

Appendix 1

Summary of Cheshire East Council Reprofiled DSG Management Plan 2025/26 to 2031/32

Introduction

1. This appendix provides a summary of the council's reprofiled Dedicated Schools Grant (DSG) Management Plan for the period 2025/26 to 2031/32.
2. The DSG Management Plan is based on a very detailed spreadsheet template issued by the DfE. This Appendix provides a summary.
3. The plan is a rolling seven year programme. The DSG management plan originally covered the period 2024/25 to 2030/31. 2025/26 is the second year of the plan.
4. The DSG management plan provides an unmitigated and mitigated forecast for the period 2025/26 to 2031/32.
5. The DSG management plan has been reprofiled to take in to account the reduced growth of EHCP numbers (6% EHCP growth – 1.6% lower than anticipated) and a lower deficit position than forecast on 31 March 2025 (£6.4m reduction in the High Needs deficit position – giving a position of £113.7m).
6. The overall DSG deficit figure reported within the accounts at 31 March 2025 is £112.1 million. This is made up of high needs deficit of £113.7 million plus an underspend of early years DSG of £1.6 million.
7. Reprofiling will occur each year to ensure that the plan and forecasts are up to date and mitigations are adjusted as required.
8. Mitigations have been updated to reflect any update information and intelligence.
9. Forecast are based on the January 2025 education, health and care plan (EHCP) numbers from the SEN2 statutory return.
10. The DSG management plan is based on average costs for the placement of additional pupils. This must be used for modelling as the destination of each new child and their needs cannot be determined at this stage.
11. The average costs of provision ranges from £7,124 for a pupil supported in mainstream to £25,000 for a special school to over £62,450 for independent specialist provision.

EHCP Data Analysis

12. The number of EHCPs in Cheshire East has increased by 294 during the year, bringing the total of EHCPs as of January 2025 to 4,870. This represents a growth in the total of EHCPs of 6.4% compared with 13.6% the previous year. This includes 649 first/new EHCPs.

13. National growth recorded in January 2025 for 2024/25 is 10.8% [Education, health and care plans, Reporting year 2025 - Explore education statistics - GOV.UK](#)

14. The tables below shows the number of EHCPs and the percentage growth by provision type. This analysis is used to identify trends to inform the unmitigated forecast of EHCPs.

All EHCPS by provision type	Jan-22	EHCP Increase	% Increase	Jan-23	EHCP Increase	% Increase	Jan-24	EHCP Increase	% Increase	Jan-25	EHCP Increase	% Increase
Mainstream schools inc. Nursery/Private, Voluntary and Independent (PVI)	1,830	261	17%	2,084	254	14%	2,368	284	14%	2,583	215	9%
Resource Provision/SEN Unit	88	-6	-6%	132	44	50%	148	16	12%	147	-1	-1%
Special Schools	706	44	7%	778	72	10%	817	39	5%	874	57	7%
NMSS/ISS/SPIs	337	78	30%	545	208	62%	613	68	12%	600	-13	-2%
Alternative Provision (AP) and Pupil Referral Unit (PRU)	11	2	225	19	8	73%	19	0	0%	10	-9	-47%
FE college & sixth form	440	99	29%	471	31	7%	611	140	30%	656	45	7%
Total	3,412	478	16.0%	4,029	617	18.0%	4,576	547	13.6%	4,870	294	6.4%

All EHCPS (total) by provision type	Jan-22	Jan-23	Jan-24	Jan-25
Mainstream schools inc. Nursery/Private, Voluntary and Independent (PVI)	54%	52%	52%	53%
Resource Provision/SEN Unit	3%	3%	3%	3%
Special Schools	21%	19%	18%	18%
NMSS/ISS/SPIs	10%	14%	13%	12%
Alternative Provision (AP) and Pupil Referral Unit (PRU)	0%	0%	0%	0%
FE college & sixth form	13%	12%	13%	13%
Total	100%	100%	100%	100%

15. The table below shows the number of new/first EHCPs issued in the calendar year 2024. The number of new/first EHCPs issued reduced by 9.2% compared with EHCPs issued in 2023 (The number of first EHCPs in the calendar year 2023 was a reduction of 3.6% on the previous year).

16. 88% of new/first EHCPs have been issued to mainstream children and young people, which is consistent with previous years. 6% of children with a new/first EHCP have entered specialist provision.

17. National growth of new/first EHCPs as at January 2025 is 15.8%. [Education, health and care plans, Reporting year 2025 - Explore education statistics - GOV.UK](#)

New/First EHCPs by provision type	Jan-22	% Increase	% of new/first plans in each provision type	Jan-23	% Increase	% of new/first plans in each provision type	Jan-24	% Increase	% of new/first plans in each provision type	Jan-25	% Increase	% of new/first plans in each provision type
Mainstream schools inc. Nursery/Private, Voluntary and Independent (PVI)	578	3%	88%	602	4%	81%	628	4%	88%	571	-9.1%	88%
Resource Provision/SEN Unit	8	100%	1%	24	200%	3%	9	-63%	1%	2	-77.8%	0.3%
LA Special	30	11%	5%	42	40%	6%	24	-43%	3%	32	33.3%	5%
NMSS/Independent/SPI	15	-35%	2%	47	213%	6%	19	-60%	3%	9	-52.6%	1%
Alternative Provision (AP) and Pupil Referral Unit (PRU)	7	75%	1%	10	43%	1%	9	-10%	1%	3	-66.7%	0.4%
FE college & sixth form	16	-24%	2%	17	6%	2%	26	53%	4%	32	23.1%	5%
Total	654	2.3%	100%	742	13.5%	100%	715	-3.6%	100%	649	-9.2%	100%

Basis of EHCP Forecasting

18. The council must submit a SEN 2 return in January each year setting out the latest information on EHCP numbers.
19. The data from the January 2025 SEN2 return represents the 2024/25 outturn position and is therefore the basis used for forecasting in this plan.
20. The table below shows the original DSG management plan forecast position (approved by C&F committee 29 April 2024 which was the original submission to the DfE Safety Valve Programme) and the reprofiled DSG management plan (shared with C&F committee November 2024), compared with the SEN2 January 2025 outturn position (representing 2024/25).
21. The overall outturn position of the number of EHCPs is 1.6% lower than the forecast produced last year and shared with C&F committee November 2024, however there are some variances when broken down by provision type.
22. The largest variance relates to AP/PRU, however this is positive to see that our CYP with an EHCP are attending a mainstream school or special school rather than a pupil referral unit which is usually associated with CYP who have been excluded from an education setting. The second largest variance relates to RP/SEN units. Although progress has been made to open new provisions, at the date of census the places were not occupied, due to timing of openings compared with the timing of the plan.

	2024/25	2024/25	2024/25	
Type	Original Forecast April 24	Reprofiled based on 31.03.24 outturn	Actual Jan 2025	% Variance from reprofiled
Mainstream	2,649	2,546	2,583	1%
RP / SEN Units	172	180	147	-18%
Special Schools	922	927	874	-6%
NMSS & Independent	814	639	600	-6%
Post 16 & FE	588	626	656	5%
AP/Pupil Referral Unit (PRU)	19	19	10	-47%
Total EHCPs	5,164	4,937	4,870	-1%

Unmitigated Forecasts by Provision Type

23. The unmitigated forecast is the “do nothing” position. However, as we move through the life of the plan, we will continue to reprofile the forecast accordingly, based on outturn EHCP numbers.

24. The unmitigated forecast assumes that the levels of growth will fall in line with national levels of growth.

25. The table below shows the unmitigated forecast by provision type. The table also shows EHCP non-cumulative growth and the % growth year on year.

Reprofiled based on outturn 31.03.25	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Actual	Unmitigated Forecast						
Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Mainstream	2,583	2,945	3,328	3,760	4,210	4,675	5,189	5,759
RP / SEN Units	147	147	147	147	147	147	147	147
Special Schools	874	874	874	874	874	874	874	874
NMSS & Independent	600	826	1,067	1,339	1,621	1,912	2,235	2,593
Post 16 & FE	656	748	845	955	1,070	1,187	1,317	1,463
AP/Pupil Referral Unit (PRU)	10	10	10	10	10	10	10	10
Total EHCPs	4,870	5,550	6,271	7,085	7,932	8,805	9,772	10,846
EHCP Growth		680	721	814	847	873	967	1074
% Growth		14%	13%	13%	12%	11%	11%	11%

Mitigated Forecasts

26. The mitigated forecast has been produced by using the unmitigated forecast (shown in the table above) and applying mitigations to reduce the overall growth and realign provision types. Mitigations have been adjusted since the original submission to recognise any information/intelligence previously not known.

27. All mitigations focus on **RIGHT SUPPORT, RIGHT TIME, RIGHT PLACE**.

28. The mitigations focus on:

- Supporting mainstream schools to adopt inclusive practice to enable more children and young people to remain in mainstream settings where appropriate, and embedding a graduated approach which sets clear guidance on support that should be available in mainstream settings.
- Strengthening the SEN support offer available in mainstream schools to reduce escalation of children and young people's needs and manage demand for EHCPs. This should include targeted investment on effective early intervention.
- Strengthening the professional networks across mainstream settings to promote learning and confidence in meeting children and young people's needs, including articulating school level inclusion standards.
- Expanding specialist provision within the LA appropriately to meet the needs of children and young people within the authority.
- Securing collaboration and financial commitment from partner agencies where appropriate, ensuring health partners make adequate contributions to provision.
- Developing and implementing a clear planning and decision-making process for placements, in line with the sufficiency strategy.
- Strengthening oversight and contracting with independent and non-maintained schools to ensure value for money, including reviewing approval routes of expensive placements.
- Strengthening the EHCP annual review process so EHCPs can be stepped down where children and young people's needs have been met appropriately and we can appropriately celebrate success.
- Reviewing and developing a clear SEND financial strategy that ensures case level decision making is strategic and appropriate.

29. The table below shows the mitigated forecast, which is based on the unmitigated forecast and applying mitigation measures.

30. By 2027/28 we are aiming to have 0% growth in EHCPs, followed by a target of negative growth in the remaining years to 2030/31 and then stabilise growth from 2031/32 onwards.

Reprofiled based on outturn 31.03.25	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Actual	Mitigated Forecast						
Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Mainstream	2,583	2,624	2,563	2,528	2,355	2,139	1,894	1,894
RP / SEN Units	147	255	430	430	430	430	430	430
Special Schools	874	944	1,022	1,113	1,204	1,252	1,252	1,252
NMSS & Independent	600	522	358	295	222	126	66	65
Post 16 & FE	656	662	670	675	673	672	662	662
AP/Pupil Referral Unit (PRU)	10	10	10	10	10	10	10	10
Total EHCPs	4,870	5,017	5,053	5,051	4,894	4,629	4,314	4,313
EHCP Growth	294	147	36	-2	-157	-265	-315	-1
% Growth	6.4%	3%	1%	0%	-3%	-5%	-7%	0%

31. The tables below detail the reprofiled non-cumulative growth/reduction required each year by provision type (the first table: EHCP numbers and the second table: percentage change in EHCP growth)

Reprofiled based on outturn 31.03.25	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Actual	Mitigated Forecast						
Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Mainstream	215	41	-6	-34	-173	-216	-245	0
RP / SEN Units	-1	108	175	0	0	0	0	0
Special Schools	57	70	78	91	91	48	0	0
NMSS & Independent	-13	-78	-165	-63	-73	-96	-60	-1
Post 16 & FE	45	6	7	4	-2	-1	-10	0
AP/Pupil Referral Unit (PRU)	-9	0	0	0	0	0	0	0
Total EHCPs	294	147	36	-2	-157	-265	-315	-1

Reprofiled based on outturn 31.03.25	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Actual	Mitigated Forecast						
Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32

Mainstream	9%	2%	-2%	-1%	-7%	-9%	-11%	0%
RP / SEN Units	-1%	73%	69%	0%	0%	0%	0%	0%
Special Schools	7%	8%	8%	9%	8%	4%	0%	0%
NMSS & Independent	-2%	-13%	-32%	-18%	-25%	-43%	-48%	-2%
Post 16 & FE	-47%	1%	1%	1%	0%	0%	-2%	0%
AP/Pupil Referral Unit (PRU)	7%	0%	0%	0%	0%	0%	0%	0%
Total EHCPs	6.4%	3%	1%	0%	-3%	-5%	-7%	0%

Unmitigated and Mitigated EHCP Forecast – Comparison with prior versions of the DSG management plan

32. The three tables below show the original EHCP forecasts (submitted to the Safety Valve programme in December 2023), the reprofiled EHCP forecast (based on 31.03.24 outturn, presented to C&F committee in September 2024) and the newly reprofiled EHCP forecast (based on 31.03.25) for both unmitigated EHCPs and mitigated EHCPs. **Please note the latest forecast shows an additional year 2031/2032, to demonstrate that after the seven year plan, the aim is to stabilise growth and mitigated EHCPs to remain at the same level.**

33. The mitigated EHCP forecast, shows that there will inevitably be growth in the first couple of years but the level of EHCPs will decline over the later years of the plan and the proportions of EHCPs in provision types will differ. Ensuring that children and young people are placed in the right type of provision has a significant impact on the overall affordability and sustainability of the financial forecast and will allow services to be provided with in budget.

	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Original Forecast December 2023 (C&F Committee April 24)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Unmitigated	5,484	6,247	7,051	7,892	8,756	9,626	10,585
Mitigated	5,164	5,300	5,240	5,197	5,061	4,769	4,413
% Unmitigated growth of EHCPs	15%	14%	13%	12%	11%	10%	10%
% Mitigated growth of EHCPs	8%	3%	-1%	-1%	-3%	-6%	-7%
Impact of mitigations	-320	-947	-1,811	-2,695	-3,695	-4,857	-6,172

	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Reprofiled based on outturn 31.03.24 (C&F Committee November 2024)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Unmitigated	5,216	5,941	6,713	7,581	8,489	9,422	10,455
Mitigated	4,937	5,115	5,138	5,014	4,815	4,643	4,314
% Unmitigated growth of EHCPs	14%	14%	13%	13%	12%	11%	11%
% Mitigated growth of EHCPs	8%	4%	0%	-2%	-4%	-4%	-7%
Impact of mitigations	-279	-826	-1,575	-2,567	-3,674	-4,779	-6,141

	Year1 (actual)	Year2	Year3	Year4	Year5	Year6	Year7	Year8
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Reprofiled based on outturn 31.03.25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Unmitigated	4870	5,550	6,271	7,085	7,932	8,805	9,772	10,846
Mitigated	4870	5,017	5,053	5,051	4,894	4,629	4,314	4,313
% Unmitigated growth of EHCPs	6.40%	14%	13%	13%	12%	11%	11%	11%
% Mitigated growth of EHCPs	6.40%	3%	1%	0%	-3%	-5%	-7%	0%
Impact of mitigations		-533	-1218	-2034	-3038	-4176	-5458	-6533

Financial Summary of the DSG Management Plan

34. The overall DSG deficit figure reported within the accounts at 31 March 2025 is £112.1 million. This is made up of high needs deficit of £113.7 million plus an underspend of early years DSG of £1.6 million.
35. The high needs funding has been forecasted using DfE guidance as 3% growth each year.
36. The high needs funding allocation for 2025/26 is £63m
37. The table below is a financial forecast in the DSG management plan for the **unmitigated position**. The forecast has been broken down over provisions types and details the expenditure, DSG income, school block transfer, the in-year deficit position, the deficit reserve brought forward from the previous year, resulting in the total deficit reserve position.
38. The unmitigated financial forecast is without mitigations, the do-nothing position. Whereas the mitigated financial forecast includes mitigations which are detailed within the Cheshire East Special Educational Needs and Disability (SEND) and Alternative Provision (AP) Strategy and Development Plan – “One Plan”.
39. The unmitigated forecast position for 2031-32 shows total expenditure of £299.2 million against an expected grant of £75.3 million, resulting in an in-year deficit of £223.9 million and a total deficit reserve position of £990.3 million.

	Outturn	Unmitigated Forecast						
Provision Type	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	£m	£m	£m	£m	£m	£m	£m	£m
Mainstream	22.3	25.1	27.8	30.7	33.9	37.2	40.8	44.7
RP	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Special	23.7	22.1	22.1	22.1	22.1	22.1	22.1	22.1
NMSS & Independent Special Schools	33.9	47.3	64.9	86.5	111.4	139.3	171.7	209.6
FE Colleges	4.6	6.1	7.4	8.4	9.5	10.5	11.7	13.0
Alternative Provision	3.9	3.6	3.6	3.6	3.7	3.7	3.7	3.7
Sensory & SALT	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1
Pay & Pensions	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9
High Needs Expenditure	93.9	110.1	131.7	157.3	186.5	218.8	255.9	299.2

High Needs DSG Income	(57.4)	(63.0)	(64.9)	(66.9)	(68.9)	(71.0)	(73.1)	(75.3)
School Block Transfer	(1.4)	-	-	-	-	-	-	-
In year Surplus / Deficit	35.1	47.1	66.8	90.5	117.6	147.9	182.8	223.9
Surplus / Deficit Brought Forward	78.7	112.1	160.8	227.6	318.0	435.7	583.5	766.4
High Needs Deficit Reserve	113.7	159.2	227.6	318.0	435.7	583.5	766.4	990.3
Early Years Reserve (Underspend)	(1.6)	1.6						
Total DSG Deficit Reserve	112.1	160.8						

40. The table below is a financial forecast in the DSG management plan for the **mitigated position**. The forecast has been broken down over provisions types and details the expenditure, DSG income, school block transfer, the in-year deficit position, the deficit reserve brought forward from the previous year, resulting in the total deficit reserve position.

41. The mitigated forecast position for 2031-32 shows total expenditure of £69.8 million against an expected grant and school block transfer of £75.3 million, resulting in an in-year surplus of £7.8 million and a total deficit position of £197.6 million.

42. As previously reported, the plan aims to achieve an in year balanced position in the seventh year.

Provision Type	Outturn	Mitigated Forecast						
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	£m	£m	£m	£m	£m	£m	£m	£m
Mainstream	22.3	22.7	21.6	20.3	19.3	18.1	16.7	16.1
RP	3.5	3.7	6.3	7.4	7.1	7.1	7.1	7.1
Special	23.7	23.1	24.9	27.1	28.4	29.3	29.5	29.5
NMSS & Independent Special Schools	33.9	35.3	27.7	21.7	17.3	11.8	6.8	5.0
FE Colleges	4.6	5.6	6.0	6.0	6.0	6.0	5.9	5.9
Alternative Provision	3.9	3.6	3.4	3.2	3.2	3.2	3.2	3.2

Sensory & SALT	2.1	1.9	1.9	1.9	2.0	2.0	2.0	2.0
Pay & Pensions	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9
High Needs DSG Expenditure	93.9	96.8	92.7	88.5	84.1	78.3	72.1	69.8
High Needs DSG Income	(57.4)	(63.0)	(64.9)	(66.9)	(68.9)	(71.0)	(73.1)	(75.3)
School Block Transfer	(1.4)	(1.5)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
In year Surplus / Deficit Surplus / Deficit Brought Forward	35.1	32.3	25.4	19.3	12.9	5.0	(3.3)	(7.8)
High Needs Deficit Reserve	78.7	112.1	146.0	171.4	190.8	203.7	208.7	205.4
Early Years Reserve (Underspend)	113.7	144.4	171.4	190.8	203.7	208.7	205.4	197.6
Total DSG Deficit Reserve	(1.6)	1.6						
	112.1	146.0						

Financial Summary Comparison against previous versions of the DSG management plan

43. The following three tables show the unmitigated deficit forecast and the mitigated deficit forecast and highlights the monetary value of the impact of mitigations. The first table shows the original plan (approved by C&F Committee April 24), the second table shows the reprofiled plan (shared with C&F Committee November 24) and the most recent reprofiled forecast based on the outturn position of 31 March 2025.

44. For comparison, the mitigated deficit position in 2030/31 has reduced to £205.4 million. The original forecast was £284.8 million, the forecast based on 31.03.24 was £236.7 million. **This is a £79.4 million reduction compared to the original forecast.**

45. The main contributing factors resulting in a lower deficit position than initially anticipated are due to:

- An increased DSG high needs allocation for 2025/26 of £63m, compared to £59m. Over the 7 years of the plan this amounts to approximately £24.7m additional income (assuming a 3% increase year on year).
- Approximately £3m reduction in expenditure mainly relating to a revision of average costs for Independent special schools and non-maintained special schools.

	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Original Forecast December 2023 (C&F Committee April 24)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	£m	£m	£m	£m	£m	£m	£m
Unmitigated cumulative deficit	154.6	244.6	363.5	514.8	702.2	929.1	1,200.9
Mitigated cumulative deficit	140.9	189.0	227.7	256.5	276.2	285.4	284.8
Impact of mitigations	(13.7)	(55.6)	(135.8)	(258.3)	(426.0)	(643.7)	(916.1)

	Year1	Year2	Year3	Year4	Year5	Year6	Year7
Reprofiled based on outturn 31.03.24 (C&F Committee November 2024)	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	£m	£m	£m	£m	£m	£m	£m
Unmitigated cumulative deficit	132.6	208.7	310.8	443.8	612.2	820.0	1,073.0
Mitigated cumulative deficit	120.1	159.2	190.7	213.9	229.5	237.3	236.7
Impact of mitigations	(12.5)	(49.5)	(120.1)	(229.9)	(382.7)	(582.7)	(836.3)

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8
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Reprofiled based on outturn 31.03.25	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	£m	£m	£m	£m	£m	£m	£m	£m
Unmitigated cumulative deficit	112.1	160.8	227.6	318.0	435.7	583.5	766.4	990.3
Mitigated cumulative deficit	112.1	146.0	171.4	190.8	203.7	208.7	205.4	197.6
Impact of mitigations	-	(14.8)	(56.2)	(127.3)	(232.0)	(374.8)	(560.9)	(792.7)

46. Glossary

Term	Meaning
DSG Management Plan	Dedicated Schools Grant Management Plan
EHCP	Education, Health and Care Plan
SEND	Special Educational Needs and Disabilities
SEN2	Special Educational Needs Survey
AY	Academic Year
NA	Needs Assessment
DfE	Department for Education
RP	Resource Provision - within a mainstream school
SEN Units	Special Education Needs Units
Special Schools	Maintained, academy, free schools, independent both within and outside of Cheshire East
NMSS ISS SPIs	Non-maintained special schools Independent special schools Specialist post 16 institutes
AP	Alternative provision
PVI	Private, Voluntary and Independent Nursery
SALT	Sensory & Speech and Language Therapy
PRU	Pupil Referral Unit
SI	Supported Internships