**Enquiries to:** Audrey Kingham

**Email:** [Audrey.kingham@northumberland.gov.uk](mailto:Audrey.kingham@northumberland.gov.uk)

**Date:** 2 Oct 25

**Northumberland SEND Funding Update October 2025**

Dear Colleagues,

The Northumberland School Forum met on 16th July to update members about the overall position of the Dedicated Schools Grant (DSG). The DSG is provided by central government to fund early years provision, schools and special educational needs. The section of the grant dedicated to special educational needs is the High Needs Block (HNB). This area has been overspending since 2022; the funding has not increased in line with SEND demand. The HNB overall deficit for March 2026 is expected to be in the region of £19.5 million or 35% of the total budget.

Almost all of this deficit can be attributed to the increase in top up funding for individual learners sent directly to schools and settings. Any positive balances in other areas of the DSG are not now sufficient to cover the HNB deficit. Estimations for future years show further growth in the overspend. Currently there is a statutory override to allow these deficits to be carried forwards. Should the statutory override be stopped Northumberland Council would be responsible for covering the shortfall. This is a significant risk to the council. The council currently pay the interest on the deficit.

In autumn 2024 a wide range of workshops were attended with a view to develop strategies to control the growth in High Needs spending. At the time most of these were deemed unpalatable and not adopted. The council, to support the whole system, has invested additional funds in its statutory SEND responsibilities including educational psychology, the EHCP assessment team and SEND transport.

The Local Authority has now formed a Spend Control Board to monitor spending across the HNB and manage the risks of the overspend to the council. At a meeting on 18th September 2025, it has been decided to impose a 6 month pause to a number of activities which are currently driving the rise in HNB deficit. The paused activities include-

* The Bespoke Funding Group
* The delegated powers to individual officers to increase top up banding
* School aged STAR applications
* Recruitment to non-statutory central posts

The board has also decided to do a rapid review of-

* All SEND panels
* The banding systems
* Special School funding
* Central teams funded by the HNB

We all await the outcomes of the planned SEND white paper, however early indications are that this will not provide the level of funding required to address our challenges and to continue as we are. National solutions to SEND issues remain almost exclusively based in further developing inclusive leadership, ethos and practice where all schools and settings make exceptional adjustments to enable them to meet the needs of all learners. Some exploration of this approach can be seen [here.](https://committees.parliament.uk/publications/49536/documents/264041/default/)

The aim of this communication is to inform and empower. As a SEND partnership of education, health and social care we jointly hold responsibilities to meet the needs of all our young people. Northumberland schools and settings have a track record of excellent inclusive provision. The ask is for all parties to share that best practice as we review and rationalise our resources. All providers will be encouraged to engage in the development of new strategies that share out the available funding as fairly and transparently as possible.

We understand that these measures will provide additional challenges to providers in the short term. Unfortunately, during the 'pause' period schools and settings may needs to access any reserves they have to continue to meet the needs of SEND learners. I have highlighted to the Spend Control Board the risk that a pause in funding growth may increase exclusions and off rolling behaviours. At the same time, I recognise the core principles of Northumberland schools and setting and know you will do everything in your power to avoid that risk becoming a reality. The Board apologise for the immediate implementation of these measures but hope you recognise and accept the need for change to build a fairer distribution of the limited SEND funding available.

Support will be required from all partners to engage in the rapid reviews listed above. Please look for invites to working groups and requests for views and engagement via the e-courier on the Northumberland Education [website](https://northumberlandeducation.co.uk/).

Kind regards,

A close-up of a word

AI-generated content may be incorrect.

Audrey Kingham

Executive Director of Children, Young People and Families