

Cabinet – 22 March 2023

Proposed High Needs Local Funding Formula 2023/24 – Including an Overview of the DSG Management Plan

Portfolio: Councillor Statham - Education and Skills

Related portfolios: Councillor Bird - Leader of the Council

Service: Children's Services: Education

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 Cabinet approved the current Local High Needs Funding Formula on 16 February 2021. The formula provides a fair, needs led and child centred approach to allocating funding for school aged children with Special Educational Needs & Disabilities (SEND) and was implemented from 1 April 2021.
- 1.2 This report provides Cabinet with an update for 2023/24, setting out the proposal is to increase top-up rates across all provisions i.e. mainstream primary, secondary and specialist provision (i.e. Special Schools, Pupil Referral Units (PRU's), Alternative Provision (AP) Free Schools).
- 1.3 This report also provides Cabinet with an overview of the Dedicated Schools Grant (DSG) Management Plan that has been developed to identify an estimate of future year high needs funding, anticipated costs against that and the direction of travel and actions that may be required to ensure that those costs can be supported within available funding whilst meeting the needs of Walsall children.

2. Summary

- 2.1 A revised High Needs Funding Formula was approved and implemented in 2021/22, which saw the introduction of a new bandings model to support all pupils with Education Health and Care Plans (EHCP's). This was in line with the Walsall Right 4 SEND guidance document, which was written following the formation of the High Needs Working Group working alongside SEND officers. The new bandings model is based on the different areas of primary need, which correlate to the SEND Code of Practice. The top-up rates are set out in detail in Appendix A of this report.

2.2 In line with the High Needs Operational Guidance for 2023/24, top-up rates across all provisions i.e. mainstream primary, secondary and specialist provision (i.e. Special Schools, Pupil Referral Units (PRU's), Alternative Provision (AP) Free Schools) have been increased to reflect the requirement for a Minimum Funding Guarantee (MFG) of 3%.

3. Recommendations

3.1 That Cabinet approves the Local High Needs Funding Formula for 2023/24 with the increased top-up rates for all provisions, as recommended by Schools Forum at their meeting on 7 March 2023.

3.2 That Cabinet notes the work that has been undertaken to develop the Dedicated Schools Grant Management Plan, the position that this identifies and direction of travel and actions that will be required, and that this plan will be subject to ongoing (at least annual) review and update and in-year reporting.

4. Report detail – know

4.1 Background

4.1.1 The High Needs Funding Formula is the local process that is utilised to allocate the High Needs Block of the Dedicated Schools Grant (DSG) funding that the Council receives, to the providers of support to children with additional needs in the Borough of Walsall.

4.1.2 A full review of the High Needs Funding Formula, supporting financial data and guidance was undertaken during 2020/21 by a working group of Schools Forum (which also included full consultation with all schools affected). This led to the introduction of a new formula in April 2021 which included a new banding model and publication of a 'Walsall Rights 4 SEND' guidance document in support of that.

4.1.3 The High Needs Working Group continued its work during 2021/22, which focussed on supporting the implementation of the revised formula, and 2022/23 where it started work to look at other areas of SEND with a view to potentially recommending future changes, for example, Early Years High Needs Funding, Post 16 High Needs Funding and ARP / PRU funding, however this work is still ongoing and no formal recommendations have been identified for inclusion in the formula for 2023/24.

4.1.4 The only changes that are therefore proposed for 2023/24 are those formally required by the High Needs block regulations and guidance – which are set out below.

Minimum Funding Guarantee

High Needs guidance for 2023/24 requires that a Minimum Funding Guarantee (MFG) of +3% is applied to specialist provision (i.e. Special Schools, PRU's, AP

Free Schools etc) using 2021/22 rates as the baseline. The revised rates, incorporating this requirement, are set out at Appendix A.

This requirement does not apply within the High Needs Funding Formula to mainstream schools, therefore rates set out in Appendix A for these schools for 2023/24 are at the same levels as 2022/23. However the Department for Education (DfE) have provided additional funding to mainstream schools for 2023/24 to support with inflationary pressures with both the core schools block funding within DSG seeing a significant increase and the provision of specific additional grant funding for these schools for both 2023/24 and 2024/25.

Passthrough of Additional Grant funding

A new one off Additional Grant for special schools, pupil referral units and AP free schools has also been provided to the authority for 2023/24. The conditions associated with this require the funding to be used to provide an allocation equivalent to 3.4% per place, based on place funding of £10,000 per place plus the average top-up funding for a pupil placement in financial year 2022/23.

The Additional Grant funding allocation is required to be paid as a separate allocation to place and top-up funding in 2023/24. There is also a requirement to consult on the proposed allocation with all schools affected, and this consultation has been carried out prior to reporting the proposal in this report. Final proposed Additional Grant allocations are set out at Appendix A.

4.2 DSG Management Plan

- 4.2.1 Nationally a significant number of authorities are experiencing difficulties managing the increasing demand for high needs support against the funding that is available within the High Needs block of DSG. This has resulted in financial pressures for those authorities and the need to develop DSG Management Plans to set out how a financially viable position will be achieved over the medium term.
- 4.2.2 Whilst Walsall has also seen an increase in demand for these services, it has to date been able to effectively manage those increases within the totality of High Needs funding that has been available to it.
- 4.2.3 However given the national position, the ongoing increase in demand expected in Walsall, and the fact that the DfE have confirmed that the statutory override (which differentiates DSG funding from other council funding, meaning at present any overspends on DSG do not need to be funded from other council resources) will be removed at the end of the 2025/26 financial year, there is now a requirement for Walsall to also develop and maintain a DSG Management plan. As such work has been undertaken during 2022/23 to develop the baseline for the plan which can then continue to be updated going forward.
- 4.2.4 In summary a DSG Management plan covers a rolling 5 year period (current financial year plus the next 4 financial years) and sets out the estimated High Needs funding that the authority will receive over that period, the likely demand for high needs support and estimated cost of providing that, and whether that is

affordable within the funding that will be available. Where it is not affordable actions to mitigate this position need to be identified and implemented.

4.2.5 The approach used to develop a DSG Management plan for Walsall is set out below.

4.2.5i Estimated High Needs Funding

The actual allocation of funding for the current year, 2022/23, has already been confirmed by the DfE. Additionally the allocation for the next year, 2023/24, has now been confirmed by the DfE.

In relation to 2024/25 the potential funding available has been estimated based on the recent spending review announcement which identified additional investment in to high needs nationally for both 2023/24 and 2024/25.

Finally for the last 2 years of the plan, 2025/26 and 2026/27, an increase in funding of 3% per year has been assumed – this would represent a significant reduction in increases in funding seen in 2023/24 and 2024/25 (circa 50% lower), but the estimate is based on current direction from the DfE as no funding announcements have yet been made for these years.

4.2.5ii Review of expected demand

To understand potential demand on the High Needs block the SEN team and Children’s data team undertook a joint review of historic SEN data to seek to identify the expected level of Education Health & Care Plan (EHCP) assessments that are estimated to be requested each year, over the 5 year DSG Management Plan period, and of those (again based on historic performance) the amount that would then be formally issued an EHCP.

This exercise showed an estimated increase of 699 children with EHCP’s over the DSG Management Plan period, as summarised below:

Provision Type	Additional EHCP Numbers				
	2023/24	2024/25	2025/26	2026/27	Total
Mainstream Schools	73	78	83	88	322
Specialist provision in Mainstream Schools (Additionally Resourced Provision – ARP, or Special Resource Provision - SRP)	30	38	50	66	184
Special Schools	53	40	36	26	155
Independent / Further Education / Out Of Borough	22	16	0	0	39
Total	178	172	169	181	699

Aligned to the council’s Walsall Right for Children strategy, where Walsall Council’s corporate vision is that ‘Inequalities are reduced, and all potential is maximised’, and that access to education for children and young people with special educational needs and / or disabilities (SEND) is provided in the setting that best meets those needs, and aligned to the SEND Code of Practice and general presumption in law that mainstream education is the assumed starting

position for all children, including children with SEND, the largest areas of expected growth in EHCP demand over the DSG Management Plan period are concentrated in mainstream schools and / or specialist provision within mainstream schools (such as ARP's and SRP's), with lower demand for increases in places expected in special schools.

Whilst a number of ARP's (which are in summary stand alone facilities within mainstream schools to support children with additional needs) have been established in Walsall for some time SRPs (which is a model where children's time is blended between both the main educational provision of the school and also a stand alone facility) have not historically been utilised. However given the estimated increases in EHCP demand and expectation that this growth will be focussed in mainstream settings, work has started with Walsall schools during 2022/23 to begin to develop SRP's, with a small number of schools already piloting these.

In terms of special schools specifically the overall number of new children with EHCP's assumed to require a place in specialist provision between 2022/23 and 2026/27 was 782, however to identify the net number of additional places that will be required in special schools (the 155 set out above) the following areas were taken in to account:

Reconciliation of additional special school places	
Total number of new children with EHCP's requiring a specialist place – 2022/23 – 2026/27	782
Less new places already created from September 2022	(107)
Less expected special school leavers (children turning 16 or 18/19) – 2022/23 – 2026/27	(336)
Less assumed creation of Specialist provision in Mainstream Schools	(184)
Net additional special school places required – 2023/24-2026/27	155

4.2.5iii Review of Potential Wider Areas of Cost Increase

Whilst the authority already holds details of the average cost to support children with EHCP's in different settings, and these have been applied to the expected increase in demand to estimate likely costs each year, a further piece of work was also undertaken to understand any further potential areas of cost increase across the DSG Management Plan period. This identified the following:

a. Top Up Rates –

Top Up rates are units of funding paid to education providers to meet the needs of children with EHCP's. To take account of increases in costs for providers between years a proportion of any increase in total High Needs funding is normally required to be allocated to increase top up rates each year (rather than purely being available to support increases in demand).

The minimum increases in top up values required each year are set by the DfE (via the Minimum Funding Guarantee mechanism), and at present these have only been confirmed for 2023/24 (and the detail in relation to that is included in the first part of this report that focusses on the High Needs

Funding Formula for 2023/24). As such an assumption has been included within the DSG Management Plan that there will be a requirement to increase top up rates by 3% per year for the period 2024/25 – 2026/27.

- b. Looked After Children (LAC) Specialist Education Provision Costs - Whilst it is a very small cohort, therefore more difficult to understand the potential growth in numbers going forward, there are a small number of Looked After Children that require very high cost specialist education provision each year and the costs required by providers for that have continued to see an increase. As such a further increase in this area of £100k per year (based on review of historic increases in spend over the last 5 years), for each year within the DSG Management Plan, has also been included.

4.2.5iv Summary of Key Assumptions

For ease, as summary of the key assumptions included within the DSG Management Plan (in terms of expected funding and expected demand) is included at **Appendix B**.

4.3 DSG Management Plan Summary Financial Position

The DSG Management Plan guidelines require the preparation of both an unmitigated position summary (given the assumptions set out above what would the financial position each year be without any further action), and a mitigated position (which identifies a number of potential areas of action and summarises the revised financial position if those actions are implemented). A summary of both positions is set out below, with a more detailed overview provided at **Appendix C**.

DSG Management Plan Unmitigated Position				
Year	DSG High Needs Block Estimated Income (£m)	DSG High Needs Block Estimated Expenditure (£m)	DSG High Needs Block Variance	
			In Year (Surplus) / Deficit (£m)	Cumulative (Surplus) / Deficit (£m)
2022/23	(49.143)	49.143	0.000	0.000
2023/24	(55.826)	54.091	(1.735)	(1.735)
2024/25	(59.144)	56.953	(0.456)	(2.191)
2025/26	(60.918)	60.180	1.453	(0.738)
2026/27	(62.748)	65.593	3.583	2.845

In summary, there is no pressure currently forecast for the 2022/23 financial year, and as expected increases in high needs funding for 2023/24 and 2024/25 are at a higher level (based on October 2022 spending review announcements) these are able to keep pace with the expected increases in demand and costs against the high needs block, so there are also no pressures identified for those years – with in-year surpluses estimated which will be used to support later years in the plan.

However from 2025/26 onwards, where no funding announcements have yet been made for these years and the DfE have directed an assumed increase in funding of 3% per year (circa 50% lower than that expected for 2024/25) then the expected increases in demand and costs for those years are not manageable within the estimated funding, leading to an in year overspend of £1.453m during 2025/26 and a further £3.583m during 2026/27, and resulting in a cumulative overspend across the management plan period of £2.845m.

DSG Management Plan Mitigated Position				
Year	DSG High Needs Block Estimated Income (£m)	DSG High Needs Block Estimated Expenditure (£m)	DSG High Needs Block Variance	
			In Year (Surplus) / Deficit (£m)	Cumulative (Surplus) / Deficit (£m)
2022/23	(49.143)	49.143	0.000	0.000
2023/24	(55.826)	54.091	(1.735)	(1.735)
2024/25	(59.144)	56.953	(0.456)	(2.191)
2025/26	(60.918)	58.848	0.121	(2.070)
2026/27	(62.748)	62.611	1.932	(0.138)

Only one change has been incorporated in to the mitigated plan shown above at present, which is to amend the assumed increase to top up rates for 2025/26 and 2026/27 and for those years rather than estimating a 3% increase to top up rates for all areas the mitigated model assumes that the underlying funding formula that drives top up rates is reviewed (similar to the review that was carried out during 2021/22) and top ups are only increased for targeted areas (based on underlying costs of supporting children in different settings) – resulting in an average 1% increase in top up rate costs overall.

This model would require work in the period ahead of 2025/26 to review the underlying formula and identify, with a high needs working group of Schools Forum (supported by the SEN team and education finance officers), the areas where changes to rates should be targeted, alongside then a full consultation with all schools ahead of any decision to set the formula for 2025/26 onwards – and dependent on the outcome of that process may also require approval from the secretary of state.

However whilst the result of that one change (achieving average top up rates of 1% rather than 3% for 2025/26 and 2026/27) would achieve a cumulative balanced position across the management plan period it would still result in a large in year pressure in 2026/27, of £1.932m, that needs further action to address on an ongoing basis otherwise it will lead to a cumulative overspend on ongoing basis when the plan is rolled forward by another year at the next update.

The plan does show that there is time to consider and deliver further changes during 2023/24 and 2024/25, whilst no financial pressures are estimated, and to support this a range of other action plan areas have been identified and are

set out in detail at **Appendix D**. These actions will be subject to further development and the relevant lead officer and initial timescale for development has also been identified in the appendix.

Updates to the Plan

Both the DSG Management Plan summary, and development and delivery of mitigating actions, will be subject to ongoing (at least annual) review and update of both the financial position and assumptions, with in-year reporting to Schools Forum and Cabinet also taking place.

5. Council Plan Priorities

- 5.1 This work relates to the Council Plan Priorities for Children (Ch2 - The gaps in educational attainment between the least and most deprived communities will be narrowed for all under achieving groups). Specifically, the allocation of High Needs Funding should ensure that children identified as having SEND have the right support at the right time to ensure they access their entitlement to a full time education and can make good academic progress and achieve their potential.

6. Risk management

- 6.1 The financial modelling in support of the DSG Management Plan is based on a number of assumptions from the Data and SEN Teams to model future needs. There is a risk that the actual outcome may be different to that modelled and a number of actions to manage the risk associated with this are set out in **Appendix D**.

7. Financial implications

- 7.1 In terms of the proposed high needs funding formula for 2023/24, this is estimated to be affordable within the totality of funding that is available within the High Needs Block of DSG that is paid to the authority.
- 7.2 With regard to the DSG Management Plan the position that has been developed identifies that, due to estimated higher increases in funding in 2023/24 and 2024/25 that there will be underspends in these years that can be carried forward to support the later years of the plan. However without further action (as funding increases are currently assumed to reduce in 2025/26 and 2026/27) there will be both an in-year pressure of £3.583m and cumulative pressure of £2.845m by the end of 2026/27.
- 7.3 As such a range of mitigating actions has been identified to address this and development and delivery of these, alongside ongoing updates to the DSG Management Plan summary overall will be subject to ongoing (at least annual) review and update, with in-year reporting to Schools Forum and Cabinet also taking place.

8. Legal implications

8.1 The Department for Education (DfE) has prescribed the way in which schools should be financed for the 2023/24 financial year. These guidelines are set out in the Schools Revenue Funding 2023 to 2024 operational guide. The purpose of these arrangements is to help secure greater consistency in the way in which high needs funding is distributed to schools. The Council is bound to adhere to the rules issued by DfE

9. Procurement Implications/Social Value

9.1 There are no procurement/social value implications arising from the proposals in this report.

10. Property implications

10.1 There are no property implications arising from the proposals in this report.

11. Health and wellbeing implications

11.1 The expectation remains that the current model for High Needs Funding will support the Marmot objectives of:

- Give every child the best start in life
- Enable all children, young people and adults to maximise their capabilities and have control over their lives

11.2 This will be achieved by ensuring that the approach to funding ensure children have access to the right support at the right time to promote their development, educational outcomes and prepare them for adulthood.

12. Staffing implications

12.1 There are no staffing implications arising from the proposals in this report.

13. Reducing inequalities

13.1 A full Equality Impact Assessment was completed as part of the complete review and update of the High Needs Funding Formula in 2020/21 and the content has been reviewed in line with the changes proposed in this report which has confirmed that it remains current.

13.2 The overall aim of the model is to ensure a fair and equitable approach to the allocation of High Needs Funding. This will reduce inequalities and ensure that children with SEND have access to the provision required to meet their needs, ensure access to their entitlement to fulltime education and to address the gap in outcomes between those with SEND and those without.

14. Climate change

14.1 There are no climate change implications arising from proposals in this report.

15. Consultation

- 15.1 Consultation has been undertaken with both representatives of the ongoing School Forum led High Needs funding formula review sub group and also with Schools Forum themselves at their meeting on 7 March 2023, with them recommending the proposed local high needs funding formula to Cabinet. Additionally consultation was undertaken with all special schools, pupil referral units and AP free schools with regard to the allocation of the Additional Grant funding.

16. Decide

- 16.1 Cabinet are asked to review and approve the proposed Local High Needs Funding Formula for 2023/24, and associated DSG Management Plan.

17. Respond

- 17.1 Once approved by Cabinet the Local High Needs Funding Formula for 2023/24 will be communicated with schools, alongside the provision of indicative high needs budget allocations for special schools and Pupil Referral Units, which will be used to inform each school in setting their budget for the year.

18. Review

- 18.1 The approach to High Needs funding will be subject to an annual review by an identified sub group of Schools Forum. The allocation of funding will be reviewed alongside an analysis of the changing need reported through the SEN audit process and pupil place planning. The DSG Management Plan will be subject to ongoing (at least annual) review and update and in-year reporting.

Background papers

Walsall Right 4 SEND guidance document

Schools Forum report 7 March 2023

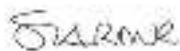
High Needs Funding 2023/24 Operational Guidance

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Portfolio holder Education & Skills
09.03.2023

APPENDIX A

Proposed High Needs Top-up Rates 2023/24

SEND Band	Special Schools High Needs Top-up Rates 2023/24 £	Mainstream Schools High Needs Top-up Rates 2023/24 £
SEMH Band 1,2 & 3 – funded by school budget	n/a	n/a
SEMH Band 4	n/a	4,181
SEMH Band 5	n/a	6,847
SEMH Band 6	17,100	10,392
SEMH Band 7	22,217	17,075
C&L Band 1,2 & 3 – funded by school budget	n/a	n/a
C&L Band 4	n/a	3,095
C&L Band 5	n/a	4,611
C&L Band 6	6,373	11,800
C&L Band 7	14,935	15,312
C&L Band 8	25,853	20,388
SLCN Band 1,2 & 3 – funded by school budget	n/a	n/a
SLCN Band 4	n/a	3,326
SLCN Band 5	n/a	6,891
HI Band 1,2 & 3 – funded by school budget	n/a	n/a
HI Band 4	n/a	4,611
HI Band 5	n/a	6,847
HI Band 6	10,503	9,923

HI Band 7	14,936	14,471
VI Band 1,2 & 3 – funded by school budget	n/a	n/a
VI Band 4	n/a	5,375
VI Band 5	n/a	8,407
VI Band 6	n/a	15,006
VI Band 7	n/a	17,432
MSI Band 1,2 & 3 – funded by school budget	n/a	n/a
MSI Band 4	n/a	6,216
MSI Band 5	n/a	10,764
MSI Band 6	21,630	16,643
MSI Band 7	36,990	18,159
Physical Band 1,2&3 – funded by school budget	n/a	n/a
Physical Band 4	n/a	3,791
Physical Band 5	n/a	6,745
Physical Band 6	20,512	13,718
Physical Band 7	24,150	18,432

Small Special School Top-up:

A top-up to be applied only to specials schools with less than 50 pupils to support fixed costs.

Small special school	£1,948 per pupil pro rata to week attending
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Top-Up Rate for Pupil Referral Units:

	PRU Top-up rate 2023/24 £ pa
New Leaf	10,255
Shepwell	8,933

Top-Up Rates for Additionally Resourced Provision (ARP) / Specialist Resource Provision (SRP) in Mainstream Schools – 2023/24 for places filled on October 2022 census:

	ARP Top-up rates 2023/24 for Filled places £ pa
Speech & Language -primary	3,171
Speech & Language -secondary	1,441

Dyslexia - secondary	1,436
Visual Impaired - primary	14,380
Physical Disability - primary	10,022
Physical Disability - secondary	8,291
Autism - primary	9,832
Autism - secondary	8,102

Top-Up Rates for Additionally Resourced Provision (ARP) / Specialist Resource Provision (SRP) in Mainstream Schools – 2023/24 for places unfilled on October 2022 census:

	ARP Top-up rates 2023/24 for Un-Filled places £ pa
Speech & Language -primary	2,909
Speech & Language -secondary	2,909
Dyslexia - secondary	2,904
Visual Impaired - primary	14,118
Physical Disability - primary	9,760
Physical Disability - secondary	9,760
Autism - primary	9,570
Autism - secondary	9,570

Teachers' Pay & Pension historic costs – rates for Alternative Provision Free Schools

Funding	Period	Rate per place
Teachers' Pay	April to August	£72.91
	September to March	£102.08
Teachers' Pension	April to August	£202.06
	September to March	£282.89

Payments will be based on the actual published place number for the relevant period, less any places already being paid by the authority via top-up.

Additional Funding for Special Schools, Pupil Referrals Unit and AP Free Schools

School Name	Additional Grant Funding 2023/24 £
Specials:	
Castle	132,425
Elmwood	75,477
Jane Lane	107,730
Mary Elliot	140,889
Oakwood	130,619
Old Hall	101,113
Phoenix	41,341
PRU's:	

New Leaf	29,498
Shepwell	38,467
AP Free School:	
The Ladder School	30,302
Total	827,861

APPENDIX B

Summary of DSG Management Plan Key Assumptions

Plan Area	Assumption
Funding	<ul style="list-style-type: none"> • 2022/23 – based on confirmed allocation • 2023/24 – based on confirmed allocation • 2024/25 – based on estimated allocation taking account of the October 2022 spending review and indicative increases in high needs funding nationally • 2025/26 and 2026/27 – based on an assumed 3% increase in funding per year (in line with direction from DfE for planning purposes)
Demand	<ul style="list-style-type: none"> • Mainstream schools – increase in demand of 322 children with EHCPs between 2023/24 and 2026/27 • Specialist provision in Mainstream Schools – increase in demand of 184 children with EHCPs between 2023/24 and 2026/27 • Special Schools – Net increase in places required of 339 children with EHCPs between 2023/24 and 2026/27

	<ul style="list-style-type: none">• Independent / Further Education / Out Of Borough - increase in demand of 39 children with EHCPs between 2023/24 and 2026/27
Costs	<ul style="list-style-type: none">• Top Up Increases – Assumed at 3% per year 2024/25 – 2026/27• LAC Specialist Education Provision Costs – Assumed increase of £100k per year

APPENDIX C

DSG Management Plan Detailed Summaries

DSG Management Plan Unmitigated Position														
Year	Place Numbers						Income			Expenditure			Variance	
	Mainstream	Special	ARP/SRP	PRU/AP	Independent EE College	Total	HNB Allocatio n before Deductio ns (£m)	HNB Deductio ns (£m)	HNB Allocatio n after Deductio ns (£m)	EHC P Led (£m)	Non EHC P (£m)	Total (£m)	In year (Surplus)/ Deficit (£m)	Cumulati ve (Surplus)/ Deficit (£m)
2022/23	1164	876	83	158	612	2892	(50.713)	1.570	(49.143)	42.775	6.368	49.143	0.000	0.000
2023/24	1236	928	113	158	634	3071	(57.398)	1.572	(55.826)	47.187	6.904	54.091	(1.735)	(1.735)
2024/25	1314	969	151	158	651	3242	(60.841)	1.698	(59.144)	51.659	5.293	56.953	(0.456)	(2.191)
2025/26	1397	1004	201	158	651	3411	(62.752)	1.834	(60.918)	55.219	4.961	60.180	1.453	(0.738)
2026/27	1485	1031	267	158	651	3592	(64.729)	1.980	(62.748)	59.053	6.540	65.593	3.583	2.845

DSG Management Plan Mitigated Position														
Year	Place Numbers						Income			Expenditure			Variance	
	Mainstream	Special	ARP/SRP	PRU/AP	Independent EE College	Total	HNB Allocatio n before Deductio ns (£m)	HNB Deductio ns (£m)	HNB Allocatio n after Deductio ns (£m)	EHC P Led (£m)	Non EHC P (£m)	Total (£m)	In year (Surplus)/ Deficit (£m)	Cumulati ve (Surplus)/ Deficit (£m)

2022/2 3	116 4	876	83	15 8	61 2	289 2	(50.713)	1.570	(49.143)	42.77 5	6.36 8	49.14 3	0.000	0.000
2023/2 4	123 6	928	11 3	15 8	63 4	307 1	(57.398)	1.572	(55.826)	47.18 7	6.90 4	54.09 1	(1.735)	(1.735)
2024/2 5	131 4	969	15 1	15 8	65 1	324 2	(60.841)	1.698	(59.144)	51.65 9	5.29 3	56.95 3	(0.456)	(2.191)
2025/2 6	139 7	100 4	20 1	15 8	65 1	341 1	(62.752)	1.834	(60.918)	53.88 7	4.96 1	58.84 8	0.121	(2.070)
2026/2 7	148 5	103 1	26 7	15 8	65 1	359 2	(64.729)	1.980	(62.748)	57.40 3	5.20 8	62.61 1	1.932	(0.138)

APPENDIX D

Summary of DSG Management Plan Mitigating Action Areas

DSG Management Plan Mitigating Action Areas				
Ref.	Action	Description	Lead	Initial Timescale
DMP1	Refresh and update of estimated increases in demand	Annual refresh of estimated future year demand for EHCP's.	SEN team and Childrens Data Team	Annually
DMP2	Lobby government for sustained increases to high needs funding	Liaison with Schools Forum and Cabinet / Council to seek support to formally lobby the government for sustained increases to high needs funding in 2025/26 and 2026/27 (and beyond).	Director Access & Inclusion	During 2024/25 (to inform next spending review)
DMP3	Review of High Needs Funding formula	Detailed review of high needs funding formula ahead of 2025/26 financial year to seek to identify and develop targeted increases to top up rates (rather than blanket 3% increase) – including formal consultation process.	High Needs working group of Schools Forum	During 2024/25
DMP4	Continued development of SRP's	Continued work with mainstream schools to establish further SRP places required to meet expected demand.	Head of Access	Ongoing as part of Capital Programme
DMP5	Creation of additional special school places	Continued work with special schools to establish further places required to meet expected demand.	Head of Access	Ongoing as part of Capital Programme
DMP6	Review of assumed increases in Independent / FE / OOB	Work to reduce current assumed increases in demand for Independent / Further Education / Out Of Borough places by seeking	Head of Access	Ongoing as part of DMP8

		to support more of those children within the borough where possible.		
DMP7	Identify the qualitative impact of central inclusion and Early Years High Needs work	There is currently a significant proportion of central high needs funding allocated to both early years high needs support and also inclusion support, in addition to top up funding paid directly to providers. However there is little qualitative information available at present to confirm the impact that this funding delivers (e.g. does it reduce the number of children who require ongoing EHCP support). Qualitative information will therefore be developed further to seek to understand if this spend delivers value for money or if there is a need to redirect this funding elsewhere within the high needs block.	Head of Inclusion and Specialist Services Manager	During 2023/24 and 2024/25
DMP8	Continued communication of direction of travel and vision of support for children with special educational needs and / or disabilities	Seek continued communication of the direction of travel and vision and increased buy in from schools and parents so that the expectation is that children are supported within Walsall in the setting that best meets their needs rather than an escalation to more expensive specialist provision or independent / out of borough placements.	Head of Access	During 2023/24 and 2024/25
DMP9	Review mechanism for independent place costs	The costs of supporting children in independent schools (whilst a small cohort of children) is on average higher than other settings and as it is not expected that children	Children's Commissioning Team and Head of Inclusion	Starting in 2023/24 and ongoing across the management plan period

		currently in these places will move, the authority needs to ensure it has a robust process in place to review existing costs on an ongoing basis to ensure it continues to receive value for money.		
DMP10	Potential transfer of funding from other DSG areas	<p>DSG guidance does allow the authority to seek to transfer up to 0.5% of the Schools Block funding of DSG (the funding that mainstream schools receive to provide support to all children in mainstream settings) to the High Needs block to support with pressures in that area.</p> <p>Based on the Schools Block allocation for 2023/24 this would equate to circa £1.324m per year, but to date the authority has not sought to use this flexibility, as it has not been needed and also as it would result in a financial impact (reduced funding) for mainstream schools.</p> <p>However if there is limited progress / support with the delivery of DMP4 and DMP8 then the authority may need to review the need to utilise a transfer of funding.</p>	Director Access & Inclusion	Not assumed to be required at present if other actions are delivered – will be reviewed across the management plan period alongside delivery of wider actions