Thurrock Borough Council
Schools Forum

Agenda Item No: 06

THURROCK SCHOOLS FORUM REPORT	
DATE:	18 June 2026
SUBJECT:	DSG Management Plan
REPORT OF:	David May
THE REPORT IS:	For Information and School Forum Feedback

1. EXECUTIVE SUMMARY

1.1 The Dedicated Schools Grant reports an outturn position of £5.302m (2.94%) overspend, against a revised budget of £71.977m. The 2025/26 budget identified risk of £3.731m, that were reflected in the DSG Management Plan.

1.2 There continues to be significant risk within the High Needs Block:
- Continued increase in demand for EHCP's; and
- Sufficiency of local offer to prevent high-cost external placements.

1.3 The DSG Management Plan is updated monthly to reflect current and forecast demand within the High Needs Block. Current forecasts show that by the end of 2028/29 financial year, the deficit is projected to be £42.530m. This reflects, both the national and local, significant increase in the number of EHCP's and the complexity of need. The local offer continues to be reviewed.

1.4 Detailed in the report is the data, costs, unit costs and assumptions behind the DSG Management Plan and the information included in the SEND Reform plan.

1.5 In February 2026, the government announced its approach to support local authorities with DSG deficits. The High Needs Stability Grant will provide funding to cover 90% of a local authority's eligible, high needs-related DSG deficit accrued up to the end of the 2025/26 financial year. To receive the grant, authorities must secure Department for Education (DfE) approval for a local SEND reform plan. This plan must detail a pathway toward a financially sustainable and inclusive system.

1.6 The accrued deficit at the end of 2025/26 is £4.919m. The 10% contribution that Thurrock would be expected to make up to 2025/26 is £0.492m.

2. RECOMMENDATIONS

2.1 The Schools Forum is sighted on the:

a) The DSG projected outturn 2026/27 position, the significant areas of demand and impact on future years.

b) Impact of the Accumulated DSG Management Plan deficit.

c) Assumptions made in producing the DSG Management Plan and SEND Reform Plan.

3. PURPOSE OF THE REPORT

3.1 To inform members of the Schools Forum of the latest DSG Management Plan and assumptions included within the SEND Reform plan.

4. DEDICATED SCHOOLS GRANT 2025/26

4.1 The Dedicated Schools Grant reports an outturn position of £5.302m (2.94%) overspend, against a revised budget of £71.977m. The 2025/26 budget identified risk of £3.731m, that were reflected in the DSG Management Plan.

Table 1 – Dedicated Schools Grant

Dedicated Schools Grant	Budget as at Q3 2025/26	DSG Movement Q4	Final Budget 2025/26	Outturn 2025/26	Variance to Budget 2025/26	Variance to Budget Q3 2025/26	Movement in Variance from Q3
	£m	£m	£m	£m	£m	£m	£m
School Block	£5.811	£0.000	£5.811	£5.015	(£0.796)	(£0.400)	(£0.396)
Central Services Block	£1.598	£0.000	£1.598	£1.584	(£0.014)	(£0.009)	(£0.005)
High Needs Block	£34.372	£0.000	£34.372	£40.623	£6.251	£7.213	(£0.962)
Early Years Block	£30.135	£0.061	£30.196	£30.057	(£0.139)	(£0.040)	(£0.099)
Total DSG	**£71.915**	**£0.061**	**£71.976**	**£77.278**	**£5.302**	**£6.764**	**(£1.461)**

4.2 The net overspend is driven by:

- Increase in the number of EHCPs and hours awarded to support pupils in mainstream academies - £1.366m.
- Increase in Commissioned places and placements - £1.020m.
- Independent schools/OOB - £2m – risk removed in setting 2025/26 budget.
- Post 16 - £0.730m
- Tuition - £0.717m. Reflection of current students receiving tuition.
- Increase in demand for behavioural therapists and mediation - £0.250m.

5. DSG RESERVE

5.1 On 1 April 2025, the total of DSG reserves were £0.383m and were fully committed for use in 2025/26 to offset pressures in the High Needs Block.

Table 2 – Use of Reserves

Description	Balance as at 31 March 2025	Drawdown from reserve 25/26	Final Contribution To Reserve 2025/26	Balance as at 31 March 2026
DSG Unusable reserve	£1.883	£0.000	£3.036	£4.919
DSG Usable Reserve	(£2.266)	£0.000	£2.266	£0.000
Total Dedicated Schools Grant Reserve	**(£0.383)**	**£0.000**	**£5.302**	**£4.919**

6. DSG MANAGEMENT PLAN

6.1 The DSG Management Plan is updated monthly to reflect current and forecast demand within the High Needs Block. Current forecasts show that by the end of 2028/29 financial year, the deficit is projected to be £42.530m. This reflects, both the national and local, significant increase in the number of EHCP's and the complexity of need. The local offer continues to be reviewed.

Table 3 – DSG Management Plan

EHCP's	2026	2027	2028	2029
Mainstream schools or academies	1,461	1,622	1,800	1,998
Resourced Provision or SEN Units	190	200	210	210
Maintained special academies	563	573	623	673
NMSS or independent schools	83	89	89	85
Medical/Home Tuition	95	95	95	95
Post 16	298	468	638	808
AP (EHCP)	101	101	101	101
Total EHCP funded by HNB	**2,791**	**3,148**	**3,556**	**3,970**
DSG Management Plan	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Total Expenditure	£m	£m	£m	£m
Mainstream	11.253	13.987	13.956	14.681
Resources	6.300	6.465	6.862	7.129
Special Schools	14.950	17.501	19.766	22.608
NMSS or Independent	5.863	6.138	6.418	6.349
Medical or Home Tuition	1.403	1.364	1.181	1.238
Post-16 or FE	3.862	4.137	4.538	4.989
AP	2.824	3.151	3.201	3.259
Other H2S Transport	1.600	1.600	1.600	1.600
Total	**48.055**	**54.342**	**57.523**	**61.854**
DSG Assumed	**41.804**	**44.035**	**45.356**	**46.717**
In Year Position HNB	**6.251**	**10.307**	**12.167**	**15.137**
Other Funding Blocks	**(0.949)**	**0.000**	**0.000**	**0.000**
DSG Deficit/(Surplus)	**(0.383)**	**4.919**	**15.226**	**27.393**
Accumulated Deficit/(Surplus)	**4.919**	**15.226**	**27.393**	**42.530**

6.2 The DSG Management Plan projects a deficit of £10.307m in 2026/27 and £12.167m in 2027/28. These are the key years linked to the SEND Reform plan and the High Needs Stability support to be provided by the DfE.

6.3 DSG Management Plan Assumptions
In order to produce the plan for future years a number of informed assumptions are made to allow costings to be projected these are shown in the table below:

Table 4 - DSG Management Plan Assumptions

Thurrock Council	DSG Management Plan - Assumptions
Mainstream	11% Year on Year increase
Resource Provision / SEN Units	Primary SEMH base Sept 26, Tilbury Pioneer Sept 27, removed x16 into AP. Top-Up increase 26/27 2.11%, then 3% YOY
Special Schools	Treetops Free School increases 10,20,70,120. Top-Up increase 26/27 2.11%, then 3% YOY
INMSS	Includes Northview 30 from 2027. Unit cost increase 5% YOY
AP / Hospital	2025/26 and onwards includes x16 East tilbury and Thameside. Top-Up increase 26/27 2.11%, then 3% YOY
Section 19 -Tuition	Unit cost increase 5% YOY
Post 16	Plus 170 each year. Numbers identified do not all have a cost implication. Unit cost increase 5% YOY
Other - Home to School Transport	Fixed Contribution linked to the amount included in DSG since 2005/06

6.4 **Appendix A** shows the category of spend for HNB, and the unit costs of each. In common with most other LAs, the highest unit costs are on independent non-maintained special schools. Ideally, from a financial perspective, the spending on this category would be minimalised to only the most profoundly dependent pupils, where providing local authority provision is unsustainable.

6.5 The proportion of spend on INMSS for 2024/25 was 11%. The number of pupils placed in INMSS is 2%. Thurrock has 66 INMSS cases, 12 are residential and 54 are day placements. The residential placements are highly specialised and not available within Thurrock. The non-residential placements are primarily Autistic and SEMH and were placed at a time of suitable LA provision not being available within Thurrock.

6.6 Thurrock, to support the DSG HNB position, over the previous 8 years, has invested in the local offer through increased Resource base and Special School places, as reflected in the table below:

Table 5 – Investment in Local Offer and Commissioned Places

Institution Name	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Resource Bases	118	120	146	144	156	166	166	190	190	200	210	210
Special Schools	361	380	392	392	453	540	540	540	563	573	623	673
AP	87	87	101	101	101	101	101	101	101	101	101	101
NorthView / Indep.	0	0	0	0	0	0	0	0	24	30	30	30
Total	566	587	639	637	710	807	807	831	878	904	964	1014

6.7 As the local offer develops, Thurrock is seeking to have sufficiency of provision within the local area and to reduce the number of INMSS placements. The creation of places at Northview, whilst the Free school is built, will support this.

6.8 Due to the specialist nature on INMSS placements, the Council uses spot purchase contracts utilising the national schools contracts. Thurrock has only a small number of INMSS placements, this is due to the success of the Local Offer and placements made are of a specialist nature. It is hoped the planned expansion of Treetops Free School starting in September 2027 will further reduce the need for new placements.

Appendix B shows the combined DSG and Thurrock costs.

7. HIGH NEEDS PROVISIONAL CAPITAL ALLOCATION 2026/27

7.1 The provisional allocation has been received from the DfE. The intention is that this grant is used to support the SEND Reform Plan, specifically mainstream inclusion.

7.2 The following summary has been included within the SEND Reform plan.

Table 6 – High Needs Provision Capital Allocations 2026-27

High Needs Provision Capital Allocations 2026-27		
New Inclusion Bases	£1,422,564	Seek Expressions of Interest
Small Grants Programme	£1,000,000	Mainstream & Post 16 Inclusion
Total	**£2,422,564**	

8. TRANSFER BETWEEN FUNDING BLOCKS

8.1 Local Authorities can transfer up to and including 0.5% of the schools block into another block, with schools forum approval.

8.2 Thurrock Schools Forum, over the 7 year period, 2018/19 to 2024/25 agreed to transfer £5.288m. This supported the successful recovery of the deficit of £4.046m (2017/18) and increasing demand in the system. At the end of 2024/25, Thurrock had a surplus of £0.383m. However, in 2025/26 funding and demand pressures have contributed to an accumulated deficit at 31 March 2026 of £4.919m.

8.3 In 2025/26 and 2026/27 Thurrock implemented the National Funding Formula (NFF) including Area Cost Adjustment in full. This was supported by reducing the level of growth fund retained. Any transfer from the Schools Block to the High Needs Block would not allow funding at the National Funding Formula values.

8.4 In discussion with the Schools Forum, there are clear funding pressures in all Thurrock schools in supporting inclusion and increase SEN needs. A reduction of funding to schools would increase this pressure and not support the direction of travel of transferring additional funds to schools to support mainstream inclusion.

9. HIGH NEEDS STABILITY GRANT 2026/27

9.1 In February 2026, the government announced its approach to support local authorities with DSG deficits. The High Needs Stability Grant will provide funding to cover 90% of a local authority's eligible, high needs-related DSG deficit accrued up to the end of the 2025/26 financial year. To receive the grant, authorities must secure Department for Education (DfE) approval for a local SEND reform plan. This plan must detail a pathway toward a financially sustainable and inclusive system.

9.2 Whilst the High Needs Stability Grant has only been confirmed for 2025/26 it is expected that support will be available to local authorities in 2026/27 and 2027/28. The 10% contribution that Thurrock would be expected to make up to 2025/26 is £0.492m, £1.031m in 2026/27 and £1.217m in 2027/28. A combined funding contribution of £2.739m for the 3 year period.

10. REFERENCES TO OTHER KEY DOCUMENTS / PREVIOUS REPORTS

- School Forum meeting 18-06-2026 – DSG 2026-27
- School Forum meeting 18-06-2026 – DSG 2025-26
- School Forum meeting 12-03-2026 – DSG 2026-27

11. CONTACT DETAILS OF LEAD OFFICER / AUTHOR

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact.

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Thurrock Unit Costs — Appendix A

Thurrock Council High Needs Block	Outturn 2023/24 £'000	Outturn 2024/25 £'000	Outturn 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000
Mainstream	7,621	9,380	11,253	13,987	13,956
Resource Provision / SEN Units	5,043	5,414	6,300	6,465	6,862
Special Schools	12,580	13,775	14,950	17,501	19,766
INMSS	3,960	4,578	5,863	6,138	6,418
AP / Hospital	2,721	2,749	2,824	3,151	3,201
Section 19 -Tuition	1,078	970	1,403	1,364	1,181
Post 16	2,563	3,032	3,862	4,137	4,538
Other - Home to School Transport	1,600	1,500	1,600	1,600	1,600
Total Expenditure	**37,165**	**41,398**	**48,055**	**54,343**	**57,522**

Thurrock Council High Needs Block	Pupil Nos. Jan-24	Pupil Nos. Jan-25	Pupil Nos. Jan-26	Pupil Nos. Jan-27	Pupil Nos. Jan-28
Mainstream	1,105	1,305	1,461	1,622	1,800
Resource Provision / SEN Units	190	190	190	200	210
Special Schools	553	540	563	573	623
INMSS	52	56	83	89	89
AP / Hospital	101	101	101	101	101
Section 19 -Tuition	182	152	95	95	95
Post 16	318	310	298	468	638
Total Expenditure	**2,501**	**2,654**	**2,791**	**3,148**	**3,556**

Thurrock Council	Unit Cost	Unit Cost	Unit Cost	Unit Cost	Unit Cost
Mainstream	£6,897	£7,188	£7,702	£8,625	£7,753
Resource Provision / SEN Units	£26,541	£28,495	£33,158	£32,325	£32,676
Special Schools	£22,748	£25,509	£26,554	£30,543	£31,727
INMSS	£76,147	£81,750	£70,639	£68,966	£72,118
AP / Hospital	£26,940	£27,218	£27,960	£31,197	£31,690
Section 19 -Tuition	£5,923	£6,382	£14,768	£14,354	£12,429
Post 16	£8,060	£9,780	£12,960	£8,840	£7,113
Total Expenditure	**£14,220**	**£15,033**	**£16,645**	**£16,756**	**£15,726**

Post 16 numbers are those included in the Census data. Future year projections are + 170 pupils reflecting current EHCP numbers and age profile. The numbers identified do not automatically have a cost implication to the DSG.

Total DSG and LA Spend **Appendix B**

Thurrock Council High Needs Block	Outturn 2023/24 £'000	Outturn 2024/25 £'000	Outturn 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000
Mainstream	7,621	9,380	11,253	13,987	13,956
Resource Provision / SEN Units	5,043	5,414	6,300	6,465	6,862
Special Schools	12,580	13,775	14,950	17,501	19,766
INMSS	3,960	4,578	5,863	6,138	6,418
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Section 19 -Tuition	1,078	970	1,403	1,364	1,181
Post 16	2,563	3,032	3,862	4,137	4,538
Other - Home to School Transport	1,600	1,500	1,600	1,600	1,600
Total Expenditure	**37,165**	**41,398**	**48,055**	**54,343**	**57,522**
HNB Funding	37,368	38,888	41,804	44,035	45,356
Block transfer	742	400	0	0	0
Total budget	**38,111**	**39,288**	**41,804**	**44,035**	**45,356**
In-Year surplus / (deficit)	946	(2,110)	(6,250)	(10,308)	(12,166)
In Year Position Other Funding Blocks	219	1,863	949	0	0
DSG surplus / (deficit)	(534)	631	383	(4,918)	(15,226)
Cumulative balance at year end Surplus / (Deficit)	**631**	**383**	**(4,918)**	**(15,226)**	**(27,392)**

General Fund (Direct)	£'000	£'000	£'000	£'000	£'000
Ed Psychologists	367	455	789	648	648
SEN Assessment, Admin etc	1,148	1,275	1,457	1,649	1,649
Advice & Support	43	51	51	29	29
Short Breaks	942	942	942	944	944
Behaviour Support	0	0	0	0	0
Home to School Transport	3,778	3,932	4,509	4,739	4,739
Other - Virtual School	88	180	389	527	527
Other - Youth Participation	237	160	174	181	181
Other - School Admissions	165	191	136	174	174
Total Spend	**6,768**	**7,186**	**8,447**	**8,891**	**8,891**

General Fund (Indirect)	£'000	£'000	£'000	£'000	£'000
Loss of return on balances	0	0	0	0	0
Capital costs of deficit related borrowing	0	0	133	523	1,084
Other	0	0	0	0	0
Other	0	0	0	0	0
Total Spend	**0**	**0**	**133**	**523**	**1,084**

Total Spend	**43,933**	**48,583**	**56,635**	**63,757**	**67,497**