



# **Leicester City Council**

## **Scrutiny Review**

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**HNB Task Group - Report and  
Recommendations**

**Children, Young People and  
Education Scrutiny Commission**

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## 1. Acronyms:

AP – Alternative Provision

ASD – Autism Spectrum Disorder

BERA – Best Endeavour Reasonable Adjustments

CIPFA - Chartered Institute of Public Finance and Accountancy

CYPE – Children, Young People and Education

DBV – Delivering Better Value

DfE – Department for Education

DSG – Dedicated Schools Grant

DSP – Designated Special Provision

EHCP – Education and Health Care Plan

ELSA – Emotional Literacy Support Assistant

ESFA – Education and Skills Funding Agency

ESOL – English for Speakers of Other Languages

HNB – High Needs Block

LA – Local Authority

LCC – Leicester City Council

LGA – Local Government Association

PA – Personal Assistant

SEN – Special Educational Needs

SENDCO - Special Educational Needs and/or Disabilities Coordinator

SEND – Special Education Needs and Disabilities

SENDIASS - Special Educational Needs and Disability Information, Advice and Support Service

## 2. Participating Commission Members:

Councillor Batool (Chair)

Councillor Bonham  
Councillor Moore

### 3. Evidence to the Commission was provided by:

Amy Smith - Head of Service Early Help & Disabled Children's Service

Jessica Nicholls – Head of Service – SEND Support Service

Dr Joycelin Eze-Okubuiro - Co-opted member of CYPE

Lucy Synciere – Leicester City SENDIASS Manager

Shelley Piercy – SEND Inclusion Transformation Manager

Sophie Maltby – Director of SEND and Education

#### **Schools:**

Beaumont Leys School - Andy York (Deputy Head Teacher)

Babington Academy - Fiona Laywood (Head Teacher)

Crown Hills Community College - Louise Glasby (SENDCo)

Imperial Avenue Infant School - Libby Smith (Head Teacher)

Netherhall Mead Academy - Sarah Naylor (Principal)

Stokes Wood Primary School - Megan Williams (Assistant Head Teacher) and  
Liz Christensen (Headteacher)

Tudor Grange Samworth Academy - Jemma Cox (SENDCo), Cathy Robinson  
(Associate Principal), Stacey Nicholls (PA to the Principal), Neil Tansley  
(Chair of Governors), Anika Collins (Head of School Primary Phase), Aiden  
Bannon (Principal)

Local Implementation Unit | Local Accountability and Improvement Division,  
DfE - Paul Cunningham

### 4. Foreword – Chair

#### **Chair's Foreword**

The Children, Young People and Education Scrutiny Commission identified the need for an in-depth evaluation of the efficiency and effectiveness of the SEND High Needs Block (HNB). This review has taken place within a challenging national context. The SEND system has been widely acknowledged by the National Audit Office, CIPFA and the Department for Education as financially unsustainable, with demand significantly outstripping funding. Most local authorities now carry High Needs Block deficits, and

Leicester's position reflects this national picture rather than isolated local failure. The extension of the statutory override to 2028 provides short-term relief, but does not remove the need for urgent, long-term reform.

While financial pressures are significant, the Task Group was clear that the focus of this review must remain on outcomes and experiences. Evidence gathered from schools, council officers, SENDIASS, families and young people highlighted persistent challenges, including delays in diagnosis and specialist placements, pressure on mainstream schools, limited local capacity and an increasingly adversarial culture around tribunals. These issues not only place strain on budgets but also undermine confidence in the system and risk poorer outcomes for children and young people.

At the same time, the review identified clear examples of good practice and innovation across the city. School visits demonstrated how early intervention, inclusive behaviour approaches, bespoke provision and strong partnerships can improve attendance, reduce exclusions and deliver better outcomes while making more effective use of HNB funding. Initiatives such as internal alternative provision models, Designated Special Provision units and culturally responsive, family-centred approaches show what is possible when support is tailored to need.

The Task Group also recognised the positive progress being made through Leicester City Council's SEND Transformation Plan and its work with the Department for Education's Change Partnership Programme. The commendation received from the DfE reflects a strong commitment to collaboration, innovation and improvement, although members acknowledged that many reforms would take time to evidence impact.

The recommendations set out in this report are intended to be constructive, realistic and forward looking. They focus on improving transparency around HNB funding, prioritising early intervention and prevention, expanding local specialist provision, strengthening mediation and parental engagement, promoting inclusive practice in mainstream schools, and learning from best practice nationally. Together, they aim to improve outcomes for children and young people with SEND while addressing the significant financial and operational pressures facing the system.

I would like to thank the members of the Task Group, all the schools and services that contributed evidence, and the parents, carers and young people whose voices informed this review. I also acknowledge the work of council officers and partners who contributed evidence openly and constructively.

It is my hope that this report will support informed decision-making, strengthen trust, and contribute to a more inclusive, resilient and financially sustainable SEND system in Leicester, one that places children and young people at its

heart while recognising the realities faced by schools, families and the local authority alike.



**Councillor Misbah Batool**  
**Chair, Children, Young People and Education Scrutiny Commission**

## 5. Executive Summary

I am pleased that Scrutiny have decided to review the High Needs Block and SEND provision across the City.

The aim of this report is to provide detail on a scrutiny-led review of High Needs Block provision. The report centres on processes and systems within Leicester City, whilst recognising the national challenge faced around SEND and the High Needs Block. It has been recognised by the government, National Audit Office and CIPFA that there are significant challenges and systemic failings in the SEND system, meaning most of the Local Authorities nationally are recording deficit budgets for their High Needs Block. Currently the deficit in Leicester City is around 75 of 150 Local Authorities nationally.

### 5.1 Aims and Outcomes

#### 5.2 **The overall aim is underpinned by the following objectives:**

- Understanding the allocation and utilisation of HNB funding.
- Evaluating tribunal costs and external consultant expenses.
- Assessing the sufficiency of provision within mainstream and special schools.
- Examining the effectiveness of the HNB recovery plan.
- Identifying potential improvements to enhance resource distribution and sustainability.

#### 5.3 **The outcomes the Task Group aim to achieve include:**

- Improved transparency in resource allocation.
- Enhanced efficiency and effectiveness of the HNB.
- Better understanding of stakeholder perspectives and experiences.
- Development of actionable recommendations to improve the HNB framework.

## 6. Report:

### a) Scrutiny Rationale

6.2 There have been increasing numbers of children and young people with Special Educational Needs and Disabilities (SEND) and an Education, Health and Care Plan (EHCP), which has resulted in increasing demand for provision in schools and for special school places. This is a national concern. In January 2024, the National Audit Office estimated that there were 1.9 million children and young people aged 0-25 with Special Educational Needs (SEN).

6.4 It is the local authority's responsibility to ensure that all children and young people with SEND receive appropriate support. This includes children and young people with an EHCP. An EHCP is a legally enforceable entitlement, unlike SEN support. The number of EHCP's has increased 140% between 2015 and 2024 (*National Audit Office 2024*).

6.5 The High Needs Block (HNB) is part of ring-fenced funding called the Dedicated Schools Grant (DSG) which local authorities receive from the Government. The HNB funding is for the additional support required in schools by children with SEND. Increasing demand has put pressure on school budgets, particularly the High Needs Block as demand has significantly outstripped the funding received.

6.6 The result of these increases has been that the SEND system has been declared financially unsustainable by the National Audit Office.

6.7 Deficits in the HNB are currently held in a ring-fenced reserve. This reserve is held separately due to the Government's statutory override which was recently extended until March 2028.

6.8 There is widespread concern that once this is removed it could lead to the issuing of Section 114 notices for many councils.

6.9 As well as the clear financial strain placed upon local authorities and schools, there is a lack of confidence in the SEND system from families and the children with a sense that the provision falls short of expectations. This can be evidenced in a lack of consistent improvements in outcomes for children and young people with SEN since 2019 (*National Audit Office 2024*). Many parents have felt there is a battle for support, long wait times and children may not be in the most appropriate settings (*Department of Education 2023*). This adversarial nature is further adding to the financial strain of the HNB and DSG, with many decisions requiring mediation or going to tribunals as parents feel they need to fight for the support their children need.

6.10 There are other organisations that impact the SEN experience such as health partners, however that is outside of the scope of this Task Group.

## 7. Scrutiny Approach

7.1 It is relatively commonplace for scrutiny commissions to request further detail on particular topics. This can result in additional information being provided to subsequent commission meetings or through informal scrutiny meetings.

7.2 The Chair of the Children, Young People and Education scrutiny commission requested that a scrutiny Task Group be formed to consider the topic of the High Needs Block further. Questions were raised in the scrutiny commission around transparency of the HNB funding, tribunal costs and external consultant expenses, the sufficiency of provision within schools and the effectiveness of the HNB recovery plan.

7.3 The principal aims of the Task Group were therefore to evaluate the efficiency and effectiveness of the HNB funding, ensuring it was appropriately allocated to best support children and young people with special educational needs and disabilities (SEND). This includes giving further scrutiny to current spending, tribunal costs and analysing sufficiency in mainstream and special schools. Additionally, the Task Group would benchmark comparable local authorities to identify best practise which could be implemented in Leicester.

7.4 This method of informal scrutiny allows discussion and evidence as well as reflection and further enquiries between the sessions. As part of the evidence gathering to aid the scrutiny process, school visits would be undertaken to understand the utilisation of the HNB and the impact on outcomes for children and young people. The Task Group would also hear from stakeholders including the children, parents, carers, professionals and schools. Evidence would be provided in the form of discussion, presentations, case studies, school visits and desktop research to benchmark other local authorities.

7.5 The sessions and visits took place between March and May 2025. The data in this report reflects this time scale. [Appendix 4]

7.6 The first session provided the Task Group with a detailed overview in the form of a presentation [Appendix 1] which gave a breakdown of the funding and the allocation and utilisation of the HNB. It provided tribunals data that the SEND held and gave a run through of the HNB recovery plan and dashboard.

7.7 The site visits were to four schools - Tudor Grange Samworth Academy which had a high number of permanent exclusions, Stokes Wood Primary School which had mainstreamed alternative provision and adapted teaching, Crown

Hills Community College which had low permanent exclusion rates and Spinney Hills Designated Special Provision unit.

- 7.8 At the second session, stakeholders were invited to provide evidence of their utilisation of the HNB and their views and experiences on the effectiveness of the HNB. The Task Group received evidence from Babington Academy, Beaumont Leys School, Imperial Avenue Infant School, Nether Hall School, SENDIASS Leicester and Leicester City Council's (LCC) Early Help and Disabled Children team and the SEND support service team. Members of the Task Group also received anonymised case studies [Appendix 3] ahead of the meeting and a video on the support from the local authority to parents and children in their own voices.
- 7.9 A final session was intended to discuss the evidence and conclusions; however, this was cancelled due to Members unavailability.

#### 7.10 a) Overview

- 7.11 It is worth noting that SEND provision is consistently in the national rhetoric due to the widespread acceptance that the current system is not working. It has been acknowledged that the system was financially unsustainable and national level interventions are required as demand continues to outstrip funding everywhere. Over half of councils will become insolvent when the temporary override ends in March 2026 (LGA 2025).
- 7.12 Due to the concern around this issue, it should be noted that there have been several papers addressing the system including the National Audit Office report '*Support for Children and Young People with Special Educational Needs*' (2023) and The Department for Education's *Special Educational Needs and Disabilities (SEND) and Alternative Provision Improvement Plan* (2023). Reforms are expected to the system from the Government but so far these have not been announced. Coverage includes: [Westminster Hall debate, Dedicated Schools Grant, 23 April 2025 | Local Government Association](#) Local Government Association 09 Jun 2025.
- 7.13 In Leicester, it was estimated that children and young people with an EHCP had increased to 4.6% in 2024/25, and the percentage of pupils with SEN but no EHCP had also increased to 12.3%. The increase is in line with the national trends, but Leicester's rates sit just below the national average of 5.3% and 14.2% respectively.

## 8. Evidence

8.1 The Task Group's first session was an overview from the Leicester City Council SEND team to provide a deeper dive into the HNB [Appendix 1]. The team has undergone changes to tackle the issues faced efficiently and a new post was recruited to support the initiatives and it is hoped this will shortly be evidenced.

8.2 The cost of tribunals had not been recorded efficiently since the records began in 2020. As of December 2024, when the new manager was in post, it became a priority to robustly monitor tribunal costs and to introduce a new model of staffing for tribunals which would be more supportive for parents. The data has suggested that the numbers of tribunals is increasing, which is in line with the national picture and the 'adversarial tone'.

8.3 The SEND team are working with the Department for Education (DfE) through the Change Partnership Programme on the SEND Transformation Plan and the High Needs Block Recovery Management Plan. It is important to note that many of these initiatives will take time to evidence their impact. The DfE have commended the team on their innovative work in addressing the challenges faced and have commented:

*Jointly leading the department's Change Programme in the East Midlands alongside Leicestershire and Rutland, Leicester City have played a key role in strengthening local partnerships and enabling collaboration between the Local Authority, Health (ICB and LPT), school leaders, parents, carers, children and young people.*

*These partnerships have collectively delivered the aims of the programme at a regional and local area level, including the testing of new and creative approaches, acting as a trusted partner to provide feedback to help shape policy thinking, and driving local innovative inclusive practice to improve outcomes and experiences for children and young people.*

*Colleagues across Leicester City have identified opportunities, engaged and collaborated with key stakeholders and partners, driving positive change across the City and the three local authorities covering the ICB footprint, sharing best practice and lessons learnt across the East Midlands, and will continue to do so up to March 2026 and beyond.*

Paul Cunningham, Local Implementation Unit | Local Accountability and Improvement Division, DfE.

8.4 The SEND Transformation Plan has identified areas of development to support more efficient use of the HNB funding. These include:

- Aim 1: New DfE Reforms – The SEND and AP Change Programme

- Aim 2: Developing Ordinarily Available offer: LA, Schools, Settings & Colleges
- Aim 3: Local Authority Process reforms & Sufficiency
- Aim 4: Increase confidence for parents and carers
- Aim 5: Placement reforms
- Aim 6: Stakeholder Engagement

8.5 The SEND team have been working closely with stakeholders as part of the drive to make more effective and efficient use of the HNB. Evidence was provided by Babington Academy, Beaumont Leys School, Imperial Avenue, Netherhall School and SENDIASS [presentations in Appendix 2] on how they have innovatively used HNB to best support SEND children and young people and their experiences working within the system.

8.6 Stakeholders emphasised the positive experience they have had working with LCC. The honest and transparent relationship that has been built around the HNB been crucial and has allowed working groups to be formed where sharing of best practise and the development of strategies that have a positive impact within the schools and for the families can occur. Stakeholders highlighted that it is very important for the issues facing children and young people to be addressed at a much younger age.

8.7 A huge challenge facing the schools was that for education to be truly inclusive for all abilities, provision must be bespoke. An example cited was the Designated Special Provision (DSP) unit at Babington Academy has 10 children who have to be grouped together, but they have hugely different abilities.

8.8 Members heard how one model is not suitable for all schools or children. For example, in some schools a one-to-one model worked well for yet at others it could leave children and staff frustrated. This further emphasises the above point and the need for bespoke support.

8.9 A recurring issue Members heard about was the limited spaces for supporting children and young people with SEND. This has meant children are being sent out of the city to be educated at a high cost to the local authority. To help mitigate this issue, Beaumont Leys School and LCC have been working together on a 2-year pilot. Additional funding was provided for a 10 place provision. The school created internal alternative provision to help address students' needs and prevent escalation or the need for an EHCP. Although money was spent earlier as an intervention, it prevents further costs and shows signs of saving costs. The school has seen improved attendance for the students and no permanent exclusions in 3 years, as well as a reduction in behavioural incidents.

- 8.10 Members heard from SENDIASS Leicester who provide advice and support to families navigating the system, but particularly if things are not going well. The service is funded by LCC but has helped prevent cases going to tribunals through mediation and support. The service is increasingly being contacted via social channels. SENDIASS emphasised the importance of good relationships with the SEND Teams in resolving concerns and supporting families.
- 8.11 The Family Hubs programme was highlighted by the representative from LCC Early Years Help as it has the SEND Local Area Partnership. This is part of a co-production offer working with the Change programme where a designated social care officer works proactively to encourage co-production between services and families. It is hoped there will be more social care input into EHCP's.
- 8.12 The Task Group was shown a powerful video from LCC and the Big Mouth Forum which captured the voices of young people, parents and carers and their experiences of the SEND support. It was highlighted that these communications would be even more powerful if shared more widely and the role of social media was raised.

## 9. Case Studies

### Challenges and Opportunities in SEND Provision

#### Overview

The case studies highlight systemic challenges in meeting the needs of children and young people (CYP) with special educational needs and disabilities (SEND). Delays in accessing special school placements are creating significant pressures on mainstream schools, which are often required to implement temporary solutions to support children and young people. Whilst some support, training and resource is available from the Local Authority this is not always sufficient to effectively meet need. These delays can in some cases negatively affect pupils' mental health, learning, and behaviour, and increase safeguarding risks.

Whilst there are examples of effective interventions particularly through the SEND Support teams and multi-agency collaboration the system remains overly reliant on short-term interim measures and informal arrangements. The High Needs Block (HNB) Focus

calls for stronger long-term planning, expanded specialist capacity, strategic workforce development, and greater support for families. There is also a clear need for culturally sensitive approaches, active family engagement, and inclusive peer environments.

#### Feedback Identified in visits:

## **1. Delays in Special School Placements**

- CYP remain in less suitable mainstream settings for extended periods.
- Consequences could include deteriorating mental health, disrupted learning, and behavioural challenges.
- Mainstream schools may have to utilise ad-hoc provision.

## **2. Pressure on Mainstream Schools**

- Insufficient expertise, staffing, and funding to support high-need pupils.
- Risks could include staff burnout, potential safeguarding concerns and negative outcomes for pupils.

## **3. Over-Reliance on Informal Provision**

- Schools improvising internal SEND units without formal structures or sustainability.
- Reflects wider systemic gaps and lack of government support.

## **4. Delays or Barriers in Diagnosis**

- Parental hesitation and cultural factors contribute to delays in autism and other neurodevelopmental diagnoses.
- This results in missed opportunities for early intervention.

## **5. Positive Impact of Joined Up, Culturally Sensitive Support**

- Case studies (e.g. AH) show that culturally responsive, family-centred approaches can lead to significant progress.

## **6. Transition and Post-16 Gaps**

- Lack of clear pathways for CYP with ongoing needs, especially at the Key Stage 4–Post 16 transition.

## **7. Inconsistent Use of Communication and Sensory Tools**

- Evidence-based tools (e.g. Colourful Semantics, visual aids) are effective but not consistently adopted.

## **8. Effective use of High Needs Block funding**

- The LCI team (and other SEND Support teams) play a pivotal role in supporting schools but are overstretched, raising questions about long-term sustainability.

## **9. Variability in Parent Partnerships**

- Outcomes improve where schools actively engage parents, but practice is inconsistent.

## **10. Recognising the Strengths of CYP**

- Emphasising pupils' talents and achievements enhances inclusion, self-esteem, and wellbeing.

## **Strategic Challenges**

1. Rising demand for special school placements.
2. Need for formal, funded interim provision within mainstream settings.

3. Delays in diagnosis and early identification.
4. Increased risk of exclusions due to unmet SEND needs.
5. Further requirement for specialist staff and training in mainstream schools.

### **Examples of Good Practice**

- SEND Support Team interventions preventing exclusions and improving behaviour.
- Structured approaches such as Colourful Semantics and Attention Autism.
- Peer inclusion models (e.g. Ethan's case) demonstrating strong outcomes.
- Culturally sensitive, family-centred approaches (e.g. AH) resulting in transformative change.

### Questions and Strategic Recommendations

- What is the current average wait time for special school placements?
- How is the council supporting mainstream schools accommodating complex needs pupils?
- Can SEND Support be expanded to meet increasing demand?
- What action is being taken to address diagnosis delays and workforce shortages?
- How are family engagement and cultural responsiveness being embedded across provision?
- Are schools being trained and resourced to implement evidence-based interventions and inclusive practices?

## **School Visits**

The schools visited were chosen to allow consideration of low exclusion rates, inclusion in mainstream classrooms, adapted teaching and high numbers of permanent exclusions. This would contribute to the scope of the task group by identifying what has been done well in schools and where additional support and resources may be required to meet demand.

### **Tudor Grange Samworth Academy**

The school has experienced high levels of permanent exclusions which they are hoping to address through the development of an Internal Alternative Provision unit. 69% percent of pupils are on the SEN register and there was an increase from 7 to 30 children with EHCPs in a single year. 14 students are awaiting specialist provision, and the development of this unit could allow them to stay within the school.

Significant work has gone into improving the annual reviews for EHCPs including digitalised plans and targets that teachers can access readily and to help ensure progress is being made for the children.

The school trust holds disadvantage committee meetings, which break down data on progress and there are staff briefings which highlight the key SEND concerns and any home/school dimensions, which are then discussed by the SENCO and college leaders.

There were 4 permanent exclusions in the last year. The risk of exclusion to the child is assessed ahead of the decision. The number of exclusions could be higher, but the school has invested a large proportion of its budget into preventing exclusion now. There is a mentoring team onsite with a specialist bereavement service, thrive support with emotional regulation and a school nurse provides drop-in sessions for sleep and anxiety. The HNB funding covers the cost for the mentoring for students, Forest School, a School Nurse, interventions & 5 Thrive practitioners.

### **Stokes Wood Primary School**

This school was chosen as a good example of mainstream inclusion and adapted teaching to the Task Group. The school currently has 30 children with an EHCP. The school has creatively created a 'constructive holding' for children who are not suitable for the mainstream classrooms as there is no suitable provision for the children elsewhere. This is called the Rainbow Room and follows a sensory curriculum. The classroom capacity is now full at 11. All of the children in this room have EHCPs or are waiting for the process to be completed; and are non-verbal.

The school are expecting another 6 children that will need to be in the Rainbow Room with the intake in September so urgently require space. Each child within this provision receives funding from the HNB and the school have pooled the funding together to provide a group provision to maximise the efficiency of resource. The HNB funding currently covers a teacher, teaching assistants to run this alternative curriculum.

It was noted that the Rainbow Room provides specialist provision for children with SEND and is incredibly impressive. It is an example of the creative practice that our schools are demonstrating in this challenging climate.

As part of the adapted teaching, the school uses strategies and support staff to enable inclusion for children with communication difficulties with the teacher actively getting children involved. The children have short breaks for movement or alternatives before returning to the classroom on a rota so as not to be disruptive for other students. The adapted teaching was noticeably child centred, with different children having particular focuses to assist their learning.

## **Crown Hills Community College**

Crown Hills Community College was chosen due to the low rates of exclusion. There are 1500 children on role with 200 SEND and 19 EHCP's.

The staff use BERA which is 'Best Endeavour Reasonable Adjustments' to keep SEND children in mainstream education and to promote inclusivity. Information on each child is given to teachers so they can consider how to adjust the school's behaviour management policy for individual needs, together with a photograph of the child and the features of each specific learning difficulty. There is also online information for teachers for each child who has an EHCP, which lists the key outcomes. The children are withdrawn from mainstream lessons daily for small group teaching. Children who were eligible for exam concessions, but reluctant to accept them are receiving interventions to familiarise them with what was involved and overcome embarrassment. It had also funded work with school leavers.

The funding which came with EHCPs, together with High Needs block money, was used to employ a mentor and to train an Emotional Literacy Support Assistant (ELSA). The High needs block funding helps with the employment of Teaching Assistants, and providing equipment for SEND children.

The school provides as much communication with parents as possible and parents are involved in reviews and ESOL support is available for parents who don't speak English. There are once-a-week staff meetings to discuss key children who are especially vulnerable, to help avoid exclusion. Staff have also been given training in positive behaviour management. The result of this approach by the school was that there have been no exclusions in the current year and no students had been referred to pupil referral units.

## **Spinney Hills Designated Special Provision unit**

The Designated Special Provision (DSP) Unit provides places for 10 Children from year 1 to year 6. The children all have an Education Health Care Plan (EHCP). The children likely to be offered a place are children with communication difficulties and children with an autism diagnosis or who are on the ASD pathway. The DSP is unable to cater for children with complex sensory, physical and medical needs.

This type of provision means children have been able to interact and form friendships outside of the unit, and where appropriate they can attend mainstream classes. This form of provision is an effective use of HNB funding where children may need more support but not a special school.

### **a) Benchmarking**

The Task Group considered other local authorities and national policy to compare the approach in Leicester. It is clearly widely acknowledged and accepted that the HNB funding is a national issue as mentioned in paragraph -.-.

It has been well evidenced in national reports that the HNB deficit is not due to poor management but instead is predominantly the result of the failure of funding to keep up with the demand. This does not mean that there are not best practises which can be identified through scrutinising the current landscape to improve services and efficiency though.

Most local authorities have reported a deficit budget for the HNB and over half would be insolvent if the HNB was brought back into the main budget as is intended March 2026. The DfE introduced 2 national programmes as a result of the financial pressures faced by local authorities – the Safety Valve programme and Delivering Better Value. In the research by the DfE for the Delivering Better Value programme, they found that increasing numbers of EHCP caseloads were driving up expenditure.

All local authorities with deficits to the DSG budget were required to submit a HNB management recovery plan in order for the DfE to assess their level of intervention. The initial draft management recovery plan was discussed with the DfE in August 2023 and has so far enabled LCC to avoid entering the Delivering Better Value or the Safety Valve intervention programmes. This plan has been scrutinised and accepted by the Education and Skills Funding Agency (ESFA). The team now meets 2-3 times a year with the ESFA to discuss the progress of this plan.

In order to benchmark against other local authorities, deficit ranking information was reviewed through desktop research. HNB deficit figures provided by The Institute for Government analysis of DfE, 'LA and school expenditure', 2022/23 were used as the primary source. A range of Local Authorities with varying ranking scores were examined to provide a balanced comparison. The following local authorities were selected as comparators for benchmarking purposes:

LA	Deficit Ranking
Birmingham	16
Liverpool	32
Tower Hamlets	77
Bristol	6
Leicester	87

Birmingham City Council is part of the Delivering Better Value (DBV) programme. Implementation for the programme began in Spring 2024. However, it is important to clarify that there are strict conditions attached to the grant, and the funds cannot be used to cover school deficits. There are 12,108 children with EHCPs. They have 2

new free special schools with 500 places and the surplus in the HNB is confirmed at £38 million. Several factors have contributed to Birmingham's reserve being built up over the past few years including a review of payments in 2023-24 from the HNB which resulted in some services being correctly charged to the General Fund.

Liverpool is on one of the steepest trajectories for increasing EHCP's. The numbers have doubled since 2020 to Jan 2024, and by a further 17% for just 2023-24. They had 2884 ECHPs January 2020 and 5820 in January 2024. They have not been placed in the DBV programme though. A high needs working group was set up in May 2024, with the purpose to work in partnership to ensure appropriate steps are taken to address the financial position of the local authority. This entailed developing strategic solutions to mitigate the deficit and to make recommendations which achieve the best possible provision for 'high needs' pupils from within the 2025/2026 financial envelope. The membership of the group consists of key stakeholders such as headteachers, private, voluntary and independent sector for early years, health partners, council officers, trade union, and the Parent Carers forum.

Tower Hamlets has significant overspend and SEND support is on a five-year improvement journey. There is a projected overspend of £5.2 million on the HNB. There are now steps are in place to reduce the steep trajectory of requests for statutory assessment and the resulting EHCPs as this has contributed to the overspend.

Bristol saw a sustained 32% increase in initial requests for EHCP needs assessments received in 2024, compared to the same period in 2023. Bristol has been taken to court with the claim that the council should have consulted parents about the effect of the Safety Valve Agreements on their children, as the deal came with strings attached, including to support more pupils in mainstream schools rather than costly specialist ones.

Analysis of DBV data returns showed that the primary driver of growth in expenditure is growth in EHCP caseload, accounting for 90.7% of the overall growth in expenditure.

Of the benchmarked local authorities, Liverpool had the highest trajectory for EHCP growth. Birmingham held a surplus, despite a high ECHP count, which was accredited to having a strong financial oversight and clearer funding separation. Preparatory action had been implemented in holding funds back for the DBV. It is important to note that the surplus is ringfenced so cannot be used to offset wider school funding pressures.

## f) Summary of Task Group conclusions:

Schools often had high levels of deprivation and inequalities, there is a well evidenced connection with SEND.

Imperial Avenue School and Beaumont Leys were good demonstrations of more bespoke funding models being trialled to support inclusion and reduce the demand for special school places, which helps reduce overall costs for the Local Authority.

There seemed to be confusion from schools over what the HNB funding covered and how this was broken down.

It was clear that schools favoured preventative measures addressing issues from a younger age.

Concerns were raised over how early EHCP plans are given and whether preventative measures could address the raising demand for these.

Schools such as Crown Hills and Beaumont Leys which had changed their behaviour policies seemed to be having greater success reducing exclusions. This approach helps address confidence of children and young people and allows them to build positive relationships.

## **g) Recommendations:**

### **Introduction**

Following extensive evidence gathering between March and May 2025, the High Needs Block (HNB) Task Group has reviewed the pressures, practices, and outcomes associated with Special Educational Needs and Disabilities (SEND) funding in Leicester.

This document outlines a set of strategic recommendations arising from the visits made, the observations of task group members; and data provided by schools and the council to improve the effectiveness, efficiency, and long-term sustainability of the HNB, with the aim of ensuring better outcomes for children and young people with SEND, while addressing growing demand and financial pressures.

### **Summary of Recommendations**

#### **Improve Transparency of HNB Funding Allocation**

Develop a clear, accessible funding guidance document for schools on the national guidance outlining what HNB can and cannot cover, with practical case study examples - Feedback indicated confusion among schools regarding HNB usage. Improved clarity will support better planning, equitable distribution, and accountability.

- Publish clear and accessible summaries of HNB spending, including tribunal costs, consultant fees, the percentage of the HNB funds used to fund support services and provision categories.
- Ensure clear access for the public and schools to the annual public report on HNB allocation, outcomes, and value-for-money analysis.

#### **Prioritise Early Intervention and Prevention**

Scale up early intervention models such as the Rainbow Room (Stokes Wood) and Beaumont Leys' pilot internal provision - Preventative approaches help avoid EHCP escalation, reduce long-term costs, and improve inclusion outcomes.

- Continue to allocate a proportion of HNB to fund early intervention strategies that prevent escalation of needs.
- Updates on the long-term savings and impact of earlier support to continue.

### **Support Bespoke Support Models Across Schools**

Facilitate and fund locally tailored support models in schools to better meet student needs - Evidence shows a "one-size-fits-all" approach is not effective.

Bespoke interventions have led to improvements in attendance, behaviour, and cost efficiency.

- Continue to offer training to schools on cost-effective inclusion practices and alternative provision models.
- Increase support for parents and carers to navigate the EHCP process and access support earlier.

### **Promote Inclusive Practice in Mainstream Education**

Encourage sharing of best practice between Leicester Schools, including positive behaviour policies such as those at Crown Hills and Beaumont Leys Schools that adjust behaviour policies and provide SEND-focused staff training have seen reduced exclusions and better student engagement.

### **Strengthen Tribunal and Mediation Services**

Maintain robust monitoring of tribunal related costs and outcomes. Expand support for early mediation services and SENDIASS Mediation is cost effective and reduces adversarial conflict. SENDIASS has demonstrated success in resolving disputes early and supporting families through the system.

- Implement a formal review mechanism for tribunal outcomes to understand root causes and reduce future litigation.
- Set criteria for appointing external consultants to ensure cost-effectiveness and impact assessment.

### **Increase Designated Specialist Provision (DSP) Capacity**

Invest in expanding DSP units in mainstream schools across the city - Demand for specialist places is growing. Local DSPs reduce out-of-city

placements, improve inclusion, and are a more cost-effective use of HNB resources.

- Use current and projected demand data to assess sufficiency of SEND provision across Leicester.
- Prioritise investment in local capacity (e.g. SEN units in mainstream settings, targeted interventions) to reduce reliance on out-of-area or independent placements.

### **Enhance Co-Production and Parental Engagement**

Embed parent and carer voice more formally in strategic planning, through Family Hubs and the SEND Local Area Partnership - Co-production leads to services that better reflect need. Stronger communication channels will also increase public trust in SEND provision.

- Create an advisory group including parents, young people, headteachers, SENCOs, and finance leads to review HNB pressures and advise on allocation decisions.
- Use this forum to promote co-production and community accountability.

### **Promote Best Practice and Success Stories**

Create a communications strategy to showcase successful models and outcomes (e.g., Rainbow Room, Big Mouth Forum video) via websites and social media. Sharing good practice helps build confidence and encourages other schools to replicate successful models.

### **Embed Monitoring and Evaluation Frameworks**

- Introduce clear KPIs to monitor the impact of HNB-funded provisions on learner outcomes and well-being.
- Review outcomes annually and feed insights into future planning cycles.

### **Promote Integrated Working Across Services**

- Strengthen links between education, health, and social care teams to ensure joined-up support and better use of pooled budgets.
- Use joint commissioning approaches where possible to achieve efficiency.

### **Prepare Financially for the 2026 Statutory Override Expiry**

Develop a clear post-2026 financial contingency plan, including modelling of deficit scenarios and options for service continuity. The override's removal poses a serious budgetary risk. Proactive planning can help mitigate the potential for drastic cuts or Section 114 notices.

- Ensure recovery strategies are informed by long-term needs planning,..

***Following completion of the report, it had been confirmed that this had been extended to 2028. Please see the below resources.***

[SEND deficits override extended until 2028](#)

[Autumn Budget: what is the government doing to improve outcomes for children with SEND? – The Education Hub](#)

## **Continue Benchmarking and External Learning**

Regularly review progress in comparator local authorities and explore opportunities for collaboration on shared challenges - Examples from Birmingham (financial oversight) and Liverpool (multi-agency working groups) provide valuable learning for Leicester's ongoing improvement.

- Continue benchmarking practices with statistical neighbours and high-performing councils to adopt proven models.
- Explore participation in regional SEND networks or improvement partnerships

## **Conclusion**

The recommendations above seek to address the dual pressures of increasing demand and finite resources. By continuing to prioritise transparency, early intervention, local solutions, and co-production, Leicester can build a more resilient, inclusive and financially sustainable SEND support system.

These recommendations are intended to support strategic decision-making in preparation for the anticipated reforms and the financial landscape post-March 2026.

## **Financial, legal, equalities, climate emergency and other implications**

### **4.1 Financial Implications**

Demand for SEN support has begun to outstrip the available resources due to an increase in the number of agreed Education, Health and Care Plans (EHCPs). The cumulative DSG deficit was £22.2m at the end of March 2025. The High Needs Block element of the Dedicated Schools Grant (DSG) is £88.6m for 2025/26. Although the service has put in place a range of strategies, described in this report, to mitigate the cost impact of the growth in demand and complexity of SEND support, the forecast for the current year is that the cumulative deficit will be £44.8m by March 2026. Due to a special Government 'override' we can maintain this deficit separate to the other local authority reserves until March 2028. The cumulative deficit could be as high as £78m by 2027/28. The government is currently considering reforms to the funding for SEND and children's social care but it is not completely clear how they will resolve (or centrally fund) DSG

deficits.

Signed: Mohammed Irfan, Head of Finance

Dated: 09 January 2026

## 4.2 Legal Implications

There are no direct legal implications arising from the recommendations summarised in this report. However, it is recommended that legal support is obtained on any proposals to implement the strategic recommendations as they are developed.

Signed: Julia Slipper, Principal Solicitor (Education & Employment)

Dated: 12 January 2026

## 4.3 Equalities Implications

Public authorities are subject to an ongoing Public Sector Equality Duty (PSED). This requires them, when carrying out their functions to give due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. In addition to the Public Sector Equality Duty (PSED), local authorities have specific statutory obligations toward children and young people with Special Educational Needs and Disabilities (SEND).

The report focuses on the High Needs Block (HNB) and SEND, the most significant implications relate to the protected characteristics of age and disability.

The report notes a 140% increase in Education and Health Care Plans (EHCPs) since 2015. The inability to meet this demand risks "poorer outcomes" and "lack of confidence" in the system, potentially disadvantaging disabled children compared to their non-disabled peers. It highlights that while Leicester is struggling with a budget deficit (like most UK councils), local schools are being highly innovative to keep children in education and avoid exclusions. The strategic recommendations set out arising from the visits made, the observations of task group members; and data provided by schools and the council to improve the effectiveness, efficiency, and long-term sustainability of the HNB, aim to ensure better outcomes for children and young people with SEND, while addressing growing demand and financial pressures. There is a link between poverty and the need for SEND support. HNB funding is a vital investment in the future of Leicester's children. By targeting early intervention toward the link between deprivation and SEND, the HNB funding can be used as a tool to ensure that children in deprived areas of Leicester have the same life chances as those in wealthier areas.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 9 January 2026

#### **4.4 Climate Emergency Implications**

Service delivery generally contributes to the council's carbon emissions, impacts can be managed as part of any commissioning through measures such as encouraging sustainable staff travel behaviours, using buildings efficiently and following sustainable procurement guidance, as applicable to the service.

Where the council provides transport to school for SEN pupils, the resulting carbon emissions are included in monitoring of the council's own carbon footprint. In 2023/24 SEN transport is estimated to have generated approximately 1200 tonnes of carbon emissions, representing between 7% and 8% of the council total.

Prioritising early intervention and prevention may help to minimise near-term increases in SEN transport and could reduce transport demand in the long-term as more local solutions are found for SEN pupils. In addition, there is the potential for contribution towards reduced future SEN travel through bespoke school support, promoting inclusive practice in mainstream education, increasing DSP capacity and improving parental engagement.

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 12<sup>th</sup> January 2026

#### **5. Background information and other papers:**

#### **6. Summary of appendices:**

Appendix Number	Appendix Title	Attachment
1	Session 1 Presentation	 CYP Scrutiny March 25.pptx
2	School and SENDIASS Presentations	 Netherhall presentation.pptx  Babington Academy HNB Scrutiny.pptx  BLS Graduated Approach LA Meeting.pptx

		 Powerpoint Imperial.pptx   SENDIASS QA Presentation April 25.
3	Case Studies	 SEND case study waiting well SSP.pdf   SEND case study EYST.pdf   SEND case study DSP.pdf   S QAR case study.pdf   QAR case study.pdf   Case study Y1 child waiting a SS.pdf   Case Study LCI T support for SSPupil se   Case Study LCI support for SSP Prim   Case study E.pdf   Case Study DP Y6 waiting for special.pdf   Case Study - Small group of students aw

		 SEND case study_EYST.pdf  SEND case study_EYST March 2025.pdf
4	Councillor Notes on School Visits	 Notes on task group visits by Cllr Bonham  Spinney Hill Sch Visit.odt