



Essex County Council

School Funding Consultation 2026/27

SEPTEMBER 2025

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Overview

This consultation has been considered by Schools Forum and covers the following:

- The requirement to adhere to the Schools National Funding Formula (NFF), which has been approved by Schools Forum; and
- A transfer from the Schools Block to the High Needs Block, this has not been approved by Schools Forum and therefore Essex County Council is taking forward this element of the consultation.

The consultation is for all primary and secondary schools, both maintained and academies. The Essex Formula for Funding Schools 2026/27 will calculate budget allocations for maintained schools between April 2026 and March 2027 and academies between September 2026 and August 2027.

Why We Are Consulting

The Authority must hold a consultation with schools on any changes to the Essex Formula for Funding Schools. Whilst the Authority does not know if any changes are required at the current time, all mechanisms available to ensure the Essex Formula remains affordable must be consulted on.

We are also seeking the views of schools on the proposal to transfer 1% from the Schools Block to the High Needs Block in 2026/27 due to demand increasing at a higher rate than the grant funding awarded to the authority by the Department for Education (DfE).

Introduction

Due to the Comprehensive Spending Review in June 2025 the provisional Dedicated Schools Grant (DSG) funding settlement for 2026/27 has been delayed. The settlement is usually announced at the start of the school summer holidays. Whilst the DfE did announce a delay, there has been no indication as to when the provisional settlement will be announced.

Even though there is a delay in announcing the provisional settlement, the DfE is not expected to extend the 2026/27 budget setting timetable. The Authority must therefore proceed with consulting with schools as the timetable will be very tight once the provisional settlement is known. The consultation document is written to this effect.

This consultation document also outlines the rationale and proposal for the Authority to seek approval for a proposed 1% transfer from the Schools Block to the High Needs Block, which requires approval from the Secretary of State. The proposal needs to be submitted to the Secretary of State by 17 November 2025.

To lessen the burden on schools the Authority proposes to conduct one consultation for 2026/27, unless there are significant changes within the provisional settlement that require a further consultation.

Essex Formula for Funding Schools

The Authority will need to comply with the following rules to determine budget allocations for schools for 2026/27:

- setting the value for each funding formula factor within the allowed minimum / maximum values;
- implementing the set minimum per pupil level: and
- setting the minimum funding guarantee within the allowed limit.

Minimum / Maximum Allowable Local Factor Values

Since 2023/24 in preparation for the introduction of the Direct NFF, where the DfE will calculate school budget allocations, local authorities have been required to move their local formula factor values at least 10% closer to the NFF factor value.

Local authorities that set their local factor values within 2.5% of NFF factor values are deemed to be mirroring the NFF. Essex mirrors the NFF for all factors.

Table 1 shows for primary schools in 2025/26 the minimum and maximum values which are +/- 2.5% of the NFF value uplifted by the area cost adjustment for Essex. It can be seen that Essex funded schools at minimum value allowed, with the exception of the basic entitlement which is £23 above the minimum point.

Primary	Minimum Allowed	Mid-Point 2025/26	Maximum Allowed	Essex Value
Primary basic entitlement	3,764.67	3,861.20	3,957.73	3,787.88
Primary FSM	484.41	496.83	509.25	484.41
Primary FSM6	1,037.31	1,063.91	1,090.51	1,037.31
Primary IDACI F	229.97	235.87	241.76	229.97
Primary IDACI E	278.90	286.05	293.20	278.90
Primary IDACI D	435.48	446.64	457.81	435.48
Primary IDACI C	479.51	491.81	504.10	479.51
Primary IDACI B	508.87	521.92	534.97	508.87
Primary IDACI A	670.34	687.53	704.72	670.34
Primary EAL3	582.27	597.20	612.13	582.27
Primary LPA	1,149.85	1,179.34	1,208.82	1,149.85
Primary mobility	944.35	968.56	992.77	944.35
Primary lump sum	141,994.53	145,635.42	149,276.30	141,994.53
Primary sparsity	56,171.51	57,611.81	59,052.10	56,171.51
Primary Split Site Basic Eligibility	52,844.28	54,199.26	55,554.24	52,844.28
Primary Split Site Distance	26,422.14	27,099.63	27,777.12	26,422.14

Table 2 shows for secondary schools the minimum and maximum values for 2025/26 which are +/- 2.5% of the NFF value uplifted by the area cost adjustment for Essex. It can be seen that Essex funded schools at the minimum values allowed, with the exception of the KS3 and KS4 basic entitlement, with the KS3 basic entitlement just above the minimum value allowed and the KS4 basic entitlement closer to the mid-point value.

Secondary	Minimum Allowed 2025/26	Mid-Point 2025/26	Maximum Allowed 2025/26	Essex Value 2025/26
KS3 basic entitlement	5,305.96	5,442.01	5,578.06	5,307.53
KS4 basic entitlement	5,982.17	6,135.56	6,288.95	6,108.97
Secondary FSM	484.41	496.83	509.25	484.41
Secondary FSM6	1,521.72	1,560.74	1,599.76	1,521.72
Secondary IDACI F	332.72	341.25	349.79	332.72
Secondary IDACI E	440.37	451.66	462.95	440.37
Secondary IDACI D	621.41	637.34	653.28	621.41
Secondary IDACI C	680.13	697.56	715.00	680.13
Secondary IDACI B	729.06	747.75	766.44	729.06
Secondary IDACI A	929.67	953.51	977.34	929.67
Secondary EAL3	1,560.86	1,600.89	1,640.91	1,560.86
Secondary LPA	1,746.80	1,791.59	1,836.38	1,746.80
Secondary mobility	1,355.36	1,390.11	1,424.86	1,355.36
Secondary lump sum	141,994.53	145,635.42	149,276.30	141,994.53
Secondary sparsity	81,615.05	83,707.75	85,800.44	81,615.05
Secondary Split Site Basic Eligibility	52,844.28	54,199.26	55,554.24	52,844.28
Secondary Split Site Distance	26,422.14	27,099.63	27,777.12	26,422.14

The minimum / maximum values are one method the Authority has available to ensure the requirements of the Schools NFF are met by adjusting values within the allowed range.

KS3 / KS4 Basic Entitlement Weighting

To reflect the additional costs of key stage 4 the basic entitlement is weighted compared to the key stage 3 basic entitlement. The current weighting in Essex is 1.01:1.183, whereas the weighting used in the NFF is 1:1.128.

The Authority has previously been required to reduce the weighting to be able to set a KS4 basic entitlement value within the maximum value allowed.

Minimum Funding Guarantee

The minimum funding guarantee (MFG) protects schools from excessive year-on-year changes. In 2025/26 local authorities could set the MFG between -0.5% and 0% per pupil.

Essex set the MFG at -0.5% for 2025/26. Depending on the funding allocated for 2026/27 an option available to the Authority to ensure the requirements of the NFF are met is to set the MFG within the parameters allowed.

Capping and Scaling

To ensure the local formula is affordable local authorities can choose to cap any gains schools receive. Capping and scaling must be applied on the same basis to all schools, but cannot be applied to new schools that have opened in the last 7 years and have not reached their full number of year groups.

Local authorities in consultation with their Schools Forum must determine whether and how to limit gains. Capping and scaling cannot take a school below the minimum per pupil level and must be set at least as high as the MFG threshold to ensure schools retain any gains due through MFG.

An example of where capping could be needed is where there is insufficient funding in the schools block to set the basic entitlement at or above the minimum value allowed. This can occur where the cost of protecting schools through the minimum funding guarantee and the minimum per pupil level is high. The use of capping will allow sufficient funding to set an allowable basic entitlement value.

Table 3 shows an example of how capping works. For example, if the Authority sets the maximum amount a school can gain at 3% capping works as shown in Table 3.

School	2024/25 £	2025/26 £	% Change	3% Threshold £	Reduction £
School A	1,000,000	1,090,000	9%	1,030,000	60,000
School B	750,000	771,000	2.8%	772,500	0
School C	500,000	522,500	4.5%	515,000	7,500
School D	1,200,000	1,236,000	3%	1,236,000	0

London Weighting

To reflect the additional costs of schools in the London fringe area, London weighting is applied to all pupil-led factors, the lump sum, sparsity and the splits site factor.

Prior to 2024/25, local authorities could choose between 2 different values for the London weighting multiplier, either 1.0156 or the ratio of the area cost adjustment of the London fringe and non-London fringe zones, which for Essex is 1.0345.

From 2024/25 local authorities needed to move their London weighting multiplier closer to NFF and Essex moved the multiplier 10% closer to 1.0173.

The London Fringe multiplier was 1.0192 in 2025/26, so must move to a minimum of 1.021 in 2026/27.

Extreme Circumstances

In extreme circumstances where local authorities cannot set a schools budget within the funding available there are 2 actions that local authorities can take through agreement of the Secretary of State:

- To set the values for the Minimum per Pupil Level (MPPL) below the set amount.
- To set the value of the minimum funding guarantee (MFG) lower than the minimum amount.

Whilst the Authority is not expecting to be in extreme circumstances of not affording the schools budget, we need to consult on these options in case funding is not sufficient. Funding MPPL below the set amount will impact on schools that receive MPPL, which is 131 in 2025/26. Similarly lowering MFG impacts on schools either receiving MFG protection, 304 schools in 2025/26, or those schools close to needing MFG protection.

Question 1 – Do schools agree the Authority uses any or all of the following mechanisms, where necessary, to ensure the affordability of the Essex Formula for Funding Schools

- Setting formula values where necessary within the minimum / maximum range allowed.
- Adjusting the basic entitlement weighting between KS3 and KS4.
- Increasing the London Weighting multiplier 10% closer to NFF.
- To cap school gains above the level approved by Schools Forum.
- In exceptional circumstances to seek Secretary of State approval to fund MPPL below the set level.
- In exceptional circumstances to seek Secretary of State approval to set MFG below the minimum allowed.

Schools Block (SB) Transfer to the High Needs Block (HNB)

The Proposal for Transferring 1% in 2026/27

Background and Context

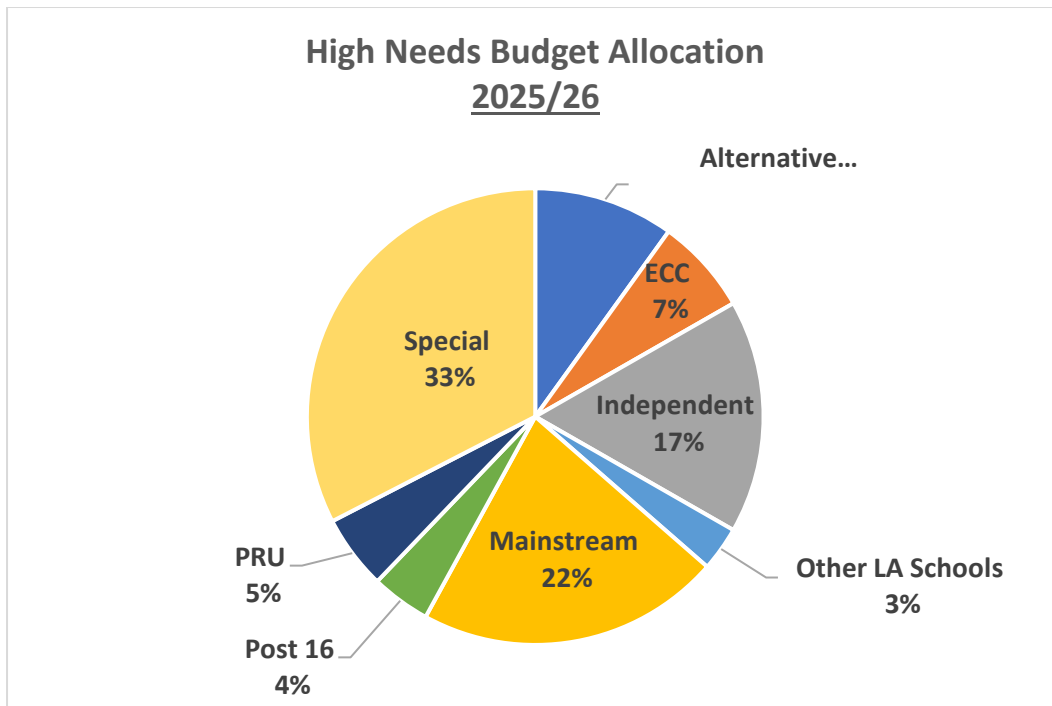
Essex working in partnership with schools has a vital role in supporting children with SEND to achieve the best possible educational and other outcomes. However, the system is driving the volume which along with funding constrained, makes it very difficult for the Authority administering the system.

The Authority does not believe the composition of the High Needs National Funding Formula funds the increased demand appropriately. The National Funding Formula also fails to recognise the interaction between the SB and the HNB. There needs to be sufficient funding for all funding blocks which would prevent the need to move funding between blocks.

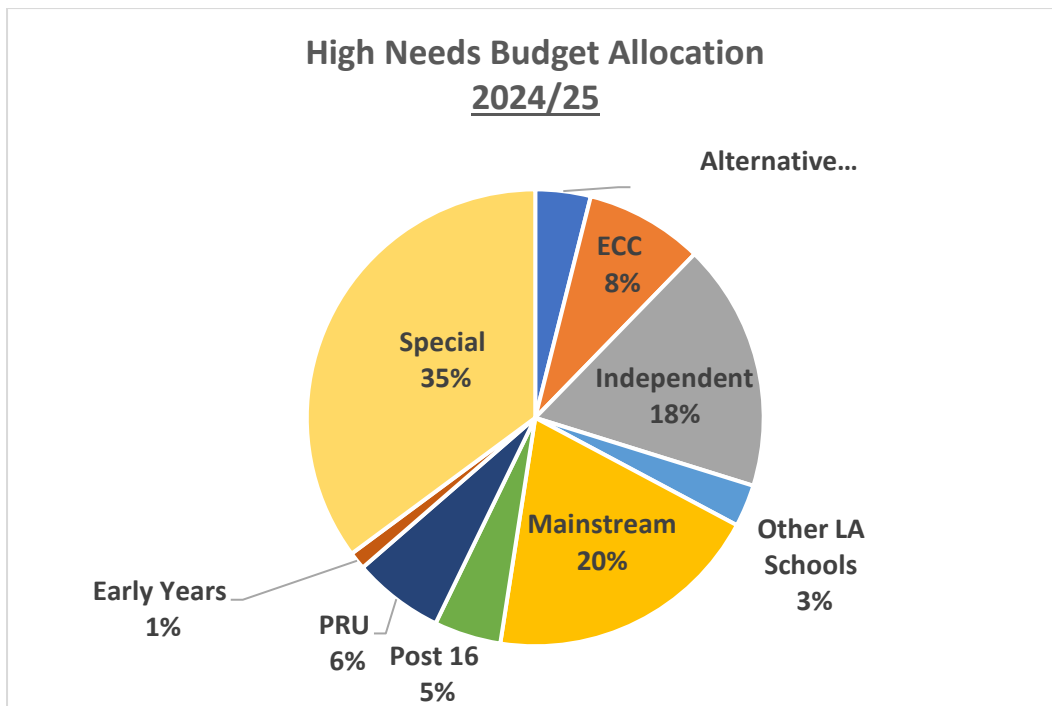
The Authority will continue to work with local MPs, the Local Government Association, the Chartered Institute of Public Finance and Accountancy, the Ministry of Housing, Communities and Local Government and the Department for Education to lobby the Treasury for additional funding for the HNB.

The Authority has recently joined f40 which was established to campaign on fairer funding for the lowest funding authorities. The group also campaigns for additional school and high needs funding and is lobbying for major reform and investment in SEND. There are 44 local authorities within the group.

In 2025/26 £222.96m of High Needs Funding post-recoupment and a further £12.5m transfer from the Schools Block and a £1m one-off transfer from the Central Schools Service Block is available to fund High Needs. **Chart 1** shows how this funded is to be allocated in 2025/26.

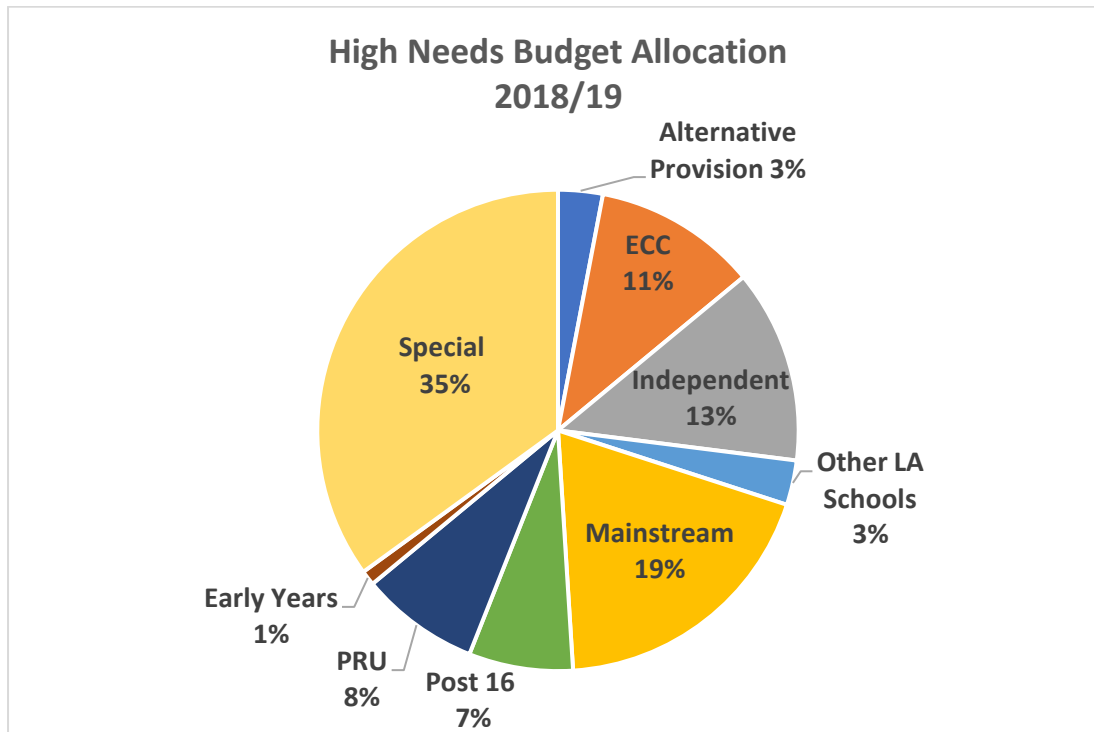


In comparison, **Chart 2** sets out how the HNB was allocated in 2024/25.



From the charts above it is noted that the proportion of High Needs costs for Alternative Provision has increased from 4% to 10% and costs for Mainstream have increased from 20% to 22%. The proportion of the High Needs Block budget incurred by Special and Mainstream have seen small proportional decreases of 2% and 1% respectively.

To understand the composition of costs across the HNB over time **Chart 3** sets out where costs were incurred when a block transfer was made in 2018/19. It can be seen that Special schools were higher in 2018/19 when compared to 2025/26 at 35% with mainstream 3% lower in 2018/19. The proportion of funding incurred on Independent schools has increased by 4% and the funding retained by ECC has decreased by 4%.



Previous Movements between Blocks and the Pressures that were Covered by the Movement

Table 4 shows previous movements between blocks.

Financial Year	Schools Block £m	High Needs Block £m	Central School Services Block £m	Early Years Block £m
2015/16	(1.6)	1.6	0	0
2016/17	(4.6)	1.6	0	3.0
2017/18	(1.6)	1.6	0	0
2018/19	0	0	0	0
2019/20	(4.3)	4.3	0	0
2020/21	0	0	0	0
2021/22	0	0	0	0
2022/23	0	0	0	0
2023/24	0	0	0	0
2024/25	0	0	0	0
2025/26	(12.5)	13.5	(1.0)	0
Total	(25.6)	22.6	(1.0)	3.0

There were no movements between blocks between 2020/21 and 2024/25.

In 2015/16 the £1.6m movement to the HNB was to fund the pressure created from the incremental growth of 197 places in Essex special schools. This prevented additional expenditure as it prevented pupils going into more expensive Independent School Provision. In 2015/16 the HNB over spent by £512,000.

In 2016/17 there was an additional £1.6m movement to the HNB to fund the pressure in the Post 16 FE created from an increase from 123 places to 475 places. In 2016/17 the High Needs Block over spent by £325,000. The £3m transfer to the Early Years Block was needed due to the insufficient early years guaranteed unit of funding. The Early Years Block was £3m over spent at the end of 2016/17.

For 2017/18 the Authority reported to Forum that there was a £4.9m pressure on the High Needs Block primarily around the incremental growth in Essex special school places (184 places) and an increase in Post 16 FE places (73 places). It was agreed to move a further £1.6m from the Schools Block to the High Needs Block. The High Needs Block over spent by £2.9m in 2017/18.

For 2018/19 the Authority chose not to request a transfer from the Schools Block. At the January 2018 meeting it was reported that there were financial pressures of £4.3m, which the Authority would attempt to mitigate. The High Needs Block over spent by £1m in 2018/19.

In 2019/20 the Authority asked Schools Forum to approve a 0.5% transfer from the Schools Block, £4.3m, due to a forecast £4.8m over spend. Schools Forum did not approve the transfer so a disapplication request was submitted to the Secretary of

State who did approve the 0.5% transfer to the High Needs Block. The High Needs Block over spent by £8.5m resulting in a cumulative deficit of £10.1m.

The Authority re-organised the Specialist Teachers team and overall reduced central expenditure within the High Needs Block by £2m. At the same time, the Government significantly increased the funding within the High Needs Block and Essex received increases of 11.5% or above for 2021/22, 2022/23 and 2023/24.

In 2024/25, the High Needs Block allocation was subject to a funding cap, limiting the increase to 5%. This resulted in additional funding of £12.3 million. However, expenditure rose by 17% compared to 2023/24, equating to a total cost increase of £39.1 million. Consequently, the HNB overspent by £23 million during the year and reported a cumulative deficit of £11.6 million.

In 2025/26 the Block is reporting an overspend of £19.1million. Without the Block transfers of £13.5m in 2025/26 the in year deficit would be £32.6m. This clearly demonstrates the necessity for the block transfer in limiting financial pressures and contributing to the overall sustainability of the High Needs Block.

The key pressures and high growth budgets are shown in **Table 5**

	Budget Increase from 2024/25 £m	2025-26 Overspend £m
Special Schools Top-up – due to an increase in volume and cost of placements.	5.7	4.3
Independent Schools – due to an increase in cost and volume of placements	5.5	1.6
Top-up Funding Mainstream Schools - due to an increase in volume of EHCPs.	5.3	6.3
Individual Packages of Education Support – due to an increase in pupils not in a school setting who access education through tuition services within the IPES framework.	4.4	2.6
Enhanced Provision – due to an increase in volume and top up	2.0	1.0
Essex Pupils attending other local authority schools – due to an increase in the volume of placements and an increase in cost of placements.	1.3	1.8
IPRA – increase in volume	0.8	1.5
	25.0	19.1

Why the block movements have not been adequate to mitigate cost pressures

The transfers between the Schools Block and the High Needs Block in 2015/16 and 2016/17 contained the pressures the transfers were made for.

The transfer in 2017/18 was based on the historic £1.6m transfer that had occurred in the previous two financial years and was to ensure schools received an increase in the basic entitlement. There was an insufficient increase in the Schools Block to allow a transfer for the full pressure of £4.9m.

Due to the ongoing funding pressures schools had faced the decision was made not to seek a transfer in 2018/19 despite pressures on the High Needs Block (£4.3m).

Due to an increase in funding and a reduction in the specialist teacher teams the High Needs Block under spent in 2020/21 and moved into a surplus position in 2021/22. A surplus position has been maintained through to the start of 2024/25, although there was a £2.2m over spend in 2023/24. Therefore, no requests have been sought to transfer funding from the Schools Block.

The 2024/25 financial year concluded with an in-year pressure of £23 million, resulting in a residual deficit of £11.6 million. In 2024/25 the High Needs Block continued to experience significant cost pressures, particularly in the following areas: Mainstream SEN Top-Ups (£8.9 million), driven by the rising number of Education, Health and Care Plans (EHCPs); Special Schools (£5.3 million), due to increased volumes and higher Top-Up costs; Alternative Provision (£4.4 million); and Post-16 placements (£2 million) also impacted by growing demand.

The block is vulnerable to further adverse movements on the deficit as increases in the volume of EHCP's, the cost of Top Ups and provision in Independent Schools result in additional cost pressures that are not met through the funding settlement. It was forecast in 2024/25 that DSG would be in a deficit position at 31st March 2026. The current forecast on the HNB indicates that the overall DSG position will have worsened and will almost certainly be in deficit in the 2025/26 financial year.

Budget pressures in 2025/26 and beyond

Education, Health and Care Plans

When the original request for a Schools Block transfer was made in November 2018 there were 8,759 EHCPs. By the end of 2024/25 the volume of EHCP's had increased to 14,087 with a further projected increase to 15,410 in 2025/26. This represents a 75.9% increase since November 2018. The forecast to 2029/30 is a further increase to 20,565 EHCPs, an increase of 33.5% from 2025/26.

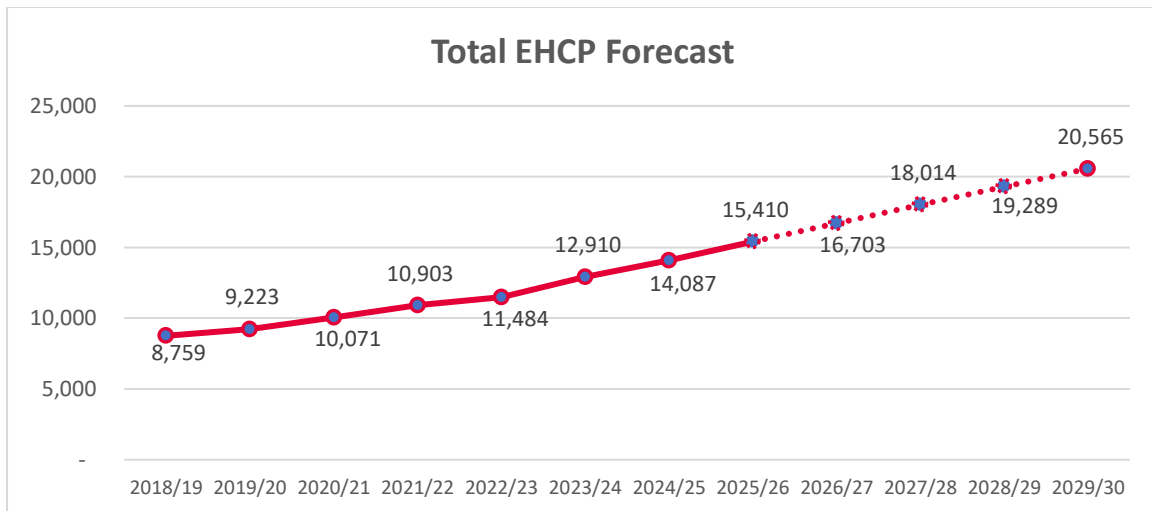


Chart 5 shows the growth in EHCPs across both mainstream and special school settings. While the number of EHCPs is rising in both settings, the rate of increase in mainstream schools continues to outpace that of special schools. This trend is projected to accelerate further by 2029/30, with the widening gap between the two lines indicating a sharper rise in mainstream EHCPs compared to 2025/26.

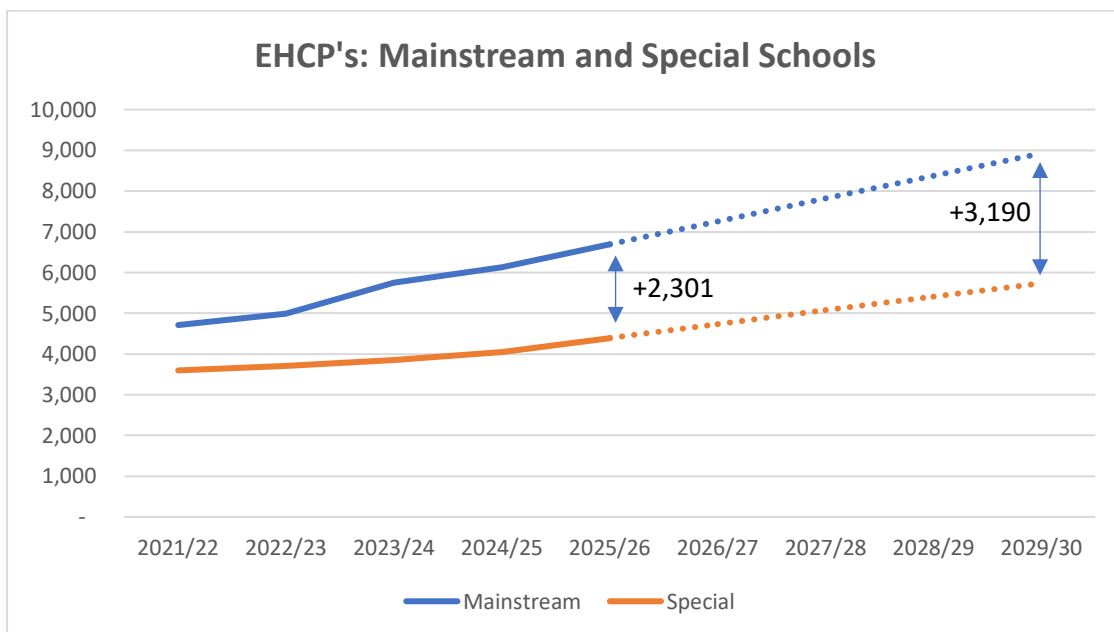
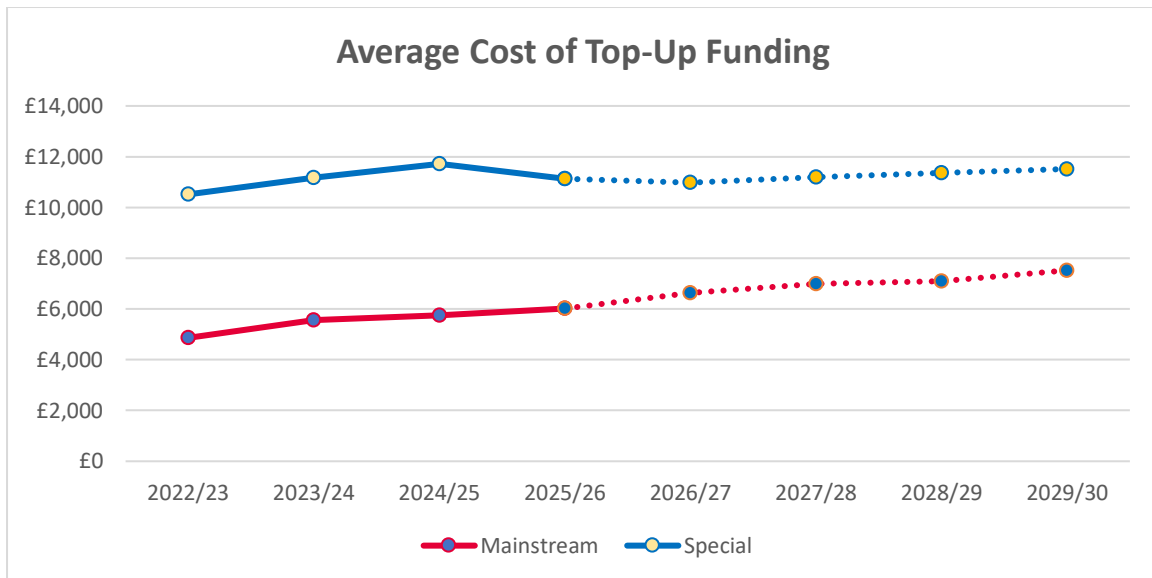


Chart 6 shows the average cost of Top-Up funding for both mainstream and special schools is projected to rise steadily through to 2029/30. Notably, the average cost of top ups in mainstream settings is forecast to increase by 25% over this period. This significant growth in unit cost, combined with the continued rise in the number of EHCPs in mainstream schools, is expected to drive substantial overall cost pressures.



Independent Schools

Chart 7 shows the forecast cost of Independent School placements. This stood at £28.9m in 2022/23 and is forecast to increase to £85.5m by 2028/29. This is an increase of 195% over this period.

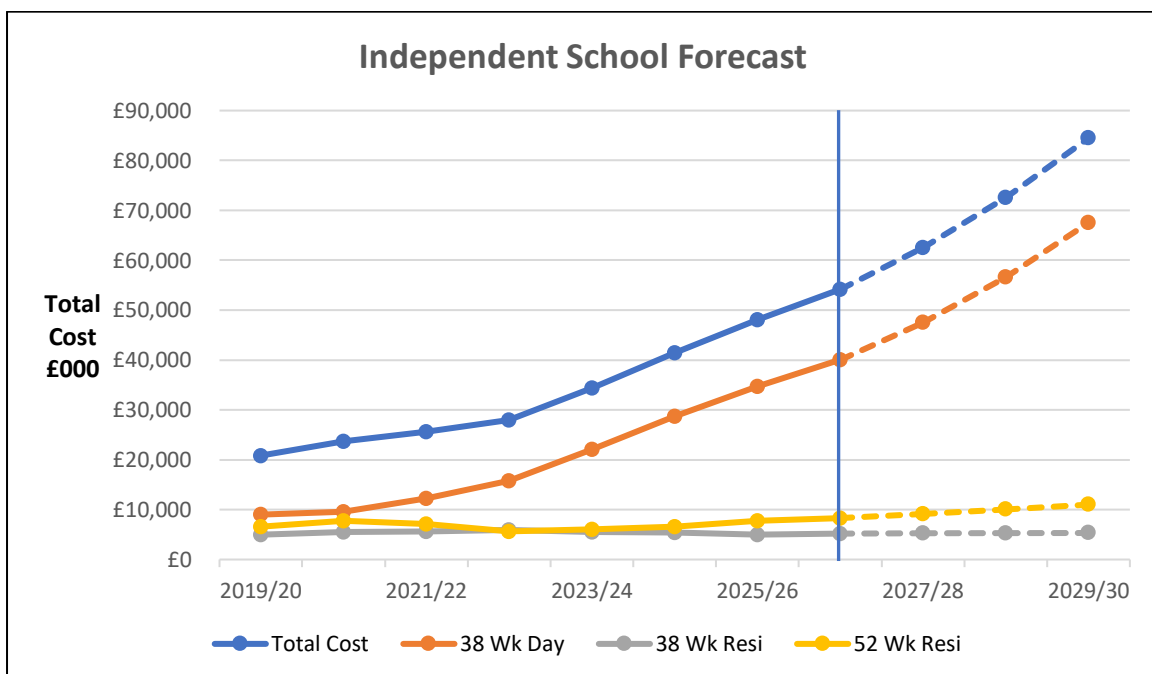


Chart 8 shows the growth in placements for independent schools where it can be seen there is significant growth forecast in 38 week day places. This is consistent with the trend in prior years.

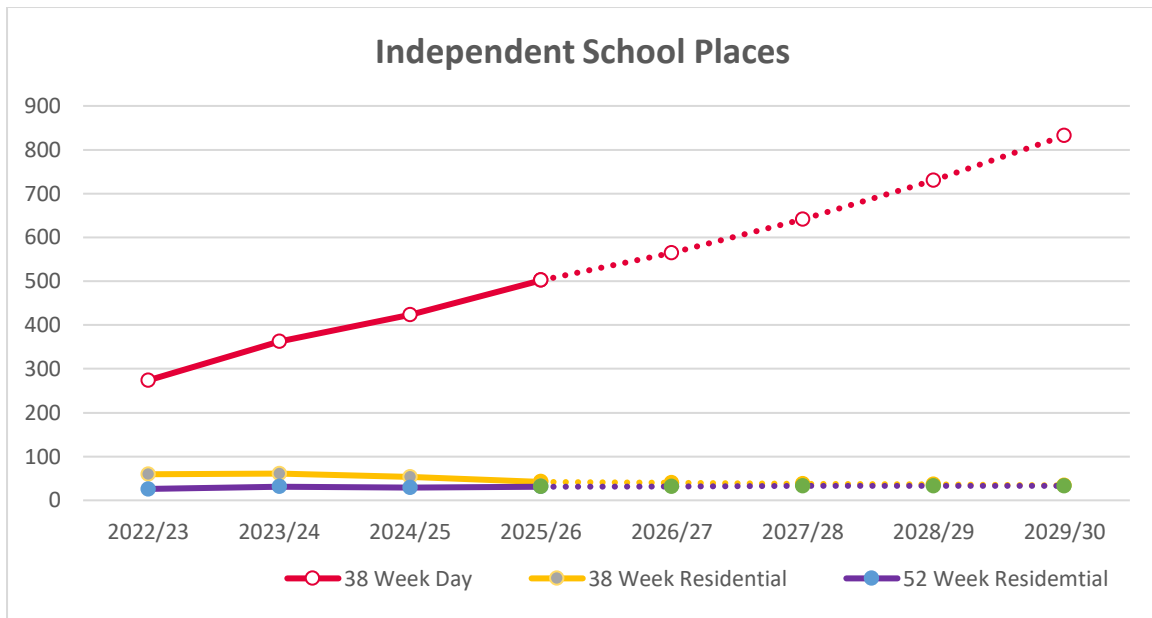
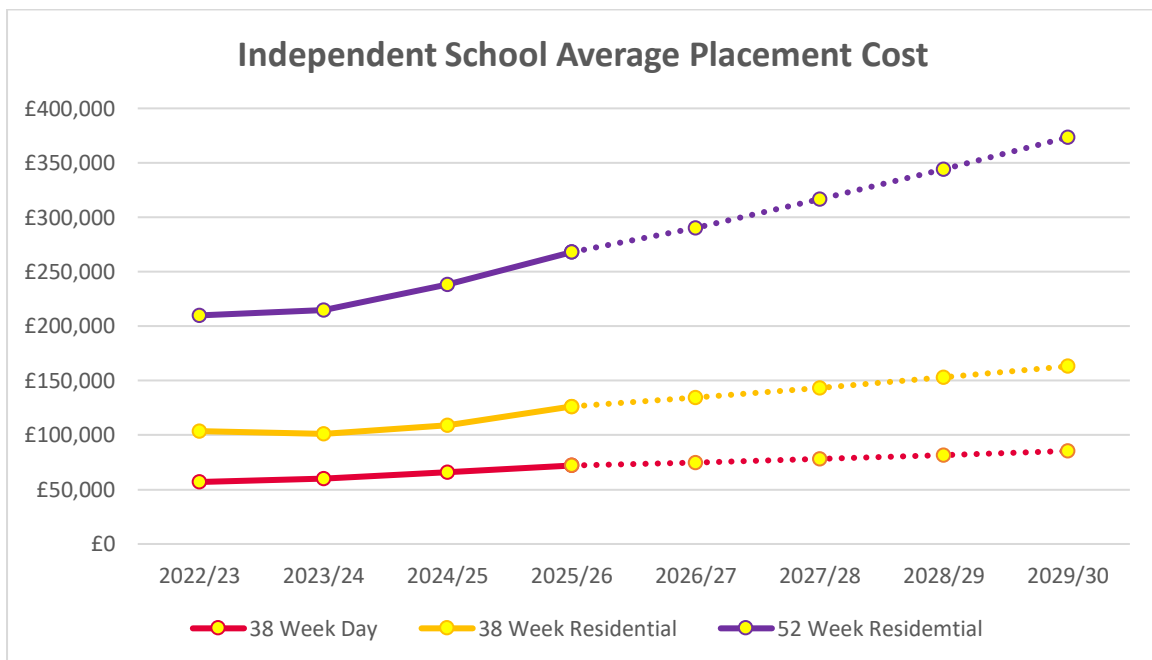


Chart 9 shows the average cost of independent placements is set out below. In addition to the steep growth rate in 38 week placement volumes the cost of these placements is forecast to increase by 18% by 2029/30 when compared to 2025/26. Furthermore, significant increases in unit costs are forecast for both 38 week and 52 week residential places. This is attributable to both inflationary cost pressures being faced by independent providers and the growing complexity of children's needs.



Individual Package of Education Support (IPES)

IPES supports pupils with EHCPs who are not in a school setting and pupils who are excluded from schools. Significant increases in demand for this provision has been experienced since 2022/23 with the rate of growth expected to increase through to

2029/30 as the needs of pupils are not met in the mainstream school setting and the volume of exclusions increase.

Chart 10 shows the forecast growth in cost for pupils with EHCPs accessing IPES provision.

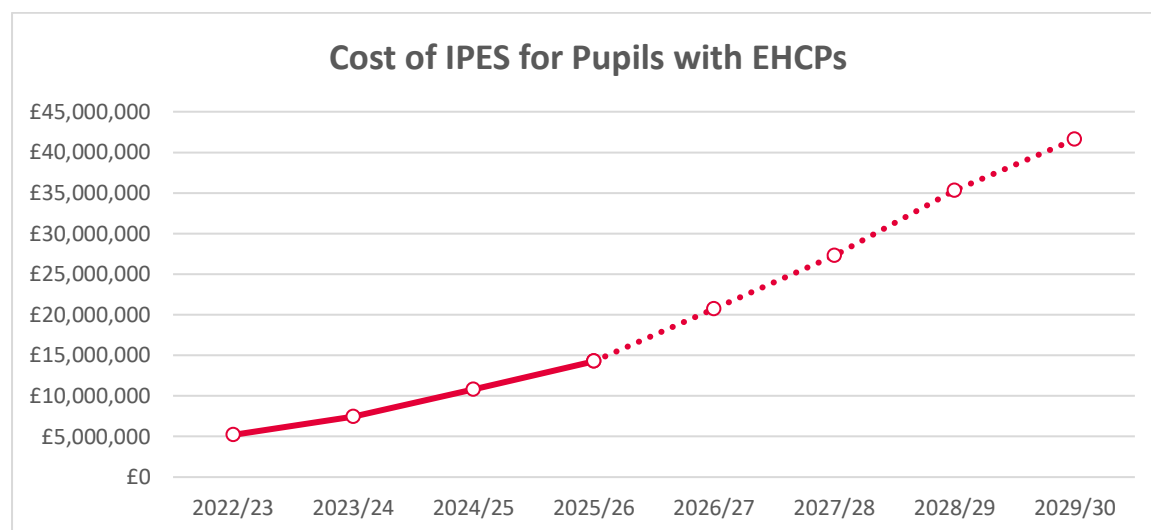


Chart 11 shows the forecast growth in the cost of excluded pupils accessing IPES provision. This is driven by the increased volume both permanent and fixed term exclusions and the limited available capacity at Pupil Referral Units. This has resulted in a greater reliance on this provision type.

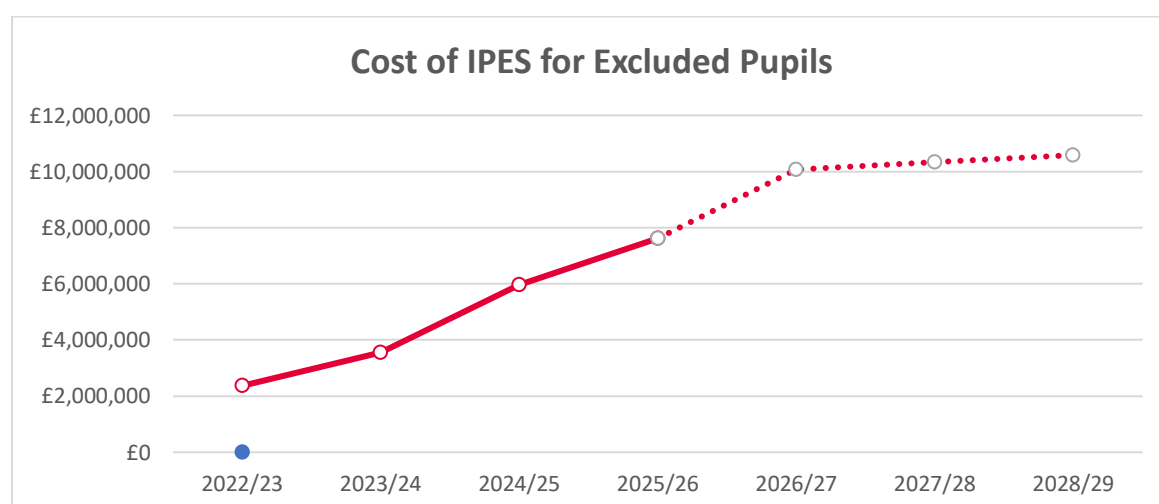
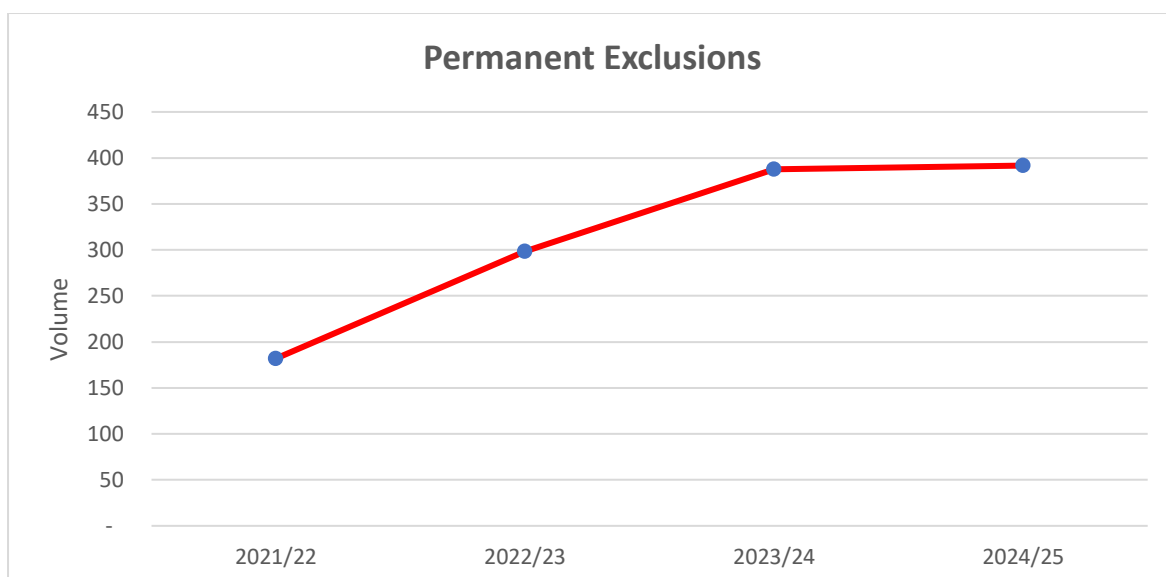


Chart 12 show the increasing levels of fixed term exclusions and permanent exclusions which are contributing to the increase in the cost of pupils accessing IPES provision.



Financial Implications

Table 6 shows the forecast High Needs Block position based on the forecast increase in demand, price and the increasing complexity of pupils.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Expenditure	294.0	329.9	363.0	396.8	434.4
Income	(261.4)	(269.2)	(277.3)	(285.6)	(294.2)
(Surplus) / Deficit	32.6	60.7	85.7	111.2	140.2
Block Transfers					
1% SB Transfer	(12.5)	0	0	0	0
CSSB	(1.0)	0	0	0	0
(Surplus) / Deficit	19.1	60.7	85.7	111.2	140.2
Balance b/fwd	11.6	30.7	91.4	177.1	288.3
Balance c/fwd	30.7	91.4	177.1	288.3	428.5

The Authority proposes the following to reduce the deficit in 2026/27:

1. To transfer 1% (c.£13.2m) from the Schools Block to the High Needs Block. It is to be noted that £13.2m is an estimate of a 1% and the financial value may change depending on the funding settlement.

Table 7 represents the forecast High Needs Block financial position including the above proposal.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Expenditure	294.0	329.9	363.0	396.8	434.4
Income	(261.4)	(269.2)	(277.3)	(285.6)	(294.2)
(Surplus) / Deficit	32.6	60.7	85.7	111.2	140.2
1% SB Transfer	(12.5)	(13.2)	(13.2)	(13.2)	(13.2)
CSSB	(1.0)	0	0	0	0
(Surplus) / Deficit	19.1	47.5	72.5	98.0	127.0
Balance b/fwd	11.6	30.7	78.2	150.7	248.7
Balance c/fwd	30.7	78.2	150.7	248.7	375.7

The Authority will continue to look to reduce expenditure. However, based on this forecast, the Authority will need to seek a Schools Block transfer on an annual basis

The impact on the transfer not being supported is:

- The Authority will need to make significant reductions in expenditure, in particular by reviewing Top-up Funding as well as other areas, which will reduce the amount of high needs funding paid to schools.

Whilst funding levels are currently unknown, **Table 8** shows the level of school balances. The Authority recognises that not all schools have high balances, however there is £171.3m in the system and 378 schools (68%) have balances above the DfE recommended limit. A review of school balances by the Schools Forum has been unable to identify why some schools hold very large balances.

Phase	No. of Schools	Maintained School Balances at 31/03/25 £000	Balances above DfE Limit	Academy Balances at 31/08/24 £000	Balances above DfE Limit	Total Balances £000
Nursery	2	408	1	0	0	408
Primary	447	36,108	136	47,092	153	83,200
Secondary	79	3,125	4	67,119	63	70,244
All-Through	2	0	0	2,507	1	2,507
Special	22	111	3	8,691	12	8,802
PRU	6	1,773	3	4,327	2	6,100
Total	556	41,525	147	129,736	231	171,261

How will the Transfer be Used

The Authority will continue to invest in early intervention strategies through the continuation of the inclusion strategy and outreach.

The Authority will continue to invest in enhanced provisions to provide additional capacity for specialist places in mainstream.

Action taken to Address the Over Spend

Schools Forum approved funding for the Inclusion Framework which enables schools to access pre-statutory funding to develop inclusive practice. An update report will be presented to Schools Forum in November that will cite a number of case studies where investment has supported the development of inclusive practices within the school. As schools have been able to meet pupil needs without an EHCP this has resulted in the avoidance of costs to the High Needs Block.

Schools Forum also agreed funding for Outreach in 2024/25. To recap, outreach is focussed on meeting needs in mainstream both at SEN Support and at EHCP to prevent escalation to special school; the outreach from PRUs is focussed on reducing permanent exclusions. As illustrated in Chart 12 above, there is some evidence to suggest that the rate of permanent exclusions are slowing.

The Authority has invested significant funding in the system as shown in **Table 9**.

Investment	£000	
SEND Assistance Plan	2,896	Funding to accelerate the pace of improvement in SEND statutory responsibilities.
Inclusion Strategy	2,029	
Assistant Education Psychologists	5,861	Included funding to fund award a contract for the processing of 2820 EHCP applications.
SEND Business Case*	1,307	A mix of intervention approaches from Early Years through to the Independent sector to limit demands on the HNB
Total	12,093	

* The SEND Business Case has not yet been approved.

SEND Strategy

The Councils priority is the continued focus and investment in the SEN system to enable a systemic change and support long-term sustainability rather than making cuts to individual budgets which may have adverse impacts.

We have invested in a SEN workforce via ECC funding and HNB which allows strategic as well as operational support to schools. We have strong special schools but increased pressure on their physical capacity is making that more challenging.

Our sufficiency intentions, sets out a plan to manage special school growth by reducing the numbers of children and young people with lower levels of need overtime as we work with mainstream schools to be better able to manage their needs locally. This will enable us to accommodate more children and young people with higher levels of need in special schools.

There are 4 key intentions in order to support SEND sufficiency:

1. Ensure Inclusive Mainstream Provision Implementation of the agreed Ordinarily Available Provision across all Essex mainstream schools, at universal and targeted levels will enable high quality inclusive teaching for all pupils.
2. Enhance the Mainstream Offer for Children and Young People with EHCPs
3. Review and redesign the Enhanced Provision Model
4. Enhance Special School Capacity Appropriately

Timeline to Setting School Budgets

- Consultation will be held with schools between Monday 29th September and Sunday 26th October.
- Results of the consultation will be presented to a joint FRG and HNRG on 10th November where the outcome of the consultation will be discussed along with the recommendations to take to Schools Forum.
- Schools Forum will be presented with the results of the consultation and the outcome of the discussion on 10th November along with the recommendations of the FRG and HNRG. Schools Forum will then decide whether or not to support the 1% transfer.
- Any disapplication request will be submitted to the Secretary of State by the deadline of 17th November. The disapplication will be updated after Schools Forum to update the outcome of Schools Forum's decision.
- The DSG final settlement is expected the week commencing 15 December.

- The DSG budget for 2026/27 will be presented to Schools Forum at the January meeting.

Impact of Transfer on School Budgets

The impact of a second consecutive schools block transfer has less of a financial impact on schools as the 1% transfer in 2025/26 will be delegated to schools in 2026/27. **Table 10** shows an example of how this could impact on schools.

	2024/25 £m	2025/26 £m	2025/26 Rebased £m	2026/27 £m
Schools Block	1,226.3	1,250.9	1,270.9	1,291.5
Increase		24.6	44.6	20.6
Delegation to Schools:				
Schools Block Allocation	1,226.3	1,250.9	1,270.9	1,291.5
Growth Fund	(7.1)	(4.5)	(4.5)	(4.5)
Falling Rolls Fund	(0.4)	(0.6)	(0.6)	(0.6)
Premature Retirement Costs	(1.2)	(1.2)	(1.2)	(1.2)
Transfer to HNB	0	(12.5)	(12.5)	(12.8)
Total Delegation	1,217.6	1,232.1	1,252.1	1,272.4[†]
Increase in delegation		14.5	34.5	20.3

Whilst the indicative impact for each school could be calculated based on the assumed growth in Table 10, the Authority is unaware how the DfE will choose to uplift each NFF factor and therefore due to so many unknowns at the current time it is not appropriate to model the impact.

Question 2 – Do schools support the proposal to transfer 1% from the Schools Block to the High Needs Block for the reasons set out in this paper?

[†] 2026/27 figures are for illustrative purposes only