

**Report to the Lancashire Schools Forum**  
Meeting to be held on Wednesday 17<sup>th</sup> December 2025

**Item 3**

**Recommendations from the Extraordinary High Needs Block Working Group**

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**Brief Summary**

On 9<sup>th</sup> December 2025, the High Needs Block Working Group had an extraordinary meeting to consider a report.

**1. High Needs Block Mitigations 2026/27**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

**Recommendations**

The Forum is asked to:

- a) Note the report from the High Needs Block Working Group held on 9 December 2025
- b) Ratify the Working Group's recommendations.

**Detail**

On 9<sup>th</sup> December 2025, the High Needs Block Working Group had an extraordinary meeting to consider a report. A summary of the information presented, and the Working Group's recommendations are provided below:

**1. High Needs Block Mitigations 2026/27**

**Detail**

This report outlines Lancashire's strategic approach to mitigating High Needs Block (HNB) pressures, utilising the school's forum agreed 0.50% transfer from schools' block to HNB (c £5.5m). This centres around proposals that aim for financial sustainability and improved outcomes for children and young people with Special Educational Needs and/or Disabilities (SEND) and vulnerable learners.

The proposals in this paper do not constitute an additional request for investment but describe the proposed utilisation of the 0.50% transfer so that schools have a much better offer to support their inclusion.

**Introduction**

The High Needs Block (HNB) of the Dedicated Schools Grant (DSG) provides funding for SEND and inclusion support services for children and young people in the local authority.



Nationally, there have been insufficient resources to support children and young people with SEND and inclusion needs, which has been a growing problem since implementation of the SEND reforms in 2015. This is due to a combination of factors including increasing demand for services, increasing complexity of additional support needs and constraints in local government spending. This position is similar in many local authorities and is well documented and reported on nationally.

Lancashire's High Needs Block (HNB) is under significant financial pressure, requiring bold and strategic action to both mitigate the deficit and improve outcomes for children and young people. This is due to rising demand, which results in significant HNB overspend, and continuing growth that outstrips demand.

Local authorities must not allocate money designated in their schools' block part of their DSG settlement to items of spend other than budget shares for mainstream primary and secondary schools (excluding funding for nursery classes and for places reserved for pupils with SEND), or money retained centrally for growth and falling rolls in schools. Local authorities may, however, transfer up to 0.50% of schools block funding to other funding blocks, with the consent of the school's forum.

At the 14 October schools forum meeting, the schools' forum approved a transfer of 0.50% of from schools block to the HNB for the 2026 financial year and this paper describes the proposals that can be implemented through this funding to contribute to ongoing improved outcomes for children and young people.

The following proposals set out a comprehensive approach to invest in preventative and inclusive strategies, strengthen oversight, and ensure value for money. Each proposal is designed to deliver measurable savings, enhance support for schools and settings, and fulfil statutory duties more effectively.

This will form part of Lancashire's wider HNB mitigation plan, which is a multi-faceted, evidence-based strategy focused on early intervention, local sufficiency, robust governance, and financial discipline. While cost reductions are projected, success depends on timely delivery, stakeholder engagement, and ongoing monitoring.

The plan aligns with national best practice and is designed to ensure children and young people with SEND achieve their potential, families regain trust in the system and that we collectively support financial sustainability.

### **Strategic objectives**

- Early identification and intervention: Prevent escalation of needs through proactive support and reduce unnecessary escalation to EHC needs assessment request and subsequent EHCPs.
- Enhanced SEN support: Strengthen support for children without EHCPs.
- Inclusive cultures; Engage school leaders, SENCOs, and parents in shared goals.

Recent developments that are already in action include:

- Reviewing and updating the resource allocation system for EHCPs.



- Reviewing children and young people not in school and positing next steps to develop a mitigation plan to address this (linked with the actions identified here).
- SEND sufficiency and development of additional local Special school places, commissioned places through service level agreements (SLA) with mainstream schools and SEND unit places.

### **Outcomes**

Through the proposals below, a positive culture of inclusion and multi-agency collaboration will become embedded. School/settings will be supported to identify needs early, provide early intervention. This will mean that there will be improved outcomes for all children and young people as they will be accessing the full offer in their local mainstream school.

The social cost to a child or young person will be mitigated as mainstream inclusion will be improved through them benefiting from a sense of belonging as they are part of local provision, along with their peers.

This will be done through a more robust, targeted offer, including professional development and key activities including:

- Direct support from specialist services and support teams.
- Support from PRU & Special School outreach support services.
- Education improvement support offers on a whole school or trust basis.
- Key working for specific cases.

Phase one of the HNB Sustainability Programme, based on the recently approved 0.50% of the schools' block to support improvements in SEND, will commence in 2026 and will focus on three key proposals:

1. Inclusion hubs.
2. Outreach support for social, emotional and mental health (SEMH).
3. Specialist Teaching Service new delivery model (transition support, focused support and sensory support).

### **Associated mitigating actions**

1. Implementation of a new banding system, that will realign costs associated with EHCPs in a transparent and fair way. The proposed funding for top-up bandings will span phases one and two of the financial sustainability programmes.



## Proposal 1: Inclusion hubs

This proposal will require a combined investment of **£1,050,000** covering the following projects. These will focus on reduction of primary PEX by 50%. 44 children in PRU placements for 2 years which is our current average at Primary age would be a saving of £1.6m. On average our primary children who are PEX are 50% likely to have an EHCP. Therefore if 10% of these children were then to go on to special school because their needs have escalated this would be 2 children at an average cost of £52,000 per year. If this is across 5 years in specialist provision on high school transition this would cost £520,000 in an independent placement for both children or £100,000 in a maintained special school setting. Therefore preventing 44 exclusions could result in savings of **£1.7m per year.**

District	Overview
1	A comprehensive programme, with schools expected to part-fund support where needed. The plan prioritises early intervention and outreach.
2	Programme focused on early intervention and targeted support to promote inclusion and reduce exclusions. The plan includes the Stepping Stones Universal Offer, providing advice, behaviour network meetings, and 10 Bronze support packages to upskill staff and address needs early.
4	Deliver a graduated, cost-effective programme of early intervention and targeted support across 24 schools. The plan includes universal access to inclusion mentors, network meetings, an annual conference and training workshop, and in-year admission support for high-need pupils.
6	Deliver a comprehensive programme of early intervention, behaviour support, and crisis management across Preston's schools. The plan includes the REACH Behaviour package (£75,810), providing specialist outreach, weekly drop-in sessions, staff training, and crisis support to manage challenging behaviours before they escalate.
7	Develop inclusive practices across South Ribble's primary schools. The plan includes half-termly behaviour consultation and TA support cluster meetings, bespoke behaviour support from Reach and GHIST consultants, and a comprehensive training and CPD offer for teaching assistants and early career teachers.
8	Aiming to support schools in a timely and bespoke way so that pupils at risk of exclusion can remain and thrive in mainstream education. The plan includes Tier 1 support visits (up to 180 pupils per year), SEND clinics, and a comprehensive training offer for staff, all fully funded for hub schools. Tier 2 and Tier 3 packages provide follow-up and intensive support, with costs partially subsidised by the hub.
9	A programme to expand the Chorley Inclusion Support Service (CISS), which is grounded in psychological theory and evidence-based practice. The plan includes intensive casework (£91,110 for staffing and £4,250 for resources), in-school training, solution circles, parent workshops, and psychological supervision for Assistant Educational Psychologists.
11	Programme, aiming to improve inclusion and reduce exclusions across the district. The plan includes a universal offer of Aspire CPD and training, resilience-focused conferences, and behaviour culture development, alongside early intervention support such as autism training, SENCO briefings, and specialist teacher input.



12	A holistic, evidence-based programme with a total cost of £103,320 plus £6,900 for administration, delivered in partnership with Acorn.
13	Programme focused on keeping every child included, engaged, and thriving. The plan offers multi-professional, intensive support through training packages (including de-escalation, positive handling, ADHD/ASC support, emotion coaching, and more), direct hub staff intervention, educational psychologist consultations, specialist teacher advice, and speech and language therapy.
14	Inclusion Hub will use its funding to provide individual pupil support through specialist teacher assessments and HLTA-led interventions, whole class and whole school staff training, and progress reviews.



## Proposal 2: Outreach for Social, Emotional and Mental Health (SEMH)

This proposal will require a combined investment of **£1,381,321m** covering:

- **£832,500** for outreach (equivalent to five places in nine PRUs). This will focus mainly on Secondary (SEMH) support through targeted interventions. Delivered through Pupil Referral Units (PRUs). Reduction of 50 PEX or increase in reintegration into schools from the PRU by 50 (**£925,000** saving based on 50 less children requiring day 6 provision/AP).
- **£348,821** for Specialist SEMH Leads, working on an outreach basis to drive bespoke provision outside of PRUs to strengthen outreach provision (**£750,000** saving based on a 15% reduction in the **£5m EOTAS annual estimated cost**).
- **£200,000** for supporting a pilot district that has high secondary PEX for reducing exclusions. Reduction of 12 PEX or increase in reintegration into schools from the PRU by 50 (**£222,000** saving based on 12 less children requiring day 6 provision/AP).

The funding will be ringfenced to enable PRUs to provide targeted outreach work for children and young people with identified SEMH needs at risk of exclusion while they remain in mainstream schools, facilitate reintegration from PRUs into mainstream settings, and ensure the revolving door model outlined in the Alternative Provision strategy is supported with appropriate staffing and resources.

This approach will ensure consistent support across the county, helping children remain in mainstream education wherever possible, which would require:

Service area	Post name	Grade	FTE	Cost
SEMH Outreach	SEMH Outreach Lead	G9	1.00	70,911
SEMH Outreach	SEMH Outreach Support	G7	5.00	277,910
			<b>Total cost</b>	<b>348,821</b>

### Priority issues

- In Lancashire Social Emotional Mental Health needs are under-identified or typically identified as behavioural as opposed to SEND.
- Schools require support to achieve the appropriate level of knowledge for early identification and intervention through continuing professional development (CPD) to support children and young people with social, emotional and mental health needs.

### Key risks

- Lancashire is a high excluding local authority compared to national and statistical neighbours.
- Increased demand for PRU placements with few reintegrating back into mainstream.
- Increased number of children missing out on education and children and young people not fulfilling their outcomes.
- Financial risk of increasing numbers in PRU's waiting list resulting in high-cost alternatives



**Proposal 3:** Specialist Teaching Service: Increased core offer (supplementing traded offer)

The proposal is for support for a transition period based on investment in the Specialist Teaching Service (STS) so that a core offer can be delivered alongside the current traded offer.

This will require investment of **£3,601,429** covering additional capacity for:

1. Transition support - **£793,314**
2. Focused support - **£985,218**
3. Sensory support - **£1,822,897**

Support to schools for improving early identification and intervention, through a highly specialist service that has autonomy to support and challenge where practice requires improvement. Focused support will target (further details provided below):

1. Transition support aiming for a 10% reduction of children moving from mainstream to special at key transition phases, with a focus on:
  - a. KS2 to KS3: 30% reduction in those moving from mainstream primary Y6 to special Y7 at secondary. Based on **£16,000** (difference between average special cost at 25k and average element three cost at **£9,100** in mainstream) per child (30 targeted), this would lead to a cost avoidance **£480,000**.
  - b. Y1/Y2: in year moves from mainstream to special were 227 in the last year. A 10% reduction (22 children) would be a cost avoidance of **£350,000**.
2. Working with schools and parents/carers to support ordinarily available provision, Inclusive practice and at the point of a no to assess EHCNA to prevent them proceeding to mediation and tribunal.
  - a. Reduction in 192 (10%) of EHCNA will reduce the number of EHCP at an average cost of **£9,100** per EHCP, this would lead to a cost avoidance of **£1,747,200**.
3. Bringing back into the HNB **£3,490,000** for sensory support being delivered for EHCPs by offering services in line with the NATSIP guidance free at point of delivery and reducing the banding provided within EHCP to deliver this.

The current operating model of the STS drives requests for statutory assessment and results in supportive processes being utilised less. Key risks resulting from this include:

- Schools are not being supported to identify needs early and work better with parents/carers to ensure children and young people's needs are supported early.
- Financial risks due to poor oversight and accountability of all vulnerable cohorts.
- Vulnerable pupils are not supported in a timely way therefore exacerbating risks and increasing persistent and severe absence.
- Targeted support is sporadic due to lack of identifying where support is required.
- Lancashire remains a high excluding local authority.

All the risks outlined, increase the pressure on the HNB and doesn't support sufficiency of specialist placements for those who most require this provision.



Additionally, this results in other supportive offers being under-utilised to holistically support the child or young person's needs.

### Focused Support

The proposal is to offer a core offer as part of the STS in addition to the current traded offer. This new approach will provide holistic, early identification and intervention support for in schools through local inclusion support model providing wrap around tailored support.

Each school will have access to a dedicated Specialist Teacher/Associate SENCO for tailored advice and support, which will be informed by data on SEN, EHCPs, attendance, exclusions, vulnerable cohorts and elective home education to promote mainstream inclusion. Children and young people identified as requiring transition support at key phase changes will receive an enhanced transition to ensure their needs are identified and supported via a relational approach.

### Requirements

There will be an investment in the service to provide sensory Specialist Teacher involvement to support children with vision, hearing or multi-sensory needs at SEN Support or with an EHCP. This will require a review of sensory children with an EHCP to ensure funding is re-directed to provide this support routinely.

The Specialist Education Support model will be based on the equivalent of focused support across 630 schools. This equates to three, three hours, meetings per year. With oncosts (travel/prep time), this indicates 5,670 delivery hours, which would require:

Support area	Post name	Grade	FTE	Cost
1. Transitions	Senior Transition Officer	G8	2.00	126,330
	Transition Officer	G7	12.00	666,984
2. Focused	Associate SENCO	Variable	10.00	985,218
3. Sensory	QTVI	UPS3 + 2 SEN	10.00	985,218
	ToD	UPS3 + 2 SEN	5.00	492,609
	Manager	L5-9	1.00	115,159
	Senior Sensory HLTA	G8	1.00	63,165
	Sensory HLTA	G7	3.00	166,746
			<b>Total</b>	<b>3,601,429</b>

### Benefits

- **EHCPs:** Reduction in EHCP needs assessments by 10% per year:
  - 26/27 reduction of 192 final EHCPs.
  - 27/28 and 28/29 reduction of 384 final EHCPs.
- **Transition support:** 10% reduction of children moving from mainstream to special at key transition phases
- **Sensory support:** The DSG will be positively impacted returning £3.49m into the HNB (total annual funding of £5.56m, reducing funding to E3 totals £2.07m, saving of £3.49m). This will for re-distributing sensory funded plans to provide a core offer for hearing, vision and multi-sensory impaired learners. This will initially be a pressure whilst annual reviews are processed although longer-term, this will be a more efficient use of resources.



**Phase 1:** Summary of costs, actions, and expected savings (related to 0.5% schools block transfer)

Proposal	Summary of actions	Intended impact	Investment (Estimates)	Savings/cost avoidance (pa)
<b>Expenditure related to 0.50% schools block transfer to the high needs block</b>				
1. Inclusion hubs	Projects delivered by education leaders and practitioners across county districts. Significant investment of time, expertise, and commitment from colleagues who have worked diligently to develop, evidence, and articulate plans for improving inclusion.	Reduction in suspensions and PEX. More inclusive practice in mainstream schools.	1,050,000	1,700,000
2. SEMH Outreach (PRUs & Special School)	Ringfenced outreach funding for PRUs and a special school; targeted SEMH support; reintegration; AP officers monitor impact.	Reduction in AP numbers.	1,381,321	925,000 750,000 222,000
3. Specialist teacher service model	Develop a free at the point of delivery model and expand STS team incorporating SENCOs/HLTAs as associate advisers. Create more targeted strategic provision that can: <ul style="list-style-type: none"> <li>• Provide in-house sensory assessments.</li> <li>• Identify areas that require support and challenge.</li> <li>• Offer intense support where practice is impacting negatively on inclusive practice.</li> </ul>	Reduction in 192 (10%) of EHCNA final EHCP at an average cost of £9,100 per EHCP Sensory assessments will no longer need to be included in EHCPs. 10% (32) reduction in children transitioning to special between KS2 and 3. 10% (22) reduction in children transitioning to special school between KS1 and KS2	3,601,429	1,747,200  3,490,000  480,000  350,000
<b>Totals</b>			6,032,750	9,664,200

Whilst these areas will be explored to ascertain whether there is scope for cost reductions, they do not encompass significant immediate reductions to HNB expenditure that can be reflected in the 2026/27 HNB budget, nor do these measures prevent an underlying rising trend in the number of children requiring additional high needs support. However, the rate of growth can be impacted positively, given the right use of targeted resources.



## The working group Discussed:

- **Overview of Proposals**
  1. **Inclusion Hubs** – Previously discussed and agreed in principle.
  2. **PRU & SEMH Support** – Five ring-fenced intervention places in Pupil Referral Units (PRUs) and additional outreach for social, emotional, and mental health needs.
  3. **Specialist Teaching Service (STS)** – Expansion of service to include in-house sensory provision, projected to save £3.4m by no longer funding sensory provision via EHCP top up.
- **Funding & Staffing**

The paper focused on agreeing funding allocations; staffing models (e.g., council vs. school-based outreach) will be finalized later.
- **Expected Benefits**
  - Early intervention to prevent escalation of needs and exclusions.
  - Improved capacity for schools to provide inclusive support.
  - Financial sustainability through cost avoidance and efficiency.
- **Monitoring & Accountability**
  - Proposals will be under continuous review; adjustments will be made if initiatives underperform.
  - Regular reports from LA officers will need to be presented to each HNBWG and Schools Forum and other oversight board, showing value for money and to track progress
  - Templates for consistent reporting from inclusion hubs will be developed to reduce administrative burden.
- **Concerns Raised**
  - Need for clear baselines and detailed data to measure success (e.g., reasons behind transitions from mainstream to special schools).
  - Capacity challenges for hub leaders managing reporting alongside their core roles.
  - Importance of child-level analysis to understand which interventions drive positive outcomes.
- **Next Steps**

Ratification of proposals at the upcoming Schools Forum meeting. Ongoing refinement of outreach models and accountability frameworks.

Future updates to include detailed baseline data and performance metrics.

Appreciation expressed for officers and contributors who prepared the paper.

**The HNBWG supported the proposals**

**The Schools Forum is asked to ratify the recommendation from the HNBWG**

