

Appendix 1

Schools Forum

11th July 2025

For discussion:

- DSG 2024/25 Outturn
- SEN Protection scheme continuation
- DSG Deficit Management plan strategies

Year end 2024/25 results

DSG Allocation	DfE Funding (inc Block transfers) £'000	DfE Outturn (inc Block £'000	Variance £'000	Variance %
Schools Block	129,938	129,938	(0)	0%
Less Block Transfer	(650)	(650)	0	0%
Less recoupment	(63,147)	(63,153)	(6)	0%
Less NNDR	(1,314)	(1,314)	(0)	0%
Schools Block	64,828	64,821	(6)	0%
High Needs Block	26,817			
Add Block Transfer	877			
Less recoupment	(3,780)			
High Needs	23,914	37,587	13,673	57%
Early Years Block	16,979	17,219	240	1%
Central School Services Block	778	743	(35)	-5%
Net Expenditure	106,499	120,370	13,871	13%

- Funding as per DfE website 31/3/25 = £106,589k. Funding in table above is £90k lower as we have included a spring adjustment for early years using Jan24 census data (driven by lower 2YO PTE - funding true up will be in Jul25 by DfE).

Main drivers of deficit

- **Schools block** in line with budget.
- **Central block** outturn £35k less than funding driven by favourability in staff in the admissions cost centre (due to vacancy/delay in hiring).
- **Early Years block** outturn is £240k higher than funding driven by a last Easter date (20th April 2025); this will offset in 2025/26 funding.
- **High needs block outturn** is £13.7 million higher than funding with the main drivers being £6 million independent schools, £1.9 million top ups, £0.5 million SEN protection scheme, £6 million budget deficit built into 2024/25 budget (Schools Forum advised of this in Jan24).

High Needs block 2024/25 summary

DSG Allocation	DfE funding (inc Black) £'000	DfE Outturn (inc Black) £'000	Variance £'000	Variance %
High Needs Block				
Special School Places - LA Schools only	1,810	1,650	(160)	-9%
Widmarsh Explorers - full year	208	208	0	0%
Autism Bases	429	220	(209)	-49%
Hampton Dene & Bishops Resource Base	728	336	(392)	-54%
Early Years SENDIF Grants	270	250	(20)	-7%
Nurture Groups	227	268	41	18%
Independent Special Schools	6,800	10,395	3,595	53%
Alternative Provision	0	1,352	1,352	0%
EOTAS	0	447	447	0%
Therapy	0	180	180	0%
Tariff	0	304	304	0%
Post 16 Top-up Funding	2,700	3,280	580	21%
Complex Needs Funding	2,680	2,544	(136)	-5%
Pupil Referral incl H3 Home, Hospital and	1,053	1,123	70	7%
PRU Protected Funding	53	53	0	0%
PRU Top-ups	500	436	(64)	-13%
SEN Support Services incl 4.2% pay infl	1,460	1,328	(132)	-9%
Mainstream Schools Top-up	4,515	5,638	1,123	25%
Special School Top-up	4,384	5,162	778	18%
Managed Moves	5	0	(5)	-100%
Teachers' Pension Grant	409	409	0	0%
New Autism Bases (From September 2024)	625	277	(348)	-56%
Charges and Income Recoupment	(383)	164	547	-143%
SEN Protection Scheme	1,150	1,564	414	36%
SEN Protection Scheme Block Tfr	0	0	0	0%
Central Block transfer	77	0	(77)	-100%
Budget Deficit reported to Schools For	(5,786)	0	5,786	-100%
Net Expenditure	23,914	37,586	13,672	57%

SEN Protection scheme

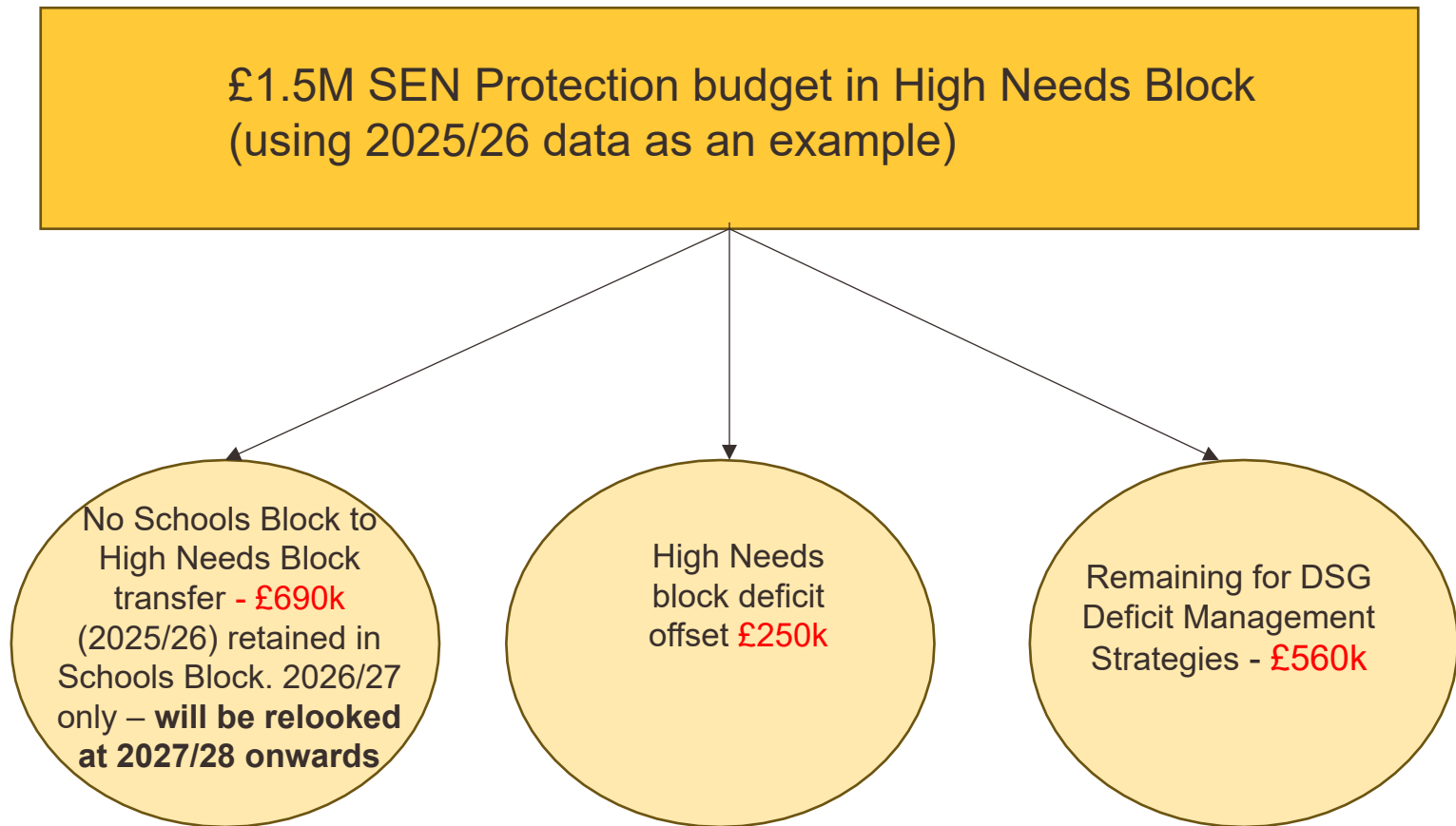
- Due to affordability issues in both the schools block and high needs block compromises are going to have to be made.
- SEN Protection has lost it's original purpose of rewarding only the most inclusive schools.
- Jan/Mar25 – Schools Forum have voted for a block transfer from schools block to high needs block to fund the SEN Protection scheme, therefore SEN Protection scheme will continue for 2025/26.
- **Budget Working Group were asked to consider that SEN Protection Scheme would be discontinued from 2026/27 onwards. Budget Working Group asked for a more phased approach and for further modelling to be completed on this.**

DSG deficit

£000	Budget 25/26
Special School Places - LA	1,750
Widemarsh Explorers	192
Autism bases	326
Resource bases + SEMH	600
SEN Inclusion Fund (SENIF) EY (includes EY £150k block transfer)	270
Nurture Groups	291
Independent Schools	20,626
Post 16 top up funding	2,808
Complex needs	2,558
PRU HPRS	1,154
PRU H3	337
PRU Protection (split sites/TLR)	54
Top ups	11,233
SEN Protection (includes HNB transfer)	1,544
Managed moves	
Teachers Pension Grant	444
SEN Support services	1,471
Inter Authority Recoupment income	-
	<hr/> 45,658
Deficit adjustment	(20,176)
TOTAL Funding/Forecast	<hr/> 25,482 <hr/>

- The table on the left hand side shows budget 2025/26 for the high needs block where we have an in-year deficit of £20.2 million driven by independent school places, tops ups and resource/autism/SEMH placements.
- Adding this to the brought forward £20 million deficit at 1st April 2025 would mean a **cumulative deficit position as at 31st March 2026 of £40.2 million.**
- We have to look at expenditure to reduce our deficit position.

Phased approach to end SEN Protection scheme (2026/27 onwards)



Phased approach to end SEN Protection scheme (2026/27 onwards) – notes:

- No Schools Block to High Needs Block transfer in 2026/27 – **£690k** (2025/26 value) retained in Schools Block. Possible uses: 2026/27 funding formula allocations can be increased to all schools by increasing factors, Minimum Funding Guarantee adjustment, or growth fund could be set up to manage rising and falling rolls in school. **This is a compromise for 2026/27 and the block transfer process will be reviewed at budget 2027/28.**
- **£250k** used to mitigate high needs block deficit
- Strategies within the DSG deficit management plan include the expansion of the SEMH inclusion team to include more specialist staff to support directly in schools a wider range of needs, and increase in commissioned short and long stay intervention spaces for pupils with SEMH as a primary need, to cover all age ranges. Costs for these strategies equate to **£560k.**

Budget Working
Group – Deficit
Management Plan

Context

The purpose of the management plan as per the DfE guidance is to:

- Comply with DSG conditions of grant.
- Monitor how DSG High Needs funding is being spent and compare data on high needs spend with other Local Authorities.
- Highlight areas where the Local Authority will review spending to improve future strategic plans for the provision of children and young people with special education needs and disabilities.
- Reduce the in-year cumulative DSG overspend before the government ends the Statutory Override (Accounting Treatment to ring fence the deficit from general fund reserves) for the Dedicated Schools Grant.
- To provide assurances that the Local Authority is achieving value for money from their DSG spend and are fully cognisant of and capture all the potential operational and financial risks.
- Maintain engagement with stakeholders through strong and collaborative governance arrangements with School Leaders and Schools Forum.

The DfE uses a special template that contains comparative data on special provision and placements, Section 251 budget and outturn data and High Needs National Funding Formula illustrative allocations. The information held on our template underpins this strategic plan and can be treated as an appendix. This document together with the appendix is reviewed by the Service, finance team and DfE in regular meetings.

Local Context

- June 2025: In line with national trends, Herefordshire is feeling acute pressure on their High Needs Budget.
- Despite increases in specialist provision being commissioned over the past few years (30 places in new mainstream autism bases and 77 newly commissioned places in maintained special schools and academies), more children and young people are being placed in the independent and non-maintained special schools at high cost.
- There are 112 pupils with EHCPs in the independent sector, a growth of 50 places since 2020.
- Total costs have risen from £427k in 2017/18 to £5.1 million at the end of the financial year 2023/24.
- Relevant headline data taken from the Herefordshire SEND School Place Commissioning Plan 2024 to 2027, shows the increased demand and the scale of the challenge is as follows:
 - Herefordshire is responsible for maintaining 1461 EHC plans (January 2024), which is forecast to rise to 1939 by 2027
 - 31% of EHCPs have SEMH as the primary need (compared to 15% nationally)
 - 23% of EHCPs have ASD as the primary need (compared to 32% nationally)
 - The growth in the number of children under 5yrs with an EHCP has been marked – an increase of 45% since 2020
 - Similarly, there has been growth in the numbers of young people post-16 with an EHCP – an increase of 35% since 2020
 - Trend lines suggest a 10% growth in EHCPs each year
 - 5% of children and young people with EHCPs are educated 'elsewhere' (e.g. elective home tuition, education otherwise than at school) compared with 3.5% nationally.

DSG Deficit Management Plan

The key actions in this Management Plan are grouped into four workstreams:

1. Intervention First
2. Managing demand
3. Increasing the sufficiency of local places
4. Financial management adjustments

- These workstreams are also replicated in the SEND Action Plan and reported into broader governance via the SEND Action Plan's leadership workstream.
- Regular updates will be presented to Budget Working Group and Schools Forum.

1. Intervention First

1. A commissioning review is driving new ways of working to support children and families, to ensure that mediation and alternative provision are purchase through a framework. This will drive efficiencies, for example reducing spot purchasing costs.
2. Intervention pathway (Harvest Project) from Hereford Pupil Referral Service offered which will be time limited and with a school contribution made toward the cost of intervention.
3. Short-term and long-term commissioned places to support pupils with SEMH (High Needs). KS1 = 12 places short-term and 6 long-term. KS2 = 16 short-term and 6 long-term.
4. Increase the reach of SENCO forum network to share good practice, promote support for children and young people within the mainstream schools and timely identification of need.
5. Develop the SEND Outreach and Inclusion offer with Special Schools, Specialist Teachers and Education Psychology services, Education Inclusion Advisors, and mainstream resource bases to set up support offer for staff in mainstream schools and reduce the need for specialist placements.
6. Training to improve the capacity of schools to meet pupils' needs at an earlier stage. This includes PINS training, classroom teacher 'expert' training, SENCo support and training.

1. Intervention First

7. Quality Assurance cycle of the delivery of Section F of an EHC plan in schools and settings, to support professionals in delivering high quality support.
8. Develop graduated approach toolkits to support practitioners in all key stages and for all types of primary need.
9. Developing stronger transition pathways – supporting schools to receive pupils who have a variety of needs into the start of a new key stage.

2. Managing Demand

1. Implement and develop the new graduated approach toolkit, supporting early identification and intervention strategies to improve outcomes for children and young people and reduce the likelihood that a child or young person will require a specialist placement as they grow older.
2. Review of commissioning of places in the Pupil Referral Service.
3. Review of commissioning of places in Educated Other than at School Arrangements. An analysis by age, gender reason for EOTAS provision, length of time out of school and numbers awaiting placement or in receipt of bespoke packages (and the cost of those packages) should be included.
4. Market testing exercise of commissioned services will be used to identify efficiencies, for example more cost-effective home tuition services.
5. A new delivery model for HPRS: Establish an Alternative Provision Specialist Taskforce. Taskforces are teams of co-located specialists based onsite within schools, undertaking integrated, child-centred work with pupils, responsively information-sharing, as well as sharing their expertise and embedding their practice within the whole school. Additionally, create a space for a small locality team (early help / social care) to be located in the school with an office and meeting room.

2. Managing Demand

6. Alternative Provision and Support for Inclusion - Continue to support schools to be inclusive and manage increase in permanent exclusions. A new delivery model for HPRS: The proposed model will provide an outreach element with the intention of enabling children to remain in their local school where this is appropriate.

7. Establish a whole 'specialist teacher' team (4 staff) covering the 4 areas of need. Team of practitioners who support and aid set up of school run provisions (SEND hubs). Team model the running of it, then step away leaving the school with the skills and confidence to run it successfully internally. This team provide workshops promoting the benefits. School then to receive hands on support to set up the provision and the team would run the provision (for a set period of time) alongside school staff ensuring everything was in place before they step away, providing regular drop ins and support.

3. Improving sufficiency of local places

1. Extend specialist places for primary for SLCN and ASD: Expansion of Hampton Dene LCC to provide 16 additional spaces for KS1 and KS 2 for SLCN and ASD
2. Extend SEMH places: Expansion of Brookfield SEMH Special School to provide two additional classrooms and sports hall. Business case to keep Arrow Group at Symonds Street, will create additional capacity 16 places.
3. Rebuilding and Expansion of Westfield Special School to provide new accommodation for pupils (Capacity 73-100 to be finalised)
4. Develop MLD specialist provision: Ryfield Centre – up to 40 places for 5-16 yrs MLD and associated difficulties e.g. SEMH/ASD
5. Relocation and expansion of Hereford Pupil Referral Service: Develop Tier 2 model - short-term placements in alternative provision to assess support pupil's needs to help them return and remain their mainstream school). HPRS offer a total of 64 places across two centres, 24 KS3 and 40 KS4. New site to provide 100 KS3/4 places, an additional 36 new places. Expand age range of HPRS to include KS1/2. Vacating of St Davids site to create a small KS1 and KS2 registered alternative provision.

3. Improving sufficiency of local places

7. Extend the AP pathway to pupils and reduce the number of bespoke packages in place at a cost of £9360 per week. Develop a site for an outstanding provider e.g. Continu+ to deliver a richer AP offer.
8. Extend provision to include complex autism and SLD places: Free School Build – 80-place all-through special school for complex autism and severe learning difficulties.
9. Extend autism provision: Resource Based Provision – autism base Aylestone. Increase 16 places KS3/4 for ASD (24 in total)
10. Extend SEMH provision: Resource Based Provision – SEMH base, Trinity Primary School, 8 places September 25 KS1/2, 16 places KS1/2 Sept 26 (16 in total)
11. Extend SEMH provision: Construct a new SEMH Special School KS1-5, 140 places

4. Financial management workstream

4.1. Deep dive into each area of spend to identify efficiencies

4.2 Review administrative charges to other local authorities for out of county pupils in Herefordshire

4.3 Review of commissioning arrangements that would achieve projected cost avoidance

4.4 Launch a new strategic commissioning framework for Alternative Provision in September 2025

4.5 Post 16 – FE College Placements - Review post 16 expenditure to ensure greater efficiency with mainstream college providers.

4.6 Carry out an annual demand profile in July/August each year to analyse the current provision deficit and to track the actual position against the projected position.