream inclusion measures would enable the SEN Investment Fund outreach work to continue. It would result in an outreach and graduated support offer to mainstream schools through Oakfield School, supporting children and young people with SEND to remain in mainstream with the right support and interventions in place at the time they are needed. However, there would be no compulsion on schools to participate and without sufficient contribution the service would not be sustainable.

23. The financial impact of any block transfer on individual schools will be confirmed following budget allocations being received from the DfE.

24. Should a per-pupil contribution be agreed, the amount for each school would also be confirmed following receipt of budget allocations from the DfE and using the number of pupils on roll on the annual school census day.

25. The Director of Law and Governance and the Director of Corporate Resources have been consulted on this report.

Circulation under the Local Issues Alert Procedure

26. This report has been circulated to all Members of the County Council.

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PART B

Background

27. Since 2006 the Department for Education has funded schools, early years and children and young people with high needs through a specific grant known as the Dedicated Schools Grant (DSG), which is made up of 4 blocks

- Early Years Block
- Schools Block
- High Needs Block
- Central Services Block

28. The DSG is paid to local authorities, with much of it being passported directly to education settings through an agreed formula. Additional funding for pupils with SEND comes from the different blocks within the Dedicated Schools Grant (DSG). Leicestershire's DSG allocation for 2025/26 is £790.7m, of which £117.4m is allocated for pupils with High Needs. Leicestershire is the fifth lowest funded authority of gross DSG funding per mainstream pupil.

29. The High Needs Block (HNB), which is held by the Council on behalf of schools, is provided for pupils with more complex SEND and funds the cost of meeting the educational needs of children and young people set out in their EHCP. Pupils in special schools and independent special schools all have EHCPs and are fully funded through HNB funding, while those in mainstream schools with EHCPs will receive HNB funding to 'top up' the amount of funding the school already receives through the Early Years or Schools Blocks. High Needs block funding is allocated on an individual child basis to schools as agreed through their EHCP.

30. Most local authorities in England spend more on meeting their statutory obligations to support children with High Needs than available funding – which has increased nationally by 66% from £7.5bn in 2016 to at least £12bn in 2025 and is forecast to rise by a further £3bn by 2029. 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. The Institute of Fiscal Studies, in its most recent publication, has forecasted that local authority HNB deficits will reach £8bn by 2028.

31. As at the end of July 2025, there was a net in-year overspend of £45m on the HNB, which is approximately £30m more than the originally projected overspend of £15m. This is largely due to increased demand on the placement budget. At the end of 2024/25, the accumulated High Needs deficit stood at £64.4m and is now projected to rise to £110.5m at the end of 2025/26. A range of future demand scenarios are being considered in

forecasting the High Needs budget for future years; however, any level of growth above the funding settlement will increase the cumulative DSG deficit.

32. The number of requests for Education, Health and Care Needs Assessments (EHCNA) in Leicestershire increased by 12% in 2024, in line with a similar increase in requests nationally (11.7%). Leicestershire has experienced an additional 25% increase in the number of EHCNAs received between January and September 2025, with the 12-month rolling average annual number of requests reaching over 2,000 at the end of September 2025. The total number of active EHCPs in Leicestershire has also increased over 15% between January and September 2025, to 8,311 at the end of September. It is anticipated that demand for funded EHCP packages will reach 8,500 by March 2026, three years earlier than the previous MTFS forecasted projection.

33. As part of the mitigation against the cumulative HNB overspend and the increasing number of funded EHCPs, the Cabinet agreed that the Director of Children and Family Services should approach the Secretary of State for permission to transfer 0.5% from the Schools Block to the High Needs Block of the DSG for 2025/26. Following agreement to the transfer by the Secretary of State, the transfer was used to create a SEN Investment Fund to support children and young people with Social, Emotional and Mental Health (SEMH) needs in mainstream schools.

34. The SEN Investment Fund offers for 2025/26, developed in consultation with schools, have been subject to a phased launch for mainstream educational settings during the Autumn term. The majority of the 2025/26 SEN Investment Fund will be used to expand the existing Primary outreach offer from Oakfield School and create a new multidisciplinary Secondary outreach offer co-ordinated through Oakfield, with additional funding for SEMH training for school staff and in-school alternative provision offers.

35. Outreach offers funded through the SEN Investment Fund will initially be introduced temporarily due to the temporary nature of the Fund itself. However, it is noted that there is a need for ongoing targeted support for children and young people with SEND in mainstream schools at risk of permanent exclusion through outreach and a graduated model of support for pupils with additional needs. Demand for support from Primary schools currently outstrips permanent capacity, and it is anticipated that demand for Secondary support will be strong when this offer is introduced in January 2026. It is proposed that any transfer for 2026/27 will be focused solely on funding Oakfield outreach and graduated support.

Consultation Outcome

36. In September 2025, the Schools Forum agreed to proceed with formal consultation on a 0.5% transfer from the Schools Block to the High Needs Block of the DSG for 2026/27.

37. A 4-week consultation was undertaken during September and October 2025 through an online survey issued to all mainstream maintained schools and academies, supported by direct written submissions from headteachers, trust leaders, and senior education professionals. The consultation sought views from schools, academies, and education leaders across Leicestershire on the continuation of the 0.5% transfer and the strategic focus of the SEN Investment Fund.

38. The consultation generated a total of 35 responses. A quality assurance review was undertaken to ensure analytical validity and to identify duplicate responses from the same school or organisation. In line with standard consultation methodology, only one response was retained per individual school. However, submissions from different schools within the same Multi-Academy Trust were each counted independently to reflect their distinct budgets and governance responsibilities. Following this review, 31 valid responses were included in the analysis.

39. The respondent group was dominated by secondary academies (approximately 77%), with smaller representation from primary academies, schools with resource bases, and other educational organisations. Around two-thirds (69%) confirmed that their response represented the official position of their school or MAT.

40. The overall response rate was broadly consistent with previous Schools Forum consultations; however, this represents a small proportion of the 276 mainstream Primary and Secondary schools across the County.

41. Analysis of the quantitative data demonstrates a clear majority opposition to the continuation of the 0.5% transfer.

- 71% of respondents strongly disagreed with the continuation of the SEND Investment Fund.
- 14% tended to disagree.
- 6% neither agreed nor disagreed.
- 9% tended to or strongly agreed.

42. When asked whether Social, Emotional and Mental Health (SEMH) should remain the Fund's principal focus:

- 31% disagreed or strongly disagreed.
- 40% strongly agreed or tended to agree.
- 29% expressed neutrality or uncertainty.

43. On the proposal to make the 0.5% transfer annual, the level of disagreement increased further:

- 89% strongly disagreed.
- 9% tended to agree.
- 3% neither agreed nor disagreed.

44. The overall findings highlight a consistent and significant level of concern across the school system, with respondents questioning both the financial rationale for the transfer and the effectiveness of the Fund's current implementation.

45. More information on key themes within written feedback received through the consultation is included in Appendix A.

Ongoing need for a SEN Investment Fund

46. The feedback from the consultation demonstrated an opposition to undertaking the schools block transfer and the continuation of the SEN Investment Fund for 2026/27. Whilst this feedback was clear, demand for support for children and young people with SEND in Leicestershire is growing at a faster rate than was anticipated in the Medium-Term Financial Strategy, leading to an increasingly unsustainable financial position for the education system. Mainstream inclusion is a critical component in addressing the current financial challenges and schools will need to actively embrace inclusion to return the system to a more sustainable position.

47. There is a need for ongoing support for inclusion and belonging of children and young people with SEND in mainstream schools, and a clear need for outreach and graduated support for pupils with additional needs following the ending of existing offers funded through the SEN Investment Fund. Mainstream inclusion is anticipated to be a key expectation from the Schools White paper.

48. This therefore leaves the local authority and school leaders with some difficult decisions over how to support children with additional needs going forward.

Options

Option 1 – Continue with School Block Transfer to create an ongoing SEN Investment Fund

49. The School Block Transfer for 2026/27 would be used to fund a sustainable outreach and graduated support offer accessed via Oakfield for mainstream Primary and Secondary Schools.

50. The multidisciplinary outreach model introduced during 2025/26 from the existing SEN Investment Fund will offer in-reach support for schools accessed through Oakfield School that upskills staff working with children with additional needs and provides direct intervention with a child and their family. Staff will go into schools to support teachers and support staff through observations, modelling and solution circles, as well as delivering direct interventions. It is proposed that this will continue on a sustained basis through the future SEN Investment Fund.

51. In addition, the Fund will also deliver an offer of bespoke in-school intensive support for children and young people outside of their classroom through Oakfield. This would be co-produced with schools. It would take place at the times triggers are observed. The provision would seek to help children and young people regulate their emotions but would also have an academic focus to ensure they are able to reach their full potential. There may be an additional focus in the sessions to address specific identified needs.

52. The offer will support parents to fully understand what support mainstream schools can be expected to provide. They would also present parents with data around the attainment and progress of children and young people placed in specialist provision compared with those who remain at a mainstream school.

53. As a key area of ongoing concern, support for Emotionally Based School Non-Attendance (EBSNA) will be considered as part of the graduated support and outreach offer. EBSNA consultations introduced through the SEN investment fund for 2025/26 may look to be continued subject to feedback from schools on their effectiveness.

54. The SEN Investment Fund and onward plan will deliver:

- Increased direct support to schools
- Increased access to specialists
- High quality educational curriculums for pupils at risk of exclusion or those permanently excluded that provide pupils with meaningful outcomes through Oakfield School
- An opportunity to support pupils to maintain their place in their mainstream school through targeted intervention
- Reduced mobility of pupils within the system
- Improved targeted support through access to high-quality training

55. Within the nationally set financial framework for school funding, the only option of removing funding from the Schools Block to High Needs is by capping per pupil funding gains between years. Given that per pupil funding is protected at a level only slightly above the Age Weighted Pupil Unit (AWPU) as the only universal funding received by all pupils, funding gains are delivered within the NFF additional factors which are largely related to deprivation measures.

56. Taking into account feedback from the consultation around equity of funding contributions, the final methodology for determining contributions will be confirmed when funding allocations have been announced by the DFE.

Option 1 – Risks

57. As mainstream schools have not agreed to a school block transfer for 2026/27, progressing with this option may risk a lack of cooperation and engagement in the implementation and ongoing success of both outreach and

graduated response from Oakfield, and broader support for inclusion of children and young people with SEND.

Option 2 – A per-pupil contribution from schools to support pupil outreach support and a commitment from schools to supporting ongoing mainstream inclusion.

58. In light of the opposition to continuation of the transfer, an alternative to continuing the transfer from the Schools Block to the High Needs Block has been developed for consideration. This proposal would potentially fund the activities delivered through the SEN Investment fund, namely outreach and graduated support for pupils with additional needs in mainstream schools via Oakfield School. However, there would be no compulsion on schools to participate and without sufficient contribution the service would not be sustainable.

59. This option would see schools requested to make an annual per-pupil contribution based on the number of children on roll. Mainstream schools would also be asked to commit to supporting ongoing mainstream inclusion and support measures to create a more sustainable financial position for the Leicestershire educational system by:

- Reducing new EHCP requests in proportion to their individual historical request level through the development of mainstream inclusion offers
- Reducing permanent exclusions, using managed moves/alternative provision
- Accepting an agreed number of pupils with SEND rather than LCC placing in specialist provision
- Develop inclusion provision/spaces

60. An indicative per pupil contribution level would need to be agreed based on creating a sustainable outreach and graduated support model across the Primary and Secondary mainstream education system for Leicestershire.

61. A number of responses to the Schools Block Transfer consultation refer to schools with higher numbers of SEND pupils being impacted more than others by the proposals and the disproportionate impact of the transfer across Leicestershire Schools. A per-pupil contribution model would address these concerns by introducing a standard contribution, ensuring equity across all mainstream schools.

62. In following this approach, consideration would need to be given to proportionate access to support offers to ensure that mainstream inclusion and belonging remains a priority for all schools. The Leicestershire education system would need to work in partnership to create a more sustainable system, with expectations that the current unprecedented level of demands upon the High Needs Block are reduced, including reductions in the number of pupils permanently excluded from schools, particularly those schools with a disproportionately high number.

Option 2 - Risks

63. As per-pupil contributions would be voluntary, schools may not agree to pay in to the model, risking ongoing sustainability of the outreach and graduated support offer from Oakfield which benefits from economies of scale when supporting larger numbers of schools and pupils. However, some scaling of the offer could be made according to the level of contributions from schools.

64. Schools may choose not to support mainstream inclusion measures, although the pending White Paper is likely to compel them to do so. The former would lead to a continuation of pressure on the SEND system for EHCPs and specialist support and placements and accelerate the DSG deficit position.

Equality Implications

65. The SEN Investment Fund by its nature is targeted at children and young people with SEMH needs, however it will support wider inclusive mainstream practice which should benefit all children and young people. A full Equality Impact Assessment will accompany this proposal.

Human Rights Implications

66. There are no human rights implications arising from the recommendations in this report.

Partnership Implications

67. Current growth in demand for EHCPs supporting children and young people with SEND and the accelerating DSG deficit position noted in this report highlight the increasingly unsustainable financial position for the entire education system in Leicestershire. This is a shared problem for partners and cannot be resolved without collaboration and joint action between the Council and school leaders over how to support children with additional needs going forward.

Background Papers

Report to the Cabinet on 12 September 2025, "Medium Term Financial Strategy – Budget Monitoring and MTFS Refresh", https://democracy.leics.gov.uk/documents/s191577/MTFS%20Sept%2025%20Cabinet%20-%20030925%204pm%20FINAL.pdf

Report to the Cabinet on 17 June 2025 "Special Educational Needs and Disabilities (SEND) And Inclusion Strategy 2025-2028"
https://cexmodgov01/ieListDocuments.aspx?CId=135&MId=7877

Report to the Cabinet on 7 February 2025 “Provisional Medium Term Financial Strategy 2025/26 to 2028/29”
https://cexmodgov01/ieListDocuments.aspx?CId=135&MId=7873

Report to the Cabinet on 22 November 2024, “Proposed Transfer of Funding From The Schools Block to The High Needs Block of The Dedicated Schools Grant”
https://democracy.leics.gov.uk/documents/s186577/Resetting%20SEND%20Finance%20 Cabinet%20report.pdf

Report to the County Council on 18 May 2022 “Leicestershire County Council's Strategic Plan 2022-2026”
https://cexmodgov01/ieListDocuments.aspx?CId=134&MId=6482

Appendix A - Key Themes within Consultation responses

The key themes within the consultation and the local authority response are set out below:

Theme	Local Authority response
Lack of Demonstrable Impact from the Existing Fund The most prominent concern was the absence of clear, publicly available evidence demonstrating the impact of the SEND Investment Fund introduced in 2025/26. Schools consistently reported that, while a portion of their funding had been redirected, they had not observed any tangible improvements in pupil outcomes, access to support, or specialist input. Several respondents expressed frustration that schools were being asked to continue funding an initiative whose benefits remained unproven.	The Local Authority acknowledges that the first 6 months of the Fund's implementation was primarily focused on co-producing the 2025/26 offers with school representatives, commissioning, and establishing delivery infrastructure including recruitment, which has inevitably delayed implementation and therefore measurable impact. A formal outcomes framework has now been established, linking performance to attendance, exclusions, and EHCNA reductions. An initial evaluation report will be presented to Schools Forum in Spring 2026, with subsequent regular updates thereafter. It has been noted to the School Forum previously that the impact of the Fund on reducing systemic demand pressures will take some time to be realised.
Impact on Frontline Provision and Staffing Many schools described how the funding transfer had limited their capacity to sustain frontline provision, particularly Learning Support Assistants (LSAs) and other classroom-based staff supporting pupils with additional needs. Several leaders noted that this reduction undermines inclusion and contradicts the stated objectives of improving outcomes for pupils with SEND.	The Local Authority recognises the financial pressures faced by schools. It emphasises the transfer represents a limitation on annual funding growth, rather than a reduction in core budgets. The purpose of the Fund is to invest in system-wide strategies and support that improve sustainability; building collective capacity and reducing overreliance on one-to-one adult support. The Authority is working with schools to ensure that future investments are demonstrably visible and beneficial at school level. The growing deficit has a direct impact on other County Council services
Transparency, Governance, Communication and Accountability	The Local Authority has overseen a working group of school representatives who have shaped and agreed the offers

A strong theme throughout the consultation was the perceived lack of transparency regarding how funds were distributed, governed, and evaluated. Respondents expressed concern about limited engagement and perceived lack of co-production in developing the proposals. Many schools highlighted that previous attempts at collaboration had not led to meaningful dialogue or shared decision making. Schools called for the publication of detailed financial information, clear governance structures, and outcome-based reporting. Respondents requested that schools be represented in decision-making processes to ensure accountability.	for 2025/26 and has actively encouraged further membership of the group along with providing regular progress updates to a range of forums. The working group also attempted to engage widely with schools through surveys publicised through Headteacher Briefings. However further improvements in communication and transparency will be introduced to ensure more ownership of decision-making going forward. Performance data will be presented to Schools Forum on a termly basis.
Focus of the Fund – SEMH and Wider Needs While the majority of respondents acknowledged the increasing prevalence of SEMH needs, many felt that an exclusive focus on SEMH risked neglecting other areas such as cognition and learning, communication and interaction, and sensory or physical needs. Several schools argued that a broader, more flexible approach would ensure equitable access to support.	The Local Authority agrees that any future iterations of the Fund should respond to a wider spectrum of SEND. SEMH will remain the lead priority for 2026–27 due to its prevalence in the local EHCP population (currently 23%) and influence on attendance and exclusions, but new workstreams focusing on cognition and learning and communication and interaction will be developed during the year in collaboration with schools.
Equity of funding contributions and the Impact on Inclusive Schools A recurring concern was that schools with higher proportions of pupils with SEND contribute proportionately more to the transfer and therefore experience a greater financial impact. Respondents described this as counterintuitive and inequitable, suggesting that it risks discouraging inclusive practice.	Under the National Funding Formula (NFF), the Minimum Per Pupil Funding Level (MPPL) and Minimum Funding Guarantee (MFG) continue to safeguard core budgets. Nonetheless, the Local Authority recognises that perceptions of inequity can undermine confidence. An alternative proposal for continuation of funding for outreach and support using a different method for establishing funding contributions is set out in paragraphs 43-46 below.

Monitoring, Evaluation and Equalities Compliance Respondents asked for assurance that appropriate equality impact assessments had been completed and requested that outcomes be monitored against clear, measurable objectives.	A full Public Sector Equality Duty (PSED) Impact Assessment will accompany this proposal. Monitoring and evaluation processes will be embedded from the outset, with progress reviewed annually and reported to Schools Forum. Performance indicators will focus on inclusion, attendance, and educational progress for pupils with SEN.