

Schools Forum

23 October 2026

DSG Forecast Outturn Q1 2026/27

2026/27 Quarter 1 DSG Outturn

DSG Allocation	DfE Funding £'000	DfE Outturn (Inc Block Transfers) £'000	Variance £'000
Schools Block	143,984	143,984	0
Less recoupment	-75,632	-75,632	0
Less NNDR	-1,306	-1,306	0
Schools Block	67,046	67,046	0
High Needs Block	30,652	56,373	25,721
Less recoupment	-5,795	-5,795	0
High Needs Block	24,857	50,578	25,721
	27,472	27,472	0
Early Years Block	27,472	27,472	0
	963	963	0
Central School Services Block	963	963	0
Net Expenditure	120,338	146,059	25,721

* Funding as per DfE website July 2026 allocation update

High Needs Forecast Variances

- Schools Forum recommended a High Needs budget of £50.8 million for 2026/27, with a funding gap of £25.9 million.
- The Q1 forecast outturn position indicates that the in-year deficit will be lower than when the budget was set. The latest forecast end-of-year position indicates an overspend of £25.7 million.
- A net £0.2 million reduction in the deficit as detailed:

DSG Forecasted Variances	Q1 £m
School Top Ups (Mainstream and Special)	0.4
Special School places	0.2
Cost Pressures	0.6
Independent placements	-0.6
Complex Needs	-0.2
Mitigations	-0.8
Net Forecasted Variance	-0.2

High Needs Block Outturn - June 2026

High Needs Block	Budget £m	Outturn £m	Variance £m
Special School Places	2.562	2.760	0.199
PRU Places	1.340	1.340	0.000
PRU Top Ups	0.867	0.867	0.000
Early Years SENIF Grants	0.270	0.270	0.000
DSG Complex Needs Contributions	1.413	1.189	(0.224)
Early Years Resource Bases	0.118	0.124	0.007
Resource Provisions - School Age	1.513	1.549	0.036
SEN Support Services	1.820	1.738	(0.082)
Inter Auth Recoupment	0.095	0.149	0.054
Fees to Independent Schools	21.634	21.046	(0.588)
S19 Education costs	0.325	0.325	0.000
Tier 4 Hospital School Provision	0.040	0.040	0.000
High Needs – School Top Ups	7.741	8.440	0.699
High Needs – Special Top Ups	6.494	6.200	(0.295)
High Needs – Post 16 Top Ups	5.018	5.018	0.000
High Needs Contingency (Block Transfers)	(0.436)	(0.477)	(0.041)
High Needs Block Budget Requirement	50.813	50.578	(0.235)
High Needs Block 2026/27 Net Allocation	(24.857)	(24.857)	-
High Needs Block 2026/27 Forecast Deficit	25.956	25.721	(0.235)

Cumulative Deficit Balance

- At 31 March 2027 this forecasted outturn would mean the cumulative DSG deficit balance would be **£62.0 million**, as analysed in the table below:

DSG Deficit	Pre 2022/23 Balance £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 Forecast £m
Outturn	1.1	5.0	13.8	16.4	25.7
DSG Deficit Cumulative balance	1.1	6.1	19.9	36.3	62.0

Note: This table does not include the £32.7 million High Needs Stability Grant expected to be paid on the 30 November 2026.

National Funding Formula Update 2027/28

National Funding Formula Update 2027/28

- The DFE published the preliminary information regarding the NFF 2027/28 on the 2 October 2026, the same principles apply to 2027/28 budget, as did for the 2026/27 budget:
 - Fund schools at the National Funding Formula (NFF) values.
 - Fund schools at the maximum permitted Minimum Funding Guarantee (MFG) (2026/27 value 0%).
 - De-delegations to be agreed for 2027/28, with those continuing to be increased in line with 2026/27 assumptions and finalised once allocations are published in December 2026.
- Assume draft budgets will be circulated in January 2027 with final budgets confirmed in March 2027.

National Funding Formula Update 2027/28

- Teacher's Pension Employer Contributions – will reduce from 28.6% to 17.6% from April 2027, with corresponding funding reduction incorporated into the NFF.
- 2026/27 Schools Budget Support Grant – Confirmation that this grant will be rolled into the NFF for 2027/28
- FSM Expansion Grant – Will not be rolled into the NFF for 2027/28 but additional funding will be received through Schools Block Allocations 2027/28 to passport to schools.
- Potential for future changes to HNB SEND element 2 funding of £6,000 per pupil following DfE consultation in summer 2026. Feedback due in autumn 2026 but no changes to NFF confirmed for 2027/28 as DfE to run pilot scheme initially (Herefordshire not part of).

2027/28 Exceptional Circumstances Disapplication Request

Exceptional Circumstances Disapplication

- Each year, local authorities can submit requests to 'disapply' certain regulations governing their local funding formulae.
- Applications to be submitted by 16 November 2026, to ensure decisions are communicated back to local authorities prior to the APT submission deadline.
- Herefordshire is proposing to submit 1 disapplication request on behalf of Eastnor Primary School, the disapplication relates to the rent of additional classrooms. The disapplication is for the value of **£18,919**.
- Schools Forum approval is required as part of the submission process. This disapplication has been previously supported by Schools Forum for the last 3 financial years.
- The 2027/28 financial year falls within the period of the 3-year contract review, the cost of the existing agreement has been adjusted to reflect inflationary increases.

2027/28 De-delegated Services

De-delegated Services

- Maintained schools have for several years chosen to de-delegate a number of services, the table below outlines those in place for the 2026/27 financial year.

De-delegations	APT calculation basis	Total Amount
Access Budgeting Software	Total no of schools	23,055.58
FSM Eligibility Checking Service	Primary & Secondary	13,549.64
EAL Service	Primary, Secondary, Ever6 FSM & EAL	54,760.97
Trade Union Facilities Service	Primary only	20,245.82
School Improvements Service	Primary & Secondary	67,228.08
Contingencies	Primary & Secondary	11,222.16
Behaviour Support Team	Primary only	31,119.90
Total De-delegations		221,182.15

- For 2027/28, we are proposing several changes to these services to strengthen the overall offer to schools and ensure it continues to meet their needs. Further details of these proposed changes are provided in the following slides.

Proposed changes for 2027/28

ACCESS BUDGETING SOFTWARE

- This item relates to the budgeting software package (Access) used by schools for budget setting and submission of 5 year plans.

Proposal for 2027/28:

- To be **removed** from the de-delegations and charged via the core Hoople SLA packages.

Proposed changes for 2027/28

FSM ELIGIBILITY CHECKING SERVICE

- This service supports the administration and verification of Free School Meal eligibility and is delivered by the Revenue & Benefits team within Hoople Ltd.

Proposal for 2027/28:

- With the significant FSM changes introduced this September, it is proposed that this de-delegation **remains unchanged** (other than an inflationary rise) as the administrative support provided by Hoople offers valuable assistance to schools.

Proposed changes for 2027/28

EAL SERVICE

- This item relates to the service that supports pupils with English as an Additional Language (EAL), including the provision of assessment support, observations, and monitoring visits for maintained schools. The EAL Service has experienced increasing demand from schools for specialist assessment, intervention and support for newly arrived bilingual learners and their families.

Proposal for 2027/28:

- Following a review of service requirements, the **de-delegation has been revised** to incorporate a core package of teacher and teaching assistant support, funded through the de-delegated arrangement.

Proposed changes for 2027/28

TRADE UNION FACILITIES

- The local authority provides facilities time to recognised trade unions to comply with the need for employers to have appropriate arrangements for trade union recognition, consultation and negotiation.

Proposal for 2027/28:

- Other than the annual inflationary rise (rate TBC in January 2027) we propose that this item **remains unchanged**.

Proposed changes for 2027/28

SCHOOL IMPROVEMENTS SERVICE

- The School Improvement Service provides strategic leadership, challenge, and support to schools to secure and sustain high-quality education outcomes for all pupils. This includes performance monitoring, targeted intervention & advice and inclusion support.

Proposal for 2027/28:

- To strengthen the support available to schools, the team has been re-aligned, **providing additional capacity** and resources to support a greater number of maintained schools.

Proposed changes for 2027/28

CONTINGENCIES

- This item provides a small contingency within the de-delegated budget to manage any funding shortfalls resulting from academy conversions, as well as other unforeseen costs that may arise during the year.

Proposal for 2027/28:

- Due to the small allocation and proposed rises in other de-delegated items, we propose that the contingency is **removed** for 2027/28.

Proposed changes for 2027/28

INCLUSION OUTREACH TEAM (previously Behaviour Support Team)

- The Behaviour Support Team has been restructured as the Inclusion Outreach Team, with a revised model that combines advisory teachers and intervention specialists to deliver targeted, direct support to all schools.

Proposal for 2027/28:

- As the service offer has evolved and now provides targeted support to all schools, we propose that this item is **removed** from de-delegations for 2027/28.

Summary of Changes 2027/28

- Considering the proposed changes highlighted in the previous slides, the overall increase on de-delegations would be **approximately £48k** (pending final inflation figures in January 2027).

	2026/27	2027/28 PROPOSED	VARIANCE	
De-delegations	Total Amount £	Total Amount £	Variance	Variance reason
Access budgeting software - computer license	23,055.58	0.00	-23,055.58	Removed and charged through Hoople core SLA
Free school meals eligibility checking	13,549.64	13,884.32	334.68	Unchanged - inflation applied (modelled with 2.47%)
English additional language service - (EAL)	54,760.97	104,073.73	49,312.76	Core team for EAL service established. Re-introduction of EAL Teaching Assistant and EAL Team leader role
Trade union facilities agreement	20,245.82	20,745.89	500.07	Unchanged - inflation applied (modelled with 2.47%)
School improvement service	67,228.08	129,421.92	62,193.84	School improvement advisors increased from 0.6 FTE to 1.6 FTE in 27/28
Contingencies	11,222.16	0.00	-10,488.00	Contingency removed for 27/28 as no longer required
Behaviour support service	31,119.90	0.00	-31,119.90	Behaviour support team charge removed as Inclusion Outreach offer now in place and open to all schools
Total De-delegations	221,182.15	268,125.86	47,677.87	

Education Management Functions (EMF)

- The table below highlights the current EMF charges for 2026/27 compared to the proposal for 2027/28 (apply inflation inline with APT rate).
- This is the approach that has been applied in previous financial years.
- EMF contributes to services including Statutory HR & Finance, NC Monitoring & Moderation, Internal Audit, Property Services & Governor Services.

Education Management Functions	Total Amount £	Total Amount £	Variance	Variance reason
Education Management Functions	140,119.68	143,580.64	3,460.96	Inflation modelled at 2.47% (as same as 26/27) but will update with actuals in Jan 27
Total Education Management Functions	140,119.68	143,580.64	3,460.96	