

Consultation on Proposed Transfer from the Schools Block to the High Needs Block

Introduction

Cheshire West and Chester Council is seeking the views of schools, academies, parent and carer groups, Schools Forum members and other interested stakeholders on a proposal to transfer funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant (DSG) for the 2027/28 financial year.

The purpose of this consultation is to ensure stakeholders have the opportunity to consider the proposal, understand its implications, and provide informed feedback before any final decision is taken.

Background

Local authorities are responsible for ensuring that sufficient support is available for children and young people with Special Educational Needs and Disabilities (SEND). Demand for SEND support and specialist provision continues to increase nationally and locally, placing significant pressure on High Needs funding.

The DSG is allocated across several funding blocks, including:

- **Schools Block** – Funding primarily allocated to mainstream schools and academies to meet the core costs of educating pupils aged 5 to 16.
- **High Needs Block** – Funding to support children and young people with special educational needs and disabilities (SEND), including specialist provision and additional support in mainstream settings.
- **Early Years Block** – Funding for early years education and childcare entitlements for eligible children, including provision delivered through nurseries, pre-schools and other providers.
- **Central School Services Block** – Funding for local authorities to carry out specified statutory and centrally managed services on behalf of maintained schools and academies.

Under national funding regulations, transfers between funding blocks above prescribed thresholds require consultation and approval.

The Proposal

It is proposed that **0.5% of the Schools Block allocation** is transferred to the High Needs Block for the 2027/28 financial year. The Council's Local SEND Reform Plan includes a 0.5% transfer in 2027/28 and 2028/29.

The proposal is to transfer **0.5% of the total Schools Block funding allocation** available before distribution through the local schools funding formula. The exact monetary value of the transfer will be confirmed following receipt of the final DSG settlement for 2027/28 however 0.5% is anticipated to be in the region of £1.5m.

The transfer would apply for **one year only**, with any proposal for future years requiring separate consideration and approval.

How the Funding Would Be Used

Delivering the Local SEND Reform Plan ambition includes strengthening earlier identification and earlier help so mainstream settings can meet need confidently while aligning place commissioning / sufficiency and inclusion activity so more needs can be met locally and reliance on high-cost placements reduces.

Our theory of change is that consistently applied early identification and inclusive practice, backed by sufficient local provision, will reduce escalation and conflict, slow EHCP growth over time and reduce reliance on high-cost provision, improving outcomes for children and financial sustainability.

The funding would support the implementation of the Local SEND Reform Plan. This includes plans to increase Inclusion Specialist Bases in Mainstream schools to increase the inclusion of SEND pupils within mainstream schools. The Department for Education published [Inclusion bases](#) in schools on 25 June 2026. **There are two types of inclusion bases: Support Bases, commissioned and funded by individual settings, academy trusts, or local groups of schools; and Specialist Bases, commissioned and funded by the local authority.**

The Council will distribute the proposed 0.5% transferred funding to Mainstream schools through the High Needs Block, supporting place funding and banding (top-up) funding for Specialist Bases.

Inclusion Specialist Bases funding decisions are informed by evidence of need, availability of suitable classroom space and are made through an agreed governance process involving education leaders. Cheshire West Mainstream Schools have been invited to submit an expression of interest in adding an Inclusion Specialist Base in September 2026. This is an opportunity for schools to help shape local SEND provision, improve inclusion, and ensure more children and young people can have their needs met closer to home

The Local SEND Reform Plan also includes the investment £3.3million of capital grant funding in each of the next three years (2027/28 to 2029/30). The Council will use this capital grant funding to help schools develop, create and improve spaces to provide new Inclusion Specialist Bases.

The Cheshire West approved Local SEND Reform Plan can be found in the link below. Agenda Item 10 Appendix 5b includes (Table 6) information on forecast school places by provision type for Children with EHCPs.

[Cabinet - Wednesday 10 June 2026, 10:00am - Cheshire West and Chester Council webcasting.](#)

Should the proposal not be approved, the Council will need to decide whether to submit a disapplication proposal to the Department for Education (DfE). The Council would then be required to provide the following information to the DfE:

- State that a 0.5% transfer is requested and the estimated £1.5million value.
- State that this proposal is already included within the Local SEND Reform Plan.
- Confirm the financial and operational context behind the request has not altered since the Local SEND Reform plan was submitted.
- Demonstrate how the request supports delivery and success measures of the Local SEND Reform Plan.
- Explain the expected benefits and outcomes for pupils from additional Inclusion Specialist Bases.
- Explain why the proposal is the authority's preferred option.
- Demonstrate why it is expected to deliver the best outcomes in both the short and long term for schools, pupils and the local authority.

Impact on School Funding

The proposal does **not reduce existing school funding allocations**. A 0.5% Schools Block transfer occurred in 2026/27, so mainstream schools budget allocations for the current financial year are based on 99.5% of the total Schools Block funding allocation. However, it would mean that the total funding distributed through the mainstream schools funding formula in 2027/28 would be 0.5% lower than it would otherwise have been.

Importantly:

- Almost all schools are still expected to receive an increase in pupil-led funding in 2027/28.
- Schools which meet the minimum funding guarantee would receive the MFG determined by DfE for 2027/28. In 2026/27 this applied to 3 CW&C schools.
- The proposal affects the distribution of new funding in the same way agreed in previous years, rather than removing existing funding from schools.
- Mainstream schools supporting larger numbers of pupils with SEND are likely to benefit through access to Specialist Base funding for new commissioned places.

- It is not possible to calculate the potential impact on each individual school, as the Department for Education has not yet announced the funding and DSG grant conditions for 2027/28.

Rationale for the Proposal

The proposal has been developed in response to increasing pressures within the High Needs system and the need to improve SEND inclusion across mainstream schools.

The key objectives are to:

1. Increase support for children and young people with SEND.
2. Strengthen inclusion within mainstream settings.
3. Invest in projects that reduce the need for more costly specialist placements where appropriate.
4. Create additional specialist capacity where demand requires it.
5. Support schools to meet the needs of pupils with SEND more effectively and sustainably.

The proposal seeks to redirect a small proportion of funding growth to targeted SEND provision rather than distributing all available funding through the mainstream funding formula.

Equality Considerations

The Council should consider whether transferring funding from the Schools Block to the High Needs Block could have a disproportionate impact on groups protected under the Equality Act 2010. An Equality Impact Assessment (also referred to as Equality Analysis) is being drafted and will be presented to Schools Forum alongside consultation feedback and financial, operational information. Further details will be available here: [Schools Forum | Cheshire West and Chester Council](#)

Consultation Questions

We would welcome your views on the following questions:

Question 1

Do you support the proposal to transfer 0.5% of the Schools Block to the High Needs Block for 2027/28?

- Yes
- No
- Undecided

Question 2

To what extent do you agree that the proposal would support greater inclusion of children and young people with SEND within mainstream schools?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 3

Do you agree that the proposed use of funding is an appropriate response to current SEND pressures?

- Yes
- No
- Unsure

Question 4

What potential benefits do you believe could arise from the proposal?

Question 5

What concerns, if any, do you have about the proposal?

Question 6

Do you have any comments regarding the proposed governance and allocation of the transferred funding?

Question 7

Are there any alternative approaches you believe should be considered?

Next Steps

Action	Date
Consultation period seeking views on the proposal	5 October 2026 to 28 October 2026
Responses will be reviewed and analysed, and a summary of consultation findings will be prepared for a report for Schools Forum.	29-30 October 2026
A report will be presented to Schools Forum outlining consultation feedback alongside financial,	3 November 2026

operational and equality impact information. Schools Forum will decide whether to support approval of the disapplication request.	
The Council will then consider whether to submit a disapplication request to the Secretary of State for Education for a 0.5% of the Schools Block allocation to be transferred to the High Needs Block for the 2027/28 financial year.	3-12 November 2026
Council disapplication request decision deadline	Thursday 12 November 2026
If approved, Officer of the Council to collate information required by DfE for disapplication submission.	13-16 November 2026
Final deadline to submit disapplication requests and required backing information including consultation to the Department for Education	Tuesday 16 November 2026
The Council's decision regarding the transfer will be communicated to schools and stakeholders.	17 November 2026

How to Respond

Please submit your response by 28 October 2026 using:

- Online survey: <https://www.smartsurvey.co.uk/s/SchoolsBlock/>
- Email: School.RelationshipTeam@cheshirewestandchester.gov.uk
- Post: Schools Relationship Team, Schools Block Funding Consultation, The Portal Wellington Rd, Ellesmere Port CH65 0BA.

All responses received by the closing date will be considered as part of the decision-making process.

Consultation Period: 5 October 2026 to 28 October 2026