

PRIVATE AND CONFIDENTIAL

East Sussex Headteachers and Principals

Date: 21 November 2025

Dear Headteachers/Principals

I am writing to all school leaders to update on the discussions at Schools' Forum meeting on Friday 14 November. We had an important item regarding the High Needs Block (HNB) budget and a decision on whether to make an interblock transfer from the schools' block to the HNB block. A copy of the papers can be found at the following link and they set out in detail the context for this discussion: [Agenda for East Sussex Schools Forum on Friday, 14th November, 2025, 8.30 am | East Sussex County Council](#)

There was a long and detailed conversation at Schools' Forum about the current HNB deficit, the drivers for this deficit and the potential impact of an interblock transfer. Members of the forum then voted on two options: a transfer of £1m or of £1.963m from the schools' block to the HNB block to partially mitigate the projected deficit of £22.658m this financial year. It was a close vote on the first amount but the decision of the forum was **not** to make an interblock transfer this year.

Following this decision, I had to consider whether to make an application to the Secretary of State (SoS) to override the decision of the Forum and request approval for the interblock transfer. There are a broad range of factors to consider in reaching this decision and I think we all recognise the extremely challenging financial environment that we are working in across schools and the local authority. On balance, I have decided not to make an application to the SoS this year and so the interblock transfer will not proceed.

In reaching this decision, I have considered all the factors carefully and discussed with Becky Shaw, the Chief Executive of the local authority. I listened carefully to the points that were made by school colleagues at the meeting. Their concerns particularly focused on the timing of the proposed SEND reforms, impact on already stretched school budgets and the ability of mainstream schools to meet the needs of children with SEND. It has been a difficult decision to reach, not least because of the financial impact that this will have on the council's budgets which are already heavily overspent.

However, on balance, I have decided to take in good faith the commitments that were made by members of the forum to work collaboratively over the next year to address the HNB deficit through collective action across the SEND system. In particular, school

leaders signalled their commitment to working with us to deliver earlier intervention and support in mainstream, and to drive down the demand for high cost, specialist placements.

We will now work through the joint board, area groups, EIPs and headteacher meetings to discuss how we move this forward and translate these commitments into actions that will deliver tangible savings on the HNB. We agreed to monitor these actions and the impact on the HNB budget at Schools' Forum over the coming year. We have an opportunity to work differently during this time and to demonstrate that we can make system change that delivers tangible benefits for learners and a budget that is sustainable. This builds on work to date but there is an imperative now to ensure that we go both further and faster. Hopefully, central government will also deliver policy changes in this period that support these ambitions.

As I set out at the forum meeting, East Sussex is in an unusual position of having requested an interlock transfer for the first time last year since the 2017/18 financial year. This is a reflection of the actions that the local authority has taken over a number of years to manage cost pressures and is not the position across the majority of councils in the country. This provides us with a strong basis upon which to work this year. However, I must emphasise that this is not a position that we can maintain if we are unable to deliver change across the system over the next 12 months. The rising demand, and associated costs, that we are experiencing across the SEND system will mean that the council is no longer able to hold the entire deficit beyond this period. We will need to have this discussion again in a year's time at Schools Forum and I may need to make a different decision if we are unable to make significant, system wide change before then. As a council, we will continue to invest in the development of facility placements and other actions to support the inclusion of children with SEND in mainstream education. Sarah will be writing to school leaders tomorrow with an update on current work to support inclusion in mainstream.

I fully acknowledge and appreciate the difficult environment that we are all working in; the pressures across the SEND system are significant and unsustainable. I do not take any of these decisions lightly and I know that we are all working incredibly hard to do our best for children and young people. I look forward to continuing these discussions; please do not hesitate to contact Elizabeth or me if you have any questions.

Yours sincerely



Carolyn Fair
Director of Children's Services