



## 6. DSG High Needs Block Budget 2026-2027

<b>Report to:</b>	<b>Schools Forum</b>
<b>Date of Meeting(s):</b>	15 January 2026
<b>Report of:</b>	Colette Dutton: Director Children and Families
<b>Contact Officer:</b>	Mark Rotheram – Strategic Finance Manager Kirsten Reid – Group Finance
<b>Summary:</b>	To update Schools Forum on the High Needs budget for 2026-2027
<b>Recommendation(s):</b>	For Schools Forum members to agree the high needs budget for 2026/27.
<b>Implications:</b> What are the financial implications? What are the staffing implications?	Contained within the report. There are no currently identified staffing implications resulting from this report.
<b>Risks</b>	Contained within the report.

Please list any appendices:

Appendix 1 Special schools MFG % and bandings

Appendix 2 High Needs budget 2026/27

# 1. High Needs Funding 2026/27

## Wigan Council high needs allocation 2026/27

- 1.1 The DSG allocations for 2026/27 were released on 17 December 2025. Wigan Council was allocated high needs funding of £62,555,433 before deductions. Following deductions the allocation is £59,107,432. At a national level the total amount of high needs funding is £12.2 billion, of which £12.0 billion is allocated to local authorities through the 2026/27 allocations of high needs funding. This compares to 2025/26 when the total high needs budget nationally was £11.9 billion of which £11.3 billion was initially distributed through the national funding formula.

The table below details the Wigan Council high needs allocations for 2026/27.

Funding factors	2026/27
25/26 High Needs allocation including hospital education annualization, excluding import / export adjustment & deductions	£59,396,169
25/26 grant allocation for independent special schools, specialist post 16 institutions, independent learning providers and hospital education.	£645,918
Special & AP Schools and Academies grant rate unit of funding £3,074.02 * number of 25/26 places 1,254 (will be updated)	£3,854,821
26/27 grant funding for special units and resourced provision (will be updated)	£32,524
Less import/export	-£1,374,000
<b>Total block before deductions</b>	<b>£62,555,432</b>
Mainstream Academies (Special Educational Needs units & Resourced Provision)	-£30,000
Alternative Provision Academies	-£1,930,000
Further Education and Independent Learning Provider	-£1,488,000
<b>Total block after deductions</b>	<b>£59,107,432</b>

## High needs funding 2026/27

- 1.2 For 2026/27 the Department for Education (DfE) have temporarily suspended the high needs national funding formula (NFF), which had been previously used to calculate local authorities' high needs allocations. The DfE have stated that 'the extent of the divergence between high needs NFF allocations and spending in different local authorities raises questions about aspects of this allocation methodology'. Further to this the DfE have committed to review the high needs funding system for future years to ensure it properly supports the reformed SEND system. The High Needs Funding operational guide for 2026/27 states that 'The government has stated that the general direction of SEND reform is towards establishing a more inclusive mainstream school and college environment for children and young people who need SEND provision, including expanding the SEN units and resourced provision (RP) that provide more specialist support. DfE is progressing a range of reforms that will facilitate that shift.'
- 1.3 For the financial year 2026/27 the high needs block of each local authority's DSG has been calculated on the basis of their DSG high needs block allocations for 2025/26. The provisional 2026/27 allocations also include funding equivalent to that received via separate grants in 2025/26.

Namely the 2025/26 Core Schools Budget Grant (CSBG) which incorporated:

- 2024/25 Teachers Pay Additional Grant (TPAG)
- 2024/25 Teachers Pension Employer Contribution Grant (TPECG)
- 2024/25 CSBG
- Funding for the increase in national insurance contributions from April 2025
- Funding for 2025 staff pay increases, converted into an annual amount

Provisional allocations also reflect the additional funding for special units and resourced provision in mainstream schools as part of the National Insurance Contributions Grant (NICG) and Schools Budget Support Grant (SBSG). This has also been converted into an annual amount and will be updated to reflect the confirmed number of places in special units and resourced provision for 2026/27.

- 1.4 The DfE have stated that 'basing 2026 to 2027 high needs funding allocations also means that, within the overall core schools budget

envelope, we can maximise the funding uplift through the schools NFF.'

### **Special schools (maintained and academies), pupil referral units and AP academies.**

- 1.5 There is a requirement to continue to fund special schools (maintained and academies), pupil referral units and Alternative Provision academies primarily through place funding at £10,000 per place plus top-up funding to meet the excess costs of provision. In addition due to the 26/27 allocations being based on 25/26 allocations then the top up funding has also had to be retained at 25/26 levels as detailed in Appendix 1.
- 1.6 A special school protection, otherwise known as the minimum funding guarantee (MFG) will continue to apply to maintained special schools and special academies. The MFG to be operated by local authorities for 2026/27 must be 0.0 % using the schools' 2025/26 funding baseline. This means that the minimum a special school will receive from their local authority in 2026/27 will be the same amount per pupil, on a like for like comparison with their pupil cohort in 2025/26. The local authority must have a disapplication request approved to use a negative percentage.

## **2. 2026/27 Budget**

- 2.1 As highlighted in 1.1 above the total funding for 2026/27 is £59.107 million after deductions. This figure represents the initial allocation that the Local Authority will receive, however, the ESFA may adjust the allocation (after deductions) at points during the year to reflect changes in high need places and for the import/export adjustment for out of borough pupils.
- 2.2 Presented in Appendix 2 of this report is the proposed budget for 2026/27, together with a narrative outlining the assumptions made in setting the budget. The budget has been set based on the best available information at the current point in time. The budget includes a contribution from the Schools Block of circa £1.5m to the High Needs Block as agreed at the last meeting of Schools Forum on the 11/12/2025.
- 2.3 The significant year on year budget increase for the maintained special schools is mainly a result of the incorporation of the grants previously issued separately as per paragraph 1.3 above. The same applies for the Three Towers alternative provision line.

- 2.4 The additional investment in the Resourced Provision / SEN units line reflects the planned roll out of additional SEN units in line with the direction of travel noted in paragraph 1.2 above.
- 2.5 This currently projects a deficit of £14.258m for 26/27 which will add to the overall DSG deficit. Further mitigating actions are still being explored and will be shared at a future meeting of the High Needs Sub Group.

### **3. Recommendations**

- 3.1 To note the changes in the funding allocation methodology for the High Needs Block for 2026/27.
- 3.2 To agree the proposed budget as outlined in Appendix 2.
- 3.3 To agree the date of the next meeting of the High Needs subgroup.