



**Schools Forum**  
13 February 2025

**Report from the Strategic Director  
of Children and Young People**

**High Needs Block Budget 2025/26**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
<b>No. of Appendices:</b>	Appendix 1 – HNB Budget Allocation 2025/26 Appendix 2 – Movement in HNB Budgets 2025/26 Appendix 3 – Brent Proposed Banding 2025/26
<b>Background Papers:</b>	Prior Financial reports to Schools Forum.
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**1. Executive Summary**

- 1.1. This report informs Schools Forum of the detailed High Needs Block (HNB) budget for adoption in 2025/26.

**2. Recommendation**

- 2.1. That Schools Forum notes the report and agrees the HNB budgets as set out in Appendix 1.

**3. Contribution to Borough Plan Priorities and Strategic Context**

- 3.1. This report is linked to the Council's Borough Plan which aims to support children and young people to get the best start in life, by working in partnership with schools and other partners to ensure access to education is fair and equal.

**4. Background**

- 4.1. The DfE's HNB funding has been confirmed at £90.3m for 2025/26. This is £5.3m more than that received in 2024/25 and represents an increase of 6%.

- 4.2. In addition, the Schools Forum has approved a Schools Block transfer of 0.5% totalling £1.5m. This brings the total funding for the HNB in 2025/26 to £91.8m.
- 4.3. £9.5m of the total HNB funding will be recouped by the Department for Education (DfE) to be paid directly to Academies for their base funding, leaving a balance of £82.3m.

## **5. Changes to the 2025/26 High Needs Block budget**

- 5.1. Where the number of places within special provisions has changed, the place funding and top up funding budgets have been changed accordingly. These can be seen in Appendix 1.
- 5.2. The budget assumes that the top up banding rates will remain the same for the Pupil Referral Units (PRUs), and special schools. Following agreement at the November Schools Forum, the banding rates for mainstream schools have been adjusted for rounding. Three bands have been rounded down and two have been rounded up with a negligible financial impact on the overall funding allocated to schools and colleges. These rates can be seen in Appendix 3.
- 5.3. The rates for Additionally Resourced Provisions (ARPs) have remained the same for the purpose of setting a balanced HNB budget for 2025/26. However, the local authority plans to consult on the use of a Resource Allocation System for the funding of ARPs and non-statutory early years funding from the HNB. The consultation, which was initially planned for January 2025, has been delayed and anticipated to commence later this spring. This will be informed by modelling of the impact of proposed rates and benchmarking information. A report will be brought to Schools Forum after the proposed consultation has been completed.
- 5.4. The DfE has announced that three separate grants received in 2024/25, TPAG (The teachers' pay additional grant), TPECG (Teachers' Pension Employer Contribution Grant) and CSBG (Core Schools Budget Grant) will be paid as a separate CSBG in 2025/26.
- 5.5. Further information about the distribution of additional funding to compensate employers for the planned increase in their National Insurance Contributions from April 2025 will be published by the government in spring 2025.
- 5.6. As the historic teachers' pay and pensions grant for special schools and PRUs has been rolled into the High Needs funding that the LA receives, a £0.683m budget allocation has been set aside to continue to pass this grant on to these settings, at the same rate provided by the DfE of £660 per place.
- 5.7. Additional cost pressures seen in 2023/24, for which a 3.4% funding increase was made available, equivalent to the mainstream schools' additional grant

(MSAG), continues to be allocated to special schools and PRUs. £1.2m has been set aside to account for this cost.

- 5.8. There are increases in the overall top-up funding allocations for special schools and mainstream pupils both in and out of the borough. These budget increases reflect the rise in demand through increased commissioned places and the spending patterns of previous years. In total £3.6m of the increased HNB funding has been allocated in response to the demand against these lines.
- 5.9. The HNB budget includes funding allocation of £0.730m for three new ARPs that are expected to be in operation from September 2025, however the start date may be delayed subject to completion of building works. The budget also includes an allocation of £0.255m for the Sunshine ARP based at Willow Family Wellbeing Centre.
- 5.10 The recoupment budget is an income budget which offsets expenditure related to pupils from other boroughs, inclusive of administrative charges. This budget has been set at £3.7m in line with the current year's forecast and projected demand for 2025/26.
- 5.11 The budget for funding the education element of the cost of placing children in independent residential special schools has reduced by £0.1m, in line with current forecasts. To balance the budgets, the £10.4m has been allocated for the education element of the cost of children placed in independent day special schools. This budget is likely to overspend in the next financial year given the current forecast projection of £11.3m and a forecast growth of 7%.
- 5.12 Due to the nature of the charging process for post-16 provisions, there is a challenge to provide accurate forecasts for this service. The budget has been set in line with the best estimate of the current financial year's forecast and last year's budget of £5.0m.
- 5.13 A zero-based budget setting approach has been applied to the budgets for SEN Services. This area has seen a budget increase mainly due to aligning staffing costs to current agreed establishments and allocating a 3% increase in pay award for 2025/26. There is also an increase from a change in the Speech and Language Therapy contract which is funded from this budget, due to expected increased demand and the extension of the contract to include provisions for children placed in ARPs from April 2025.

## **6.0 Stakeholder and ward member consultation and engagement**

- 6.1 This Schools Forum, a representative group of schools and settings, is regularly kept abreast of schools' budgets, including the Management Plan to address the deficit arising from the High Needs Block of the DSG. The Lead Member for

Children, Young People and Schools is regularly updated on matters related to the DSG including Special Educational Needs and Disability (SEND).

- 6.2 The Schools Forum subgroup for the High Needs block of the DSG met on 7 February 2025 to discuss the HNB budget, and the final detailed budget is provided in Appendix 1.

## **7.0 Financial considerations**

- 7.1 The budget aims to achieve an in-year balance between expenditure and income and does not reduce the forecast deficit that will be brought forward from 2024/25 with a current projection of £13.6m.

- 7.2 The available resources have been allocated within the constraints of the funding for the provision of SEND, with a budgetary gap of £1.1m that has been mitigated by setting a tight budget against the independent day special budget line, with the intention to place more children in settings within the borough instead.

- 7.3 The main risk against the HNB budget remains the rising number of children and young people with Education, Health and Care Plans (EHCP). In Brent, as of December 2024, there were 3,435 children and young people with an EHCP compared to December 2023 where the number was 3,196, representing a 7.5% increase.

- 7.4 There is also the risk of rising inflation for SEND provision in out-of-borough and independent settings, where providers are seeking over inflationary prices to deal with pressures. However, this can be partly mitigated by the commissioning arrangements in place.

- 7.5 The statutory override in place to carry forward a deficit balance against the DSG is due to end in March 2026 which poses a significant risk against the Council's General Fund reserves.

## **8.0 Legal considerations**

- 8.1 There are no legal implications directly arising from this report.

## **9.0 Equality, Diversity and Inclusion (EDI) considerations**

- 9.1 The key groups affected by the proposals are children and young people with SEND aged 0-25 in Brent. The Council is committed to inclusive education for all children and young people with SEND in mainstream schools, additionally resourced provision in mainstream schools and within special schools.

## **10.0 Climate Change and environmental considerations**

10.1 There are no climate change and environmental implications directly arising from this report.

## **11.0 Communication considerations**

11.1 Not applicable.

**Report sign off:**

***Nigel Chapman***

Corporate Director of Children and Young People