

## **Children & Young People Directorate**

### **2026/27 Budget Position Statement**

Key pressures, challenges and savings proposals for 2026/27

# Children & Young People Directorate

## Key Revenue Budget Pressures

- Rising demand and increasing costs to support and protect children and young people in care as a result of increasing complexity of need and risk and limited market sufficiency.
- Increasing demand and costs to support children with Special Educational Needs and Disabilities (SEND) required to fulfil statutory responsibilities to provide education provision that meets need.
- Increased demand and costs associated with school transport costs for children with Education, Health and Care Plans and SEND.
- The impact of the Dedicated Schools Grant (DSG) High Needs Block overspend on the council's cash and borrowing position.

## Key Savings Proposals

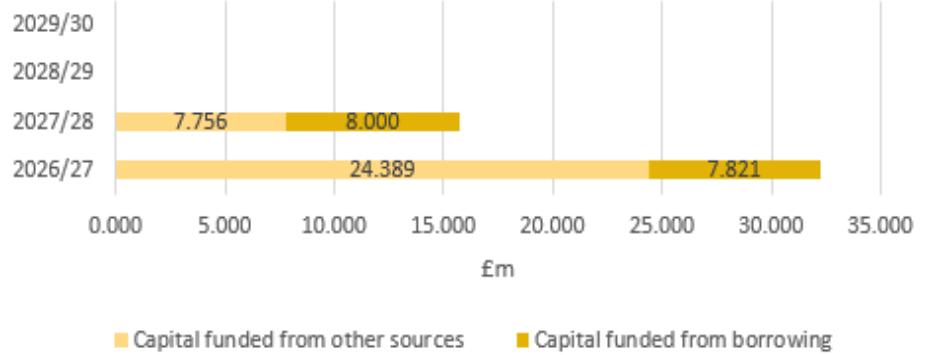
- Continued reduction in both the number of agency social workers and agency hourly pay rates to minimise pressure on staffing budgets.
- Managing expenditure of high-cost residential and complex needs placements through continued management oversight, review and challenge of outcomes for children.
- Delivering efficiencies through reshaping of services to promote Family Help reducing the need for specialist care and protection.

## Key Capital Projects

- Peterchurch Area School Investment
- School Improvement Works to Brookfields School and Aylestone School
- Relocation of Herefordshire Pupil Referral Units
- Establishment of new Alternative Provision centre

Revenue Budget	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
<b>Opening budget</b>	58,873			
<b>Pressures:</b>				
Demographic growth	2,047			
Inflation	520			
Other pressures	321			
<b>Savings</b>				
Cost control	(1,310)			
Increasing income	-			
Managing demand	(1,966)			
Delivering efficiencies	(72)			
<b>Closing budget</b>	58,413			

## Capital Programme



# Children & Young People Directorate

## Strategic Priorities

The council's priority is to support children and young people to thrive and achieve their potential, to ensure that all children have the best start in life.

The Children and Young People Partnership (CYPP) and Families First delivery programme are coordinated to promote Family Help; supporting parents and the wider family network to provide safe, nurturing care to their children in the first instance, reducing risk and preventing the need for care.

Using a resorative approach the directorate continues to recognise the importance of working with children, young people and their families and the essential role of the wider partnership in meeting the vision as set out by the Families First Welfare reforms and our own CYPP plan.

## Key Services

- Early help and family support services including advice, guidance and training programmes to families and professionals.
- Children's social care services to children and young in need of Support, care and protection, including children who are care-experienced and those at risk of exploitation.
- Children with disabilities services providing early help, support and protection to those with complex needs.
- Adoption and fostering services providing safe, nurturing care.
- School place sufficiency, school admissions and attendance.
- Support and guidance to schools and education providers to promote high-quality education places for children in Herefordshire.
- Early years provisions support, guidance and quality assurance.
- Special educational needs and disabilities (SEND).
- Education support for vulnerable groups of children including those who are home educated and missing from education, and children who are looked after.

- Increasing care and support provider costs, and the impact of growing demand on the sufficiency of placements and provision, lead to financial pressures across the Children & Young People directorate budget.
- The annual and cumulative Dedicated Schools Grant (DSG) deficit position represents a significant financial pressure for the council over the medium-term period, in line with the national trend.
- National and local increases in Education, Health and Care Plans (EHCPS), driven by complex needs including autism and speech and language issues, leading to increased demand for individualised specialist placements, result in both cost and workforce pressures for the directorate with a corresponding impact on Special Educational Needs (SEN) and Home to School Transport budgets.
- The recruitment and retention of social workers represent a challenge to both service delivery and staffing budgets. The directorate continues to manage workforce pressures with a focus on permanent recruitment retention.
- Challenges in the recruitment of in-house, local foster carers, including for sibling groups and children with disabilities and complex and additional needs. A lack of capacity means the council is increasingly reliant on higher-cost provision from the independent market.

## Key Challenges and Risks to Service Delivery

# **Children & Young People Directorate**

## **Appendices**

[\*\*Appendix A: Revenue Budget by Service\*\*](#)

[\*\*Appendix B: Revenue Budget Movements\*\*](#)

[\*\*Appendix C: 2026/27 Savings Proposals\*\*](#)

[\*\*Appendix D: Capital Projects\*\*](#)

## Appendix A: Revenue Budget by Service

Service Description	Net Budget 2025/26 £'000	Gross Budget 2026/27 £'000	Income £'000	Earmarked Reserves £'000	Net Budget 2026/27 £'000	Net Budget 2027/28 £'000	Net Budget 2028/29 £'000	Net Budget 2029/30 £'000
Central Children's Directorate	1,845	4,509	(1,501)	-	3,008			
Education Skills and Learning	4,045	7,875	(3,043)	(471)	4,361			
Corporate Parenting	41,975	44,301	(4,744)	-	39,557			
Safeguarding and Family Support	11,008	11,488	-	-	11,488			
<b>Total</b>	<b>58,873</b>	<b>68,173</b>	<b>(9,288)</b>	<b>(471)</b>	<b>58,413</b>			

## Appendix B: Revenue Budget Movements

Title	Detail	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Earmarked reserve funding	Social Resilience reserve	1,442			
Consolidated grants	RSG Settlement	722			
Pay Inflation	Estimated pay award	520			
Movement in Pay estimates	Various	329			
DSG Budget	Change in recharge	318			
Supported Accommodation	Increased support	169			
Out of County Foster Carers	Council tax support	46			
Earmarked reserve funding	Movement in year of funding	(157)			
Whitecross PFI	Increased income	(227)			
Miscellaneous	Various	(273)			
<b>Total</b>		<b>2,889</b>			

## Appendix C: 2026/27 Savings Proposals £3,348k

Ref	Description/Activity	2026/27 £'000
<b>CONTROL COSTS £1,310k</b>		
C1	<b>Reduction in Social Worker Agency posts:</b> planned reduction based on requirements of current cohort	800
C2	<b>Early Help Service:</b> planned removal of Head of Service post (currently vacant) as part of locality model changes	70
C3	<b>SEND Staff:</b> removal of posts not currently filled to deliver savings in staffing costs	123
C4	<b>Agency Cap Recruitment:</b> reduction in existing agency hourly rates for social workers to move the service closer to CAP rates whilst retaining experienced social workers	79
C5	<b>Staffing review/vacancies:</b> reshaping of services to deliver net savings in staffing budgets	238
<b>MANAGE DEMAND £1,966k</b>		
D1	<b>Complex needs budget:</b> reduction to reflect decrease in complex needs placements in 2026/27 within the Section 75 budget (pooled funding arrangement across Health, Education and Social Care)	1,265
D2	<b>Unaccompanied Asylum-Seeking Children (UASC) budget:</b> reduction in average weekly placement costs for UASC supported lodgings placements	235
D3	<b>Supported Accommodation budget:</b> reduction in budget to reflect decrease in required placements for internal supported accommodation in 2026/27	83
D4	<b>Independent Foster Agency budget:</b> reduction in budget to reflect movement of current cohort turning 18 in 2026/27 who will move to internal/external supported accommodation	383
<b>DELIVER EFFICIENCIES £72k</b>		
E1	<b>Safeguarding Board:</b> Reduction in business unit costs as agreed by the partnership with each partner receiving benefit from this efficiency proposal	72
		<b>3,348</b>

## Appendix D: Capital Projects 2026/27 to 2029/30

Project	2026/27		2027/28		2028/29		2029/30	
	Total £'000	Funded by borrowing £'000						
Schools' Capital Maintenance Grant	2,770	-	1,200	-	-	-	-	-
Aylestone School Improvement Works	1,790	-	1,000	1,000	-	-	-	-
Peterchurch Area School Investment	3,377	3,377	-	-	-	-	-	-
Brookfield School Improvements*	-	-	-	-	-	-	-	-
High Needs Grant	6,784	-	-	-	-	-	-	-
Basic Needs Funding	11,810	251	5,006	-	-	-	-	-
Relocation of Herefordshire Pupil Referral Units	1,500	1,500	3,500	3,500	-	-	-	-
New Alternative Provision Centre	1,500	1,500	3,500	3,500	-	-	-	-
Childcare Expansion Capital Grant 2023/24	130	-	-	-	-	-	-	-
School Accessibility Works	1,193	1,193	-	-	-	-	-	-
Children's Residential Homes for 11 to 18 year olds*	-	-	-	-	-	-	-	-
Residential overnight short breaks refurbishment	60	-	-	-	-	-	-	-
Children & Families S106	1,297	-	1,550	-	-	-	-	-
<b>Total</b>	<b>32,211</b>	<b>7,821</b>	<b>15,756</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Spend in prior years