



**Report to:** Schools Forum  
**Date:** 27<sup>th</sup> June 2024  
  
**Subject:** High Needs Block Update and 2024/25 Budget  
**Report of:** Colette Dutton - Director Children and Families  
  
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<b>Summary:</b>	To inform Schools Forum of the implications of going into an overall DSG deficit and to share the progress so far on updating the High Needs recovery plan.
<b>Recommendation(s):</b>	For Schools Forum to note the contents of the report.
<b>Implications:</b>	
<i>What are the <b>financial</b> implications?</i>	Without mitigation Wigan’s overall DSG deficit position of £0.700m is forecast to increase significantly.
<i>What are the <b>staffing</b> implications?</i>	n/a
<b>Risks:</b>	The Secretary of State could impose specific conditions on the DSG grant of the Authority if it

is deemed sufficient action is not being taken to address the overall DSG deficit position.

## 1. Introduction

- 1.1 As reported to Schools Forum on the 16/05/2024 Wigan's overall DSG position is a deficit of £0.700m as at the 31/03/2024. This has been largely driven by a cumulative overspend on the High Needs Block of £5.585m.
- 1.2 Wigan's DSG Management plan was reported to Schools Forum on the 21/01/2021, In line with the above financial pressure it has focussed on the High Needs Recovery plan, which has been periodically shared with the High Needs Sub-Group. In line with the revised conditions of the DSG grant an update on the progress of revising the High Needs Recovery plan is being shared with Schools Forum.

## 2. Overall DSG Position and Implications

- 2.1 As at the 31/03/2024 the overall DSG position was as detailed in the table below:

Overall DSG position as at 31/03/2024	£m
Central DSG Contingency	2.730
Early Years Block	2.155
High Needs Block	-5.585
<b>Overall DSG Position</b>	<b>-0.700</b>

The balance on the Early Years Block is required to be set aside to cover any future volatility in numbers that adversely impact on the overall Early Years allocation.

By agreement with Schools Forum the Central DSG contingency has been used to fund additional pressures and specific invest to save opportunities that will benefit the overall DSG position. Any future asks relating to the utilisation of this reserve funding will need to be carefully considered in the context of the overall DSG position.

- 2.2 The DSG conditions of grant 2024/25 (as updated 02/04/2024) states the following:

Any local authority that has an overall deficit on its DSG account at the end of the 2023 to 2024 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education in handling that situation. In particular, the authority must:

- provide information as and when requested by the department about its plans for managing its DSG account in the 2024 to 2025 financial year and subsequently
- provide information as and when requested by the department about pressures and potential savings on its high needs budget
- meet with officials of the department as and when they request to discuss the authority's plans and financial situation
- keep the schools forum regularly updated about the authority's DSG account and plans for handling it, including high needs pressures and potential savings

The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where she believes that they are not taking sufficient action to address the situation.

2.3 The Education and Skills Funding Agency contacted colleagues at Wigan Council on the 19/06/2024 to arrange a meeting in October to discuss Wigan's DSG Management Plan, progress made since their last visit (01/12/2022) and any support required. We are in the process of responding with potential meeting dates in October.

### 3. High Needs 24/25 Position

3.1 For reference purposes the table below sets out the breakdown of the 2023/24 and indicative 2024/25 high needs funding. Prior to the deduction for direct funding the increase in high needs funding is 4.4%. Factors for import/export and hospital education may be updated.

	High Needs Block 2024/25	High Needs Block 2024/25 updated
Total high needs elements in funding floor	48,948,180	48,948,180
Additional allocation	0	0
Basic entitlement factor	4,782,024	5,301,352
Import/Export adjustment	-873,000	-867,000
Hospital Education, AP and Special teachers' pay/pension	178,544	178,544
<b>Total HNB before deductions for direct funding of places</b>	<b>53,035,749</b>	<b>53,561,077</b>

3.2 There has been a revision to the high needs budget allocated to Wigan as shown in the above table. The current deductions of £3,370,667 are assessed as follows:-

	Deductions
Pre 16 alternative provision places	£1,930,000
Further education and Independent learning providers	£1,344,000
<b>Total deductions</b>	<b>£3,370,667</b>

3.3 As such the revised total high needs block after deductions is £50,190,410. Based on previously advised allocations the budget for 2024/25 was set at £50,161,077 which leaves a balance of £29,063 that can be allocated on the expenditure side to match the revised budget of £50,190,140.

3.4 Appendix 1 to the report details the current forecast for the High Needs Block for 24/25 which includes some recently agreed changes to special schools and alternative provision budgets. Given where we are in the financial year the projected out-turn figure needs to be treated with some caution until further information is available. However even at this stage it is clear that without further action the current overall deficit on the DSG will significantly increase by the end of the 2024/25 financial year. fr

#### **4. High Needs Recovery Plan**

4.1 The attached appendix 2 details the updated High Needs Block recovery priorities that are needed to be actioned in order to deliver a sustainable High Needs system. Further detail on this will be provided at the meeting.

4.2 The full impact of delivering the key actions identified need to be fully evaluated in terms of overall impact and the timing of that impact in order to update the Authority's 3-year High Needs forecast. This in turn will be the key driver for assessing the overall DSG position going forward. This revised financial projection will be reported to the next meeting of the Schools Forum.

#### **5. Recommendations**

5.1 The position on the Authority's DSG account and recovery plan to be a standing item on future Schools Forum agendas.