

<b>REPORT TO:</b>	Schools Forum
<b>DATE:</b>	25 February 2026
<b>REPORTING OFFICER:</b>	Operational Director – Finance
<b>PORTFOLIO:</b>	Children & Young People
<b>SUBJECT:</b>	DSG High Needs and Central Schools Services Blocks 2026/27
<b>WARD(S)</b>	Borough wide

## 1.0 PURPOSE OF THE REPORT

To update Schools Forum on the relevant Dedicated Schools Grant (DSG) allocation for High Needs, and to seek views on how the Local Authority intends to use this funding across the range of high needs activities for financial year 2026/27, including for schools. Halton schools' High Needs elements will be notified alongside mainstream and pre-school budget elements on or before 28<sup>th</sup> February 2026, in accordance with the national guidance.

## 2.0 RECOMMENDATION

That the contents of this report are noted, and that views are given on the LA proposals within regarding the High Needs and Central Schools Services blocks of DSG.

## 3.0 SUPPORTING INFORMATION

### 3.1 Dedicated Schools Grant (DSG) settlement

The 2026/27 DSG settlement was announced on 17<sup>th</sup> December 2025, allocating Halton a total of £178.850m, which is broken down as £122.425m for the Schools Block, £0.768m for the Central Schools Services Block, £31.877m for the High Needs Block, and £23.781m for the Early Years Block.

### 3.2 High Needs Block

The High Needs Block allocation has been announced as £31.877m, before Academy and Further Education (FE) recoupment, but including the deduction in respect of net exports of SEND children being educated in other areas.

Academy and FE recoupment will be £4.970m for the per place funding element deductions, as identified by the DfE published allocations. Schools Forum, at the January meeting, agreed the transfer of a small amount of headroom from Schools Block into the Central Schools Services Block; no funding will be transferred to the High Needs Block; for 2026/27, Halton therefore has £26.907m for distribution to specialist providers, and to contribute to supporting the ongoing cost pressures being faced by the High Needs block.

This allocation represents at the high level an increase of 8.92%, and net 5.7%, in annual funding, within which both inflationary pressures and increases in demand, must

be accommodated. This is slightly misleading, however, as the 2026/27 figure includes annualised equivalents (c. £2.1m) of what were in 2025/26 separate grant funding elements for pay & pensions increases and national insurance contributions.

<b>2025/26 Starting Position</b>			£29,267,118
In-year changes			£630,605
			<b>£29,897,723</b>
ISS/SPI etc			£268,538
Special/AP Academies	£3,065.30	580.66	£1,779,898
Special units/RPs			£68,712
Import/Export Adjustment	£6,000	-23	(£138,000)
<b>GROSS HIGH NEEDS BLOCK 2026/27</b>			<b>£31,876,871</b>

<b><u>PLACE DEDUCTIONS</u></b>	Rate	Places	
Academy Resourced Provisions: Pre-16	-£6,000	86	(£516,000)
	-£10,000	4	(£40,000)
Special Academies: Pre-16	-£10,000	221	(£2,210,000)
Special Academies: Post-16	-£10,000	27	(£270,000)
AP Academies: Pre-16	-£10,000	1	(£10,000)
Special free schools: Pre-16	-£10,000	64	(£640,000)
FE/ILP	-£6,000	214	(£1,284,000)
			(£4,970,000)
<b>NET HIGH NEEDS BLOCK 2026/27</b>			<b>(£26,906,871)</b>

Schools Forum is requested to note the funding rates to be applied to the High Needs block allocations on the basis of 'place-plus' (top-up) funding for specialist provision including Mainstream SEND Units. Unfortunately, because the funding is standstill, there is no practical affordable facility for increasing top-up rates beyond current (2025/26) levels.

### **Mainstream Schools with Resource Units - Funding 2026/27**

Mainstream units (resource bases) are funded on a 'place-plus' basis where the Place funding element is set at £6,000 per occupied place and £11,000 for unoccupied places. The occupied rate is less, as it is expected that the children being supported in the special units will also be on roll at the school, and therefore also included in the main school formula funding allocation (so-called *notional* SEN funding). The actual amount of funding each child will attract through the mainstream funding formula will vary with individual characteristics, but it is reasonable to assume that at least some of the additional factors will be triggered (Free school meal entitlement, postcode deprivation, low attainment), above and beyond the basic per pupil amount, meaning that each will generate *at least* the £5,000 difference.

The 'plus' element is the top-up funding provided for occupied places, and is subject to Forum approval. LA recommendations are as per the table below:

School / Academy	Unit	2026/27 Top-up rate	TOTAL FUNDING 2026/27	FUNDED BY LA 2026/27
<b>Primary</b>		<b>£</b>	<b>£</b>	<b>£</b>
Weston Point	EBD	5,648	93,184	45,184
Halton Lodge	SEMH	12,725	112,350	76,350
The Brow*	KS 1 Assessment	3,348	165,476	165,476
The Brow*	KS2 SPL	7,272	316,585	316,585
Woodside	EBD	4,568	84,544	84,544
Woodside	KS1 SEMH	7,272	106,176	106,176
Beechwood	SEMH	7,272	106,176	106,176
Kingsway Academy (Simms Cross)	KS1/2 ASD	5,055	265,320	121,320
Kingsway Academy	KS1/2 ASD	7,272	156,874	132,874
Oakfield	KS 1 Assessment	4,581	126,972	126,072
Oakfield	KS2 SPL	7,272	185,808	185,808
Oakfield	KS1 SLCN	7,272	119,448	119,448
Oakfield	KS2 SLCN	7,272	126,694	126,694
Palace Fields	SPL	7,272	132,720	72,720
The Grange	KS1/2 ASD	6,501	312,525	164,525
Astmoor	KS1 SEMH	10,086	128,688	128,688
Astmoor	KS2 SEMH	10,086	144,774	144,774
St Basil's	EYFS Assessment	7,272	167,426	167,426
St Basil's	EY/KS 1 Assessment	7,272	118,253	118,253
Victoria Road	KS1 SEMH	10,086	138,350	138,350
Victoria Road	KS2 SEMH	10,086	153,188	153,188
Westfield	KS1 SLCN	10,086	148,011	148,011
Westfield	KS2 SLCN	10,086	140,765	140,765

#### **Secondary**

The Grange	KS3/4 ASD	10,489	325,658	229,658
Sts. Peter & Paul	KS3/4 ASD	9,121	60,484	60,484
Sts. Peter & Paul	KS3 ASD (Oratory)	9,784	187,522	187,522
Sts. Peter & Paul*	KS4 ASD	9,784	73,659	73,659
Blessed Carlo Acutis	HDU	11,447	69,788	69,788

\* expected to be operational during 2026/27

### **Special Schools and Pupil Referral Unit (PRU)**

Special Schools and PRUs are funded on a place-plus basis where the Place funding element is set at £11,000 per place, whether occupied or unoccupied (as there is no mainstream funding element to differentiate). For Special Schools the *plus* element is the top-up funding provided for occupied places only and is based on a Banding system which recognises the severity of SEND and associated support requirements, in accordance with the individual pupils' Education Health and Care Plans (EHCP). The top-up banding values vary per school, recognising the differing running costs at each.

The PRU top up value is intended to contribute to all running costs, including vocational courses for pupils. Where schools and academies commission any places directly with the PRU, then they are responsible for funding the top-up element.

Plus (top-up) Funding per Special School and PRU:

School	Banding	2026/27 Top-Up Rate	TOTAL FUNDING 2026/27	FUNDED BY LA 2026/27
		£	£	%
Ashley	Level 1	8,432	1,612,856	1,612,856
	Level 2	11,240	511,520	511,520
	Level 3	16,885	892,320	892,320
Chesnut Lodge	Level 1	11,243	311,402	311,402
	Level 2	13,474	318,162	318,162
	Level 3	16,974	1,700,440	1,700,440
Brookfields	Level 1	6,872	160,848	60,848
	Level 2	10,382	1,389,895	689,895
	Level 3	17,485	1,623,645	1,023,645
Cavendish	Level 1	8,604	450,892	210,892
	Level 2	11,284	1,158,768	638,768
	Level 3	16,813	890,016	570,016
The Bridge - PRU	Level 1	17,158	2,828,387	2,818,387

For transparency, all Special Schools and the PRU will be provided with confirmation of their 2026/27 budget allocations with an individual notification highlighting all funding factors, values, termly payment profile, and ESFA recoupment where applicable.

**Further Education (FE) Element 3 Top-Up Funding & Out-of-borough placements**

The High Needs DSG statutory guidance stipulates that the Local Authority must treat establishments fairly and consistently when making arrangements to fund young people with high needs. Settings outside the authority, unfortunately will not necessarily be mindful of the financial restrictions surrounding 2026/27 DSG High Needs settlements; we have therefore included a 5% inflation rate on top of current spending levels to accommodate those providers which will impose price rises at the start of the Autumn term.

All of these allocations, and consequent High Needs budgetary totals, are illustrated in more detail in **Appendix A**, attached.

**3.3 Central Schools Services Block (CSSB)**

The CSSB overall has grown modestly, with the annualised rate increases offsetting the reduction in funding of historical commitments. Chief among these commitments is the established schools' safeguarding post, and Schools Forum has agreed to an annually increased contribution to mitigate this reduction (the income therefore rising 20% compared to current year). Other commitments have a cost increase expectation built in of 2.5%, meaning that contingency must reduce slightly.

The table below illustrates the block allocation, and how we anticipate this to be committed, with 2025/26 as a comparison.

	Rate 26/27	Nos.	TOTAL
Primary CSSB	£43.97	9,714	£427,125
Secondary CSSB	£43.97	7,527	£330,941
Historic Commitment*			£9,878
			<b>£767,944</b>
Transfer in from Schools Block			£91,791
<b>AVAILABLE RESOURCES 2026/27</b>			<b>£859,735</b>

\* reduces 20% year-on-year

	26/27	25/26
Teachers Panel	£19,460	£19,460
Copyright Licences	£150,000	£141,339
Premature Retirements	£554,037	£540,524
Staffing including safeguarding post	£283,403	£276,491
Income for safeguarding post	(£60,192)	(£50,160)
Central Recharges	£127,427	£124,319
Exclusions Income	(£164,512)	(£160,500)
Inter-Authority Income	(£279,143)	(£272,335)
Contingency	£137,465	£146,112
Block transfer in & matching commitment	£91,791	£80,947
	<b>£859,735</b>	<b>£846,197</b>

## 4.0 POLICY IMPLICATIONS

High Needs pressures will impact on the Delivering Best Value programme.

## 5.0 FINANCIAL IMPLICATIONS

- 5.1 The financial aspects outlined throughout this paper have been developed in accordance with statutory financial regulations, and operational guidance relevant to the Dedicated Schools Grant (DSG) requirements.
- 5.2 The proposals included within this paper are theoretically intended to be funded from within the available DSG High Needs block allocation provided for 2026/27.
- 5.3 However, projected costs for all anticipated demands on High Needs funding, as shown in **Appendix A**, total to a gross estimate of £40.589m, a substantial amount in excess of the gross High Needs allocation of £31.877m. Significant expansions in numbers of, and numbers at, resource bases, increasing numbers and (particularly) costs of out-of-borough provision, increases in numbers and value of EHCP (Education & Health Care Plan) assessments are all contributory factors in generating an initial forecast shortfall of £8.71m (In 2025/26 we had an initial gap of £9.47m).

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence**

To ensure that in Halton children and young people are safeguarded, healthy and happy, and receive their entitlement of high quality services that are sensitive to need, inclusive and accessible to all.

### **6.2 Building a Strong, Sustainable Local Economy**

To create an economically prosperous Borough that encourages investment, entrepreneurship, enterprise and business growth, and improves the education, skills and employment prospects of our residents and workforce so they can share in all the opportunities Halton affords.

### **6.3 Supporting Children, Young People and Families**

It is essential that sufficient funding is available to support all children and young people, irrespective of their level of need.

### **6.4 Tackling Inequality and Helping Those Who Are Most in Need**

High Needs budgets are key to improving outcomes for those children in greatest need.

### **6.5 Working Towards a Greener Future**

None

### **6.6 Valuing and Appreciating Halton and Our Community**

None

## **7.0 RISK ANALYSIS**

Failure to comply with the statutory financial regulations and operational guidance relevant to Dedicated Schools Grant (DSG) requirements could result in formal intervention by the Department for Education (DfE)

## **8.0 EQUALITY AND DIVERSITY ISSUES**

The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

None

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Background papers and further information, including the statutory guidance that has informed this report, can be obtained via Gov.uk

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## Appendix A High Needs Commitments 2026/27

			2026/27 GROSS BUDGET
Resource Units	<i>Primary</i>		
	Weston Point (A)	EBD	£93,184
	Halton Lodge (A)	SEMH	£112,350
	The Brow (M) 1	KS1 Assessment	£165,476
	The Brow (M) 2	KS2 SPL	£316,585
	Woodside (M) 1	EBD	£84,544
	Woodside (M) 2	KS1 SEMH	£106,176
	Beechwood (M)	SEMH	£265,320
	Kingsway (A) 1	KS1/2 ASD	£265,320
	Kingsway (A) 2	KS1/2 ASD	£156,874
	Oakfield (M) 1	KS1 Assessment	£126,972
	Oakfield (M) 2	KS2 SPL	£185,808
	Oakfield (M) 3	KS1 SLCN	£119,448
	Oakfield (M) 4	KS2 SLCN	£126,694
	Palace Fields (A)	SPL	£132,720
	The Grange (A)	KS1/2 ASD	£312,525
	Astmoor (M) (1)	KS1 SEMH	£128,688
	Astmoor (M) (2)	KS2 SEMH	£144,774
	St Basil's (M) 1	EYFS Assessment	£167,426
	St Basil's (M) 2	EY/KS1 Assessment	£118,253
	Victoria Road (M) 1	KS1 SEMH	£138,350
	Victoria Road (M) 2	KS2 SEMH	£153,188
	Westfield (M) 1	KS1 SLCN	£148,011
	Westfield (M) 2	KS2 SLCN	£140,765
	<i>Secondary</i>		
	The Grange (A)	KS3/4 ASD	£325,658
	Sts Peter & Paul (M) 1	KS3/4 ASD	£60,484
	Sts Peter & Paul (M) 2	KS3 (Oratory) ASD	£187,522
	Sts Peter & Paul (M) 3	KS4 ASD (Sept 26)	£73,659
	Blessed Carlo Acutis	HDU	£69,788
			<b>£4,267,417</b>

<b>Special Schools</b>	Ashley (M)	L1	£1,612,856
		L2	£511,520
		L3	£892,320
	Chesnut Lodge (M)	L1	£311,402
		L2	£318,162
		L3	£1,700,440
	Brookfields (A)	L1	£160,848
		L2	£1,389,895
		L3	£1,623,645
	Cavendish (A)	L1	£450,892
		L2	£1,158,768
		L3	£890,016
	Cavendish (A)	Exceptional	£51,000
Raise (F)			£954,360
Ashley			Individual Pupils
			£28,115
Chesnut Lodge			Individual Pupils
			£50,197
Brookfields			Individual Pupils
			£43,982
Cavendish			Individual Pupils
			£153,739
			<b>£12,302,157</b>

<b>Pupil Referral Units</b>	The Bridge	L1	£2,787,642
	The Bridge	Exceptional	£40,745
			<b>£2,828,387</b>

EHCP Top-Ups	Primary (Maintained)	£2,658,594
	Secondary (Maintained)	£186,605
	Primary (Academy)	£1,097,207
	Secondary (Academy)	£1,030,829
	£4,973,235	

<b>Other</b>	Out of Borough Placements	£10,626,160
	Post-16 Further Education Colleges	£3,147,225
	Speech Therapy	£120,000
	SEN Support Services	£2,280,293
	Support for Inclusion	£44,600

<b>TOTAL EXPECTED HIGH NEEDS COMMITMENTS 2026/27</b>	<b>£40,589,474</b>
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