

TO: ALL MEMBERS OF THE SCHOOLS' FORUM

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Notice of Meeting – Schools' Forum (Draft)

A meeting of the Schools' Forum will be held on **December 11th, 2025, at 5pm. This will be held virtually using Microsoft Teams, the link will be sent via email.** The agenda for the meeting is set out below.

AGENDA		Decision Making
1.	Welcome and apologies. <i>Chair</i>	
2.	Minutes of the meeting held on 26 th June 2025, including matters arising. <i>Chair</i>	Yes
3.	Schools' Forum Membership Update <i>Chair</i>	
4.	SEND Strategy verbal update	
5.	RISE verbal update	
6.	DSG Budget Monitoring 2025/26 <i>DSG Finance Business Partner</i>	
7.	DSG Budget setting Strategy for 2026/27 (Initial proposals for schools funding formula) <i>DSG Finance Business Partner</i>	Yes
8.	Growth Fund 2025/26 & 2026/27	Yes
9.	Provisional agenda items for next meeting <ul style="list-style-type: none"> • DSG 2025/26 Monitoring update • SEN Update • Schools Funding Formula 2026/27 • Central Schools Services Block & Early Years retained funding and draft funding rates 	
10.	Any other business	

Next Meeting: January 22nd, 2026, at 5pm – To be held virtually via Teams

Minutes of Schools' Forum Meeting

26 June 2025

Members Present

Richard Rolfe – Governor at Micklands (Chair); Dave Dymond – Governor at Alfred Sutton (Vice-Chair); Rebecca Brown – Head of Geoffrey Field Juniors; Simon Uttley – Head Teacher of Blessed Hugh Faringdon; Jo Budge - Executive Head Teacher of Reading Early Years Schools Federation; Karyn Stiles – Business Manager of Blessed Hugh Faringdon; Julia Cottee – Governor at Reading Early Years Schools Federation; Symon Cooke – Head Teacher of The Avenue; Isabelle Sandy – Business Manager of Kendrick; Alison McNamara – NEU.

Apologies

Apologies received from: Julia Copley, Justine McMinn, and Steven Davis (Steven Davies – Strategic Finance Business Partner)

In attendance

Brian Grady – Director of Education; Carly Price – Strategic Lead for SEND; Grahame Craig – DSG Business Partner; Clare Warren – School Finance Business Partner; Lara Manning – Accountancy Assistant; Cathy Woodcock – Finance Director of Reading School (observer); Deborah Talbot – minute taker

	Item	Notes
1	Welcome and apologies – Chair	<p>The Chair welcomed everyone to the meeting.</p> <p>Grahame Craig read out the protocol for the virtual meeting and voting was confirmed for:</p> <p>Item 2 – Approval of the previous minutes</p> <p>Item 8 – Scheme for Financing Schools</p> <p>Item 9 – Forum Constitution</p> <p>Recording of the meeting commenced. The recording will be retained until the minutes have been approved.</p> <p>The Chair noted a number of absences and that the meeting wasn't quorate. Voting would be via email post-meeting.</p> <p>The chair also recorded that Vanessa Hurdle, who had taken school forum minutes for a number of years had sadly passed away but wanted to note forums thanks to Vanessa. He also</p>

		thanks Deborah Talbot for agreeing to undertake the minutes for this meeting.
2	Minutes of the meeting held on 20 March 2025 and matters arising - Chair	<p>Minutes were agreed as an accurate record of the meeting from 20 March 2025.</p> <p>Action was for the chair to raise vacant positions on forum for Primary head. Richard requested this be raised at the next primary heads meeting but has just missed that latest slot and a further meeting was unlikely before September. Richard will write a formal letter to the primary heads to be relayed at their next meeting. Any progress will be reported back to school's forum.</p>
3	Schools' Forum Membership Update - Chair	<p>Richard to email Howard Seymour and Isabel Sandy to confirm if they were agreeable to extending their forum memberships. Assuming agreement, the two primary head vacancy remain the priority to fill.</p> <p>School forum member were again encouraged to let colleagues within their sector know of current school forum vacancies.</p>
4	SEND – Verbal Update by Carly Price	<p>Carly Price gave a verbal update to members.</p> <p>The service was undertaking a Strategic review withing Reading looking at children and young people with EHCPs. The service is looking at the forecast of children and the number of children across different types of provision and looking at how we can better meet those needs.</p> <p>They are working closely with colleagues across the wider SEN service including colleagues within the RISE team.</p> <p>They are also reviewing the early years setting to improve the transition from early years into the mainstream reception sector. The service is developing a transition charter to improve this area.</p> <p>Carly asked the group for questions, but none were raised.</p>
5	DSG Outturn 2024/25 – DSG Finance Business Partner	<p>Grahame Craig presented.</p> <p>This paper refers to the closing financial position for the Dedicated Schools Grant for 2024/25.</p> <p>Forum were asked to note that the overall DSG deficit had increased by £15,499,000.</p>

		<p>This was made up of an underspend of £1.8m in the school's block; primarily linked to the growth fund requirements we need to hold.</p> <p>The Central Schools Services Block was on trend.</p> <p>The Early Years block underspend by £1.6m. This was largely due to a late payment received from the DfE in March. The LA is confirming the treatment of this funding.</p> <p>The total overspend of the high needs block has increased to £28.4m</p> <p>Grahame said the whilst the position has worsened this could have been worse were it not for the work currently being undertaken with the services to mitigate this. Success had been achieved via the DBV project, but said that there was insufficient budget received from the DSG to cover the expenses incurred within the authority to deliver its high needs responsibilities.</p> <p>Grahame referred to the delayed White Paper from the government that was expected to high light the issues within the DSG/High needs funding area.</p> <p>Grahame invited questions.</p> <p>Simon Uttley asked "Obviously I totally get the fact that this is a national problem. What would you evaluate as the kind of risk profile for us in Reading, given the size of that deficit looking forward? I know it's very difficult to do because of the broader picture, but do you see any risk in that kind of figure and what would that be or is it just impossible to put any words to it?"</p> <p>Brian Grady answered - What the national scene is absolutely clear on is that we need a sustainable solution from central government to send investment. The key areas of learning following the previous government's interventions regarding safety valves and delivering better value is that the hypothesis that the numbers of education, health and care plans could actually reduce, is not a hypothesis that is valid.</p> <p>He reminded colleagues that we have been very successful, as noted in previous forum meetings, of reduced demand of between 12% and 19% increase year on year of education, health and care plans having a management profile now of between 3% and 4%, education, health and care plan growth which is close to our overall demography.</p>
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		<p>Reading is seeing increasing needs in its population. Therefore, it needs a governmental response. There was a confirmation this week by His Majesty's Government that the statutory override, which is the financial mechanism which protects local authorities from having to account for these overspends as part of the bottom line of local authorities. Has been extended which removed an immediate pressure, but the immediate pressures and risk regarding the DSG position actually do sit with the local authority.</p> <p>For example, the authority still needs to finance this debt, so the rate of inflation and interest that we have to pay to ensure that we can keep the ship afloat is a punitive impact on the overall Council budgets. What forum will be receiving as we go forward are further updates as we work with school leaders to mitigate these pressures.</p> <p>Brian said in terms of risk his opinion is twofold.</p> <p>One, the financial risk profile is managed and mitigated through the statutory override and Reading Borough Council process.</p> <p>Two, That decisions need to be evidence based.</p> <p>Brian concluded by saying we are await news from His Majesty's Government regarding the send review that is needed and the investment that is clearly evidentially needed across the country.</p> <p>Isabel Sandy asked "is it possible to transfer general fund money to offset the DSG deficit and contribute towards the education bill?"</p> <p>Grahame Answeerd that at a technical level this was possible in accounting terms but in practical terms it wouldn't be possible. There wasn't sufficient surplus within the authority to allow for a transfer at this time. Part of the role of the Chief accountant is to take account of all factors and workout the best course for the authority.</p> <p>Brian added that in terms of education the council does add resources towards education outside the DSG and there are a number of examples where council investment in projects.</p> <p>There were no further questions.</p>
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6	DSG Budget 2025/26 - DSG Finance Business Partner	<p>Grahame Craig Presented</p> <p>The DSG allocation for the 2025/26 schools block is just under £135.9m</p> <p>The central schools services block has fallen by £1,000 to £1.15m</p> <p>The early years block is £29m</p> <p>The high needs block is £33.4m</p> <p>Recoupment for academies will be £79m</p> <p>Still awaiting of the July update for early year block to confirm our position.</p> <p>Expecting a high needs recoupment of £4.5m</p> <p>With a forecast deficit on the high needs budget of £15m</p> <p>There is a carry forward on the growth fund that we are still awaiting final figure for.</p> <p>Grahame apologised for a typing error in the report. Table 2 figure; 102,975 should read 115,883</p> <p>Grahame spoke about the figures in Appendix 1 including the already agreed transfers and de-delegated amounts from the school's block. We can expect a negative movement within the high needs block as Reading remains a net exporter with regards to high needs pupils.</p> <p>No Questions were asked</p>
7	Maintained School Balances 2024/25 and budgets 2025/26 - Finance Business Partner (Schools)	<p>Clare Warren presented</p> <p>Overall school balances have decreased from £1.7m at the end of March 24 to £1.3m at the end of March 25.</p> <p>A decline of 22% or £290k</p> <p>Balances are continuing to decline with more schools going into deficit. And excluding Blessed Hugh, schools balances would only be £243k.</p>

		<p>There is pressure on schools from falling pupil numbers, increasing numbers of pupils with complexities. Pay increases were not full covered by the introduction of additional grants, which is a pressure that will continue into 25/26.</p> <p>Within the school balances there are 15 maintained schools that ended the year with a deficit balance. Which now totals £3.2m compared to 14 maintained schools at the end of 23/24 with a combined deficit of £2.3m</p> <p>These balances sit within the RBC accounts and therefore as the balances is declining then section 151 officer is becoming more concerned about school balances and there is an increased level of reporting around these balances.</p> <p>In terms of 25/26, balances are expected to decrease by £4m up to a deficit of £2.7m</p> <p>The council is trying to deal with the number of local and national concerns such as pupil numbers, special educational need. The authority is using the Department of Education, Resource Management Advisor programme to help schools.</p> <p>We have implemented an increased level of monitoring and the offer of support to school finance teams.</p> <p>Clare asked for questions.</p> <p>Isabel Sandy commented that it was both sad and stressful that schools find themselves in this position.</p> <p>Richard Rolfe reiterated Isabels statement, and that his own school was having to face tough financial decision.</p> <p>Isabel asked if there had been redundancies. Richard confirmed that there were no redundancies, but that restructuring was an issue but they had been fortunate (in one way) to lose senior, expensive staff and been able to replace where necessary with less expensive but less experienced staff.</p> <p>Alison McNamara said that she also felt the schools were under financial with salary increases not being funded and that web forums existed to voice opinions.</p> <p>No further questions or comments were received.</p>
8	Scheme for Financing Schools 2025/26 - DSG Finance Business Partner	Grahame Craig presented

		<p>Grahame highlighted the chair that due to late arrivals the forum was now quorate and could vote. Richard confirmed this.</p> <p>Cathy Woodcock was confirmed as an observer and not a member of schools' forum.</p> <p>Richard confirmed that Jean Reed was eligible to vote as a stand-in member.</p> <p>The scheme for finance is published every year by the DfE with various updates. The Minister for Education has the right to make statutory changes to the scheme for financing schools, each school's forum annually needs to vote in the new scheme for finance in schools.</p> <p>Unlike in previous years, we've got an update through in time that it can be presented in June.</p> <p>The Schools Forum report has only one change this year to cover the cost of an undisputed invoice for energy, where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice.</p> <p>In effect, if a school agreed with the Secretary of State to use one of the DfE agreed suppliers and they've invoiced you, the school will have to pay it</p> <p>Included in the pack is the updated version for 25/26. If agreed, tonight it will be published on the Council's website.</p> <p>Anybody wishing to look at the DfE based version the links at the bottom of the pack.</p> <p>Grahame Asked for questions, but none were asked.</p> <p>A vote was taken and was agreed unanimously.</p>
9	School Forum Constitution 2025/26 - DSG Finance Business Partner	<p>Grahame Craig presented</p> <p>Schools' forum is required annually to agree its constitution.</p> <p>Membership breakdown is based on the number of pupils within the local authority, distributed across academies, maintain primaries, maintain secondaries and Early years providers.</p> <p>Membership shown in Appendix One of this report, is based on a proportional representation of places.</p> <p>School pupil sizes counting as best they can, for example, we've got one maintained secondary school irrespective of the number of pupils at that secondary school, we would</p>

		<p>have to offer a maintained place to that, which would then count towards the maintain sector.</p> <p>Members versus the Academy memberships.</p> <p>The split between Academy and maintain hasn't moved much this year. In fact, it's very much the same if we look at the pupil numbers, the proportional split.</p> <p>For primary and secondary academies versus primary secondary maintained to give 100%.</p> <p>No, mandated changes from the Department for Education for any of the DfE for any of the school's forum constitution.</p> <p>Going forward to 2526, so it's based on the preceding version, which is the same one as we used last year. So very much business as usual, we just need a vote.</p> <p>Grahame asked for questions but there were none.</p> <p>A vote was taken and was agreed unanimously.</p>
10	Agenda items for next meeting	<p>Agenda items for next meeting</p> <ul style="list-style-type: none"> • DSG Budget setting Strategy for 2026/27 • Initial proposals for schools funding formula for 2026/27 • Budget Monitoring 2025/26 – Month 5 • SEND update
11	Any Other Business	<p>Chair invited members to raise any other business.</p> <p>Richard Rolfe asked if Isable Sandy would be will to continue to sit as a member of Schools forum for a further term – Isabel agreed to continue to serve.</p> <p>Brian Grady as Director of Education thanked Dave Symond, chair of Governors at East Reading Federation, for his leadership at the Reading conference, launching our anti racist curriculum and anti racist practice in schools. Brian reported it was a vibrant conference last week and Dave showed immense leadership on behalf of governing boards in his attendance.</p> <p>No further items being raised the chair thanked all attendees and closed the meeting.</p>

Summary of Actions Outstanding

SF Date & Item no.	Action Required	Responsible Person
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	On going - Contact Primary Heads' Association to recruit two new members	Richard Rolfe
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Agenda Item 3

SCHOOLS' FORUM MEMBERSHIP

Dec-25

Group / Sub Group	Votes	Position	Name	School	First elected / appointed to SF	Last elected / appointed to SF	Period of office as member	Due for re- election / appointment
School Members:								
Nursery (2)	1	Head teacher	Jo Budge	Reading EY Schools Federation	Jan-17	Jun-22	3 yrs	Jun-25
	2	Governor	Julia Cottee	Reading EY Schools Federation	Mar-20	Mar-23	3 yrs	Mar-26
Maintained Primary (7)	3	Head teacher	Rebecca Brown	Park Lane Infant	Mar-23	Mar-23	3 yrs	Mar-26
	4	Head teacher	Justine McMinn	EP Collier	Nov-13	Jun-22	3 yrs	Jun-25
	5	Head teacher	Nikki McVeigh	Christ the King	Jul-21	Jul-21	3 yrs	Jul-24
	6	Head teacher	Sophie Greenaway	Thameside	Dec-22	Dec-22	3 yrs	Dec-25
	7	Governor	Dave Dymond	Alfred Sutton	Dec-22	Dec-22	3 yrs	Dec-25
	8	Governor *	Richard Rolfe	Micklands	Dec-16	Dec-22	3 yrs	Dec-25
	9	Governor	Dani Hall	Oxford Road and Wilson	Mar-20	Mar-23	3 yrs	Mar-26
		Observer/Substitute	Sarah Bernito	St Anne's				
Maintained Secondary (1)	10	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-22	3 yrs	Jan-25
Academy Primary (2)	11	Academy Member	Karen Edwards	The Heights	Jul-18	Jul-21	3 Yrs	Jul-24
	12	Academy Member		VACANT FROM MARCH 2023				
Academy Secondary (5)	13	Academy Member	Isabelle Sandy	Kendrick	Feb-12	Jun-25	3 Yrs	Jun-28
	14	Academy Member	David Littlemore	Propsect	Feb-12	Dec-22	3 Yrs	Dec-25
	15	Academy Member	Rachel Cave	Highdown	Feb-12	Jun-22	3 Yrs	Jun-25
	16	Academy Member	Annal Nayyar	Reading Girls	Dec-17	Jun-22	3 Yrs	Jun-25
	17	Academy Member	Sylvie De Groote	Maiden Erlegh School	Sep-21	Sep-21	3 Yrs	Sep-24
		Observer/Substitute	Louise Baker	John Madjeski				
		Observer/Substitute	Cathy Woodcock	Reading School				
		Observer/Substitute	Wayne Edwards	UTC				
		Observer/Substitute	John Salberg	The Wren				
Maintained Special (1)	18	Head teacher	Lee Smith	Holy Brook			On-going	n/a
Academy Special (1)	19	Academy Member	Symon Cooke	The Avenue	Mar-18	Mar-21	3 Yrs	Mar-24
Alternative Provision (1)	20	Head teacher	Ceri Burns	Cranbury College			On-going	n/a
Non-School Members:								
Early Year's PVI (1)	21	PVIs	Ita McGullion	Kennet Day Nursery	Oct-17	Oct-21	3 yrs	Oct-24
Trades Unions (1)	22	Trades Unions	Ali McNamara	NEU			On-going	n/a
16 - 19 Provision (1)	23	FE College	Charlotte Morgan	Reading College (Activate Learning)	Oct-20	Oct-20	3 yrs	Oct-23



Reading Schools' Forum

Dedicated Schools Grant (DSG) Budget
Monitoring 2025/26
Period 7

December 12, 2025

Agenda Item 4



For decision



For discussion



For information

1. Summary

1.1 This report sets out the updated position on the Dedicated Schools Grant for 2025/26.

2. DSG Allocation 2025/26

- 2.1 The Dedicated Schools Grant (DSG) is a ring-fenced specific grant and can only be used in support of the schools' budget and spent on school/pupil activity as defined by the School and Early Years Finance (England) Regulations (2025).
- 2.2 The Authority must ensure that DSG is correctly spent and must report the outturn position to inform the impact upon the following year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
- 2.3 The LA receives its DSG allocation gross (including allocations relating to academies and post-16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.
- 2.4 The current DSG allocation for 2025/26 is summarised in Table 1 below.
- 2.5 The allocations shown in the table are prior to any transfers between blocks. For the 2025/26 budget the Schools' Forum has agreed a transfer of £564k from the school's block to the high needs block.
- 2.6 Allocations were updated on the 24 November 2025 Previous changes include updated Early Years allocations from January 2025 census and updated export and import provisions within the High Needs Block. Next update would be March 2026.

Table 1: Readings Current DSG allocations for 2025/26 (November 2025)

BLOCK	REVISED DSG ALLOCATION 2025/26				
	Gross DSG Allocations £m	Less Recoupment relating to Academies. £m	Draft LA DSG Allocations March 2025 £m	In year allocation changes £m	Current Allocation November 2025
Schools Block	135.870	(79.142)	56.728	-	56.728
Central Schools Block	1.151	-	1.151	-	1.151
Early Years Block	29.074	-	29.074	(0.359)	28.715
High Needs Block	33.385	(4.455)	28.929	0.024	28.954
Total	199.480	(83.597)	115.883	(0.335)	115.548

3 DSG Budget 2025/26 Budget Monitoring

- 3.1 Appendix 1 contains the original 2025/26 budget as agreed/notified at previous meetings of the Schools' Forum. This is split between the four funding blocks and broken down by the main reporting lines for the DSG.
- 3.2 There is a forecast in-year deficit of £21.710m on the High Needs Block of the Dedicated Schools Grant, as summarised in Table 2. This is £7.456m higher than the deficit that was forecast when the 2025/26 budget was set.

Table 2: Summary Expenditure Budget per Block 2025/26

	Current Budget (£m)	Forecast (£m)	In Year Variance (£m)	C/Fwd (£m)	Cumulative Variance (£m)
Schools Block	56,728	57,444	716	(1,779)	(1,063)
Central Schools Block	1,151	1,161	10	-	10
Early Years Block	29,074	29,946	872	(1,662)	(790)
High Needs Block	28,930	49,042	20,112	28,344	48,456
Total	115,884	137,593	21,710	24,903	46,613
Planned Overspend			(14,254)		
Variance			7,456		

3.3 Schools Block

- Reserves are connected to the expansion of the growing secondary school (Rivers) as a contingency fund agreed by school's forum to have in the likely scenario that growth funding does not match the funding needed for future year groups.
- Potential year 9 bulge class is required, and officers are working towards getting Schools Forum agreement to create a growth fund budget to fulfil the councils' statutory obligations in having enough classrooms for all pupils. This would take priority over the growth fund reserve and if agreed, will reduce the fund by £150k in academic year 2025/26. This has not been added to the forecast for period 7, it would reduce surplus balance if materialised.
- Since the 2022/23 financial year, school reserves allocated for growing schools have also been used to support a Falling Rolls Fund for primary schools, in response to both national and local declines in pupil numbers. Most of this funding has been directed at schools in North Reading, where the impact of falling rolls has been most significant to date. It is highly unlikely that Reading will continue to receive substantial growth funding in the next allocation, and therefore the Falling Rolls Fund will need to be reviewed and may potentially be suspended for 2026/27.
- Schools Reserves for growing schools is **£1.063 million**

3.4 Central Schools Services Block

- Support services funded through the Central Block—covering Admissions, School Effectiveness, and Attendance are contributions, and the majority will not therefore have a variance.
- An additional **£10k** expenditure related to national copyright licences for schools has been accounted for. The idea is to find savings within other areas of the CSSB to break even by March 2026.

3.5 Early Years Block

- Over 96% of Early Years Funding is relating to the free early year's entitlement for 2, 3 and 4 -year-olds. The budget for 2025/26 is based on the draft Spring 2025 census hours at the set hourly rates laid out in January and March 2025 Schools Forum paper. The DSG funding due to be received this year is based on an average of January 2025 and January 2026 with new national entitlements being funded from termly census data.
- The Early Years allocation was updated on 22 July 2025, reflecting revised DfE calculations based on the January 2025 census. Reading ended the 2024/25 financial year with a £1.6 million surplus, which is considered high for this block.

- The 2024/25 allocation has been reduced by £0.253 million due to overestimated pupil numbers. This reduction also impacts the 2025/26 allocation, which has been adjusted downward by £0.358 million.
- Reading Borough Council has decided to change the funding source for Early Years Inclusion Funding, which was previously financed through the High Needs Block. For the 2025/26 financial year only, the Council will allocate this funding from the surplus within the Early Years Block (approximately £0.25m). This approach is intended to help alleviate the financial pressures currently faced by the High Needs Block.
- Maintaining a contingency within the Early Years Block is a prudent financial strategy. While the DfE does not mandate a specific percentage, it expects local authorities to make appropriate provisions. This can then assist with any pupil number fluctuations, buffer against funding volatility and help support provider sustainability/unforeseen costs.
- Early Years reserves total **£0.790m**. (3% of total 2025/2026 allocation)
- A reasonable contingency typically ranges between **1% and 3%** of the total block allocation, depending on local needs and priorities. Appendix 2 outlines the rationale for maintaining an Early Years reserve.

3.6 High Needs Block

- The financial position of the High Needs Block remains highly challenging, with an in-year deficit of £20.112m projected at the end of Period 7. This deficit is primarily driven by the increasing demand for SEN support for pupils with high needs and the shortage of specialist placements. While this is recognised as a national issue, the Local Authority is still required to meet its statutory responsibilities by ensuring suitable education for all children of compulsory school age who are unable to attend school due to illness, SEND, or other reasons. This responsibility also extends to supporting schools in creating inclusive environments and ensuring that all pupils, including those with SEND, receive the necessary provision and support.
- The long-anticipated reforms to the SEN system, originally expected in 2023, but mostly recently expected to be announced in autumn 2025, have been delayed until early 2026. The delay has been attributed to the governments desire for further consultation with families, teachers and stakeholders to ensure that the reforms are effective and meets the needs of those affected.
- All local authorities are currently reporting deficits within their High Needs Block. In response to these ongoing challenges, the government has announced an extension of the statutory override relating to Dedicated Schools Grant (DSG) deficits. This override has now been extended until 2027/28, meaning that DSG deficits will continue to be excluded from councils' general balance sheets during this period.
- However, this creates additional pressure on borrowing. For 2024/25, Reading's average borrowing rate was **4.12%**, resulting in **£1.920 million** in annual interest payments based on a projected DSG deficit of **£46.613 million** as of **March 2026**.

3.7 Information on current top-ups/EHCPs as at period 7

- Table 3 (top-ups) forecast by period and type of educational setting
- Table 4 (top-ups) numbers of EHCPs by type of educational setting
- Table 5 (top-ups) Average Cost per educational setting
 - *The increase in FTE doesn't directly correlate with the increase in costs, as EHCPs can involve changes such as new placements or adjustments to top-up funding. These changes may not affect the overall number of EHCPs but can still have a significant financial impact.*
 - *Reading has not increased its banding rates for 2025/26. However, all other local authorities with Reading EHCPs have increased their band rates by 1% to 9%, reflecting national cost pressures*

Table 3 Element 3 (top-up funding) Annual forecasts by period and type of educational setting

Type	P2	P4	P6	P7
Alternative Placements	2,420,782	2,502,798	2,631,445	2,706,189
Special schools Top-up	13,680,070	14,742,915	15,275,871	15,314,014
Resource Unit Top Up	439,199	461,150	550,336	454,274
Mainstream Top Up	6,441,089	6,227,436	6,195,801	6,331,958
Nursery Top Up	195,969	202,233	64,691	131,388
FE Colleges Top up	2,230,589	2,449,770	2,555,378	2,562,516
Independent & NMSS	9,073,308	9,381,276	9,678,022	9,947,564
Personal Budgets	368,752	467,603	526,631	583,280
Total	34,849,758	36,435,182	37,478,176	38,031,183

Change from previous

Alternative Placements		82,016	128,647	74,744
Special schools Top-up		1,062,845	532,956	38,143
Resource Unit Top Up		21,951	89,186	(96,062)
Mainstream Top Up		(213,653)	(31,635)	136,156
Nursery Top Up		6,264	(137,541)	66,697
FE Colleges Top up		219,181	105,608	7,137
Independent & NMSS		307,968	296,746	269,542
Personal Budgets		98,851	59,028	56,648
Total		1,585,424	1,042,994	553,006

Table 3: Element 3 (top-ups) numbers of EHCPs by type of educational setting

Type	Forecast	P6	P7	Variance to Forecast	Variance to P6
Alternative Placements	80	111	111	31	0
Special schools Top-up	564	589	590	26	0
Resource Unit Top Up	30	36	34	4	(1)
Mainstream Top Up	718	641	654	(64)	13
Nursery Top Up	5	5	13	8	7
FE Colleges Top up	237	248	250	13	2
Independent & NMSS	123	136	139	16	3
Personal Budgets	17	28	28	11	1
Total	1774	1,794	1,820	46	26

Table 4 Element 3 (top-up funding) Average Cost per educational setting

Type	Average cost in Forecast (24/25)	Average P7	Variance to Forecast	%	Notes
Alternative Placements	£23,084	£24,328	£1,244	5%	
Special schools Top-up	£25,776	£25,970	£194	1%	
Resource Unit Top Up	£12,243	£15,129	£2,886	24%	Higher need resources being used OOB
Mainstream Top Up	£9,867	£9,687	-£180	-2%	
Nursery Top Up	£9,867	£10,326	£459	5%	
FE Colleges Top up	£9,818	£10,241	£423	4%	
Independent & NMSS	£68,334	£71,357	£3,023	4%	
Personal Budgets	£15,474	£20,473	£4,999	32%	Adhoc agreements

Appendix 1 – Summary DSG Budget 2025/26

Line Ref.	Description	Current Budget £m	Outturn	In year £m
	Schools Block			
SB1	Individual Schools Budget - Maintained Schools	56.428	56.398	(0.030)
SB2	Growth Fund & Falling Roles	0.484	0.559	0.075
SB3	Behaviour Support Services (de-delegation)	0.000	(0.078)	(0.078)
SB4	Staff costs supply cover (trade unions) (de-delegation)	0.000	0.000	0.000
SB5	School Improvement (de-delegation)	0.000	0.000	0.000
SB6	Statutory/regulatory Duties (ESG) (de-delegation)	0.000	0.000	0.000
SB7	Additional high needs targeted funding (0.5% Transfer)	0.564	0.564	0.000
SB8	Contingency	(0.748)	0.001	0.749
SB9	Schools Block allocation	0.000	0.000	0.000
	Subtotal Schools Block Net Expenditure	56.728	57.444	0.716
	Central Schools Services Block			
CSSB1	Contribution to combined budgets	0.161	0.161	0.000
CSSB2	School admissions	0.270	0.270	0.000
CSSB3	Servicing of schools forum	0.020	0.020	0.000
CSSB4	Prudential borrowing costs	0.017	0.017	0.000
CSSB5	Other Items (copyright licences)	0.148	0.158	0.010
CSSB6	Statutory/regulatory Duties (ESG)	0.535	0.535	0.000
CSSB7	Central Schools Services Block allocation changes from Budget	0.000	0.000	0.000
	Subtotal Central School Services Block Net Expenditure	1.151	1.161	0.010
	Early Years Block			
EY1	Early Years Funding (free entitlement)	28.049	28.302	0.253
EY2	SEN support services (Portage/Dingley)	0.568	0.768	0.200
EY3	Central expenditure on early years entitlement	0.457	0.517	0.060
EY4	Early Years Block Allocation changes from Budget	0.000	0.359	0.359
	Subtotal Early Years Block Net Expenditure	29.074	29.946	0.872
	High Needs Block			
HN1	SEN placement Funding & PRU lump sum	1.338	1.843	0.505
HN2	ARP Funding	6.012	6.070	0.058
HN3	Therapies & Sensory Consortium	1.012	1.001	(0.011)
HN4	Support for Inclusion & SEN Services	1.379	0.743	(0.636)
HN5	Children Missing Education (including Hospital)	0.499	0.499	0.000
HN6	Teachers pay & pension grants to special schools/PRU	0.315	0.359	0.044
HN7	Central Services	0.190	0.250	0.060
TOP1	Top up funding - Alternative Provision	0.570	2.706	2.136
TOP2	Top up funding - Special Schools	14.143	15.314	1.171
TOP3	Top up funding - Resource Units	0.300	0.525	0.225
TOP4	Top up funding - Mainstream	5.852	6.332	0.480
TOP5	Top up funding - Nursery	0.100	0.131	0.031
TOP6	Top up funding - FE Colleges	3.244	2.563	(0.681)
TOP7	Top up and other funding - non maintained & independent schools	8.120	9.948	1.828
TOP8	Personal Budgets	0.100	0.583	0.483
TOP9	Tier 4 + Unallocated Future EHCPs	0.010	0.200	0.190
HN8	Budgeted Overspend as of April 2025	(14.254)	-	14.254
HN9	High Needs Block allocation changes from Budget	0.000	(0.024)	(0.024)
	Subtotal High Needs Block Net Expenditure	28.930	49.042	20.112
	Total All Blocks Net Expenditure	115.884	137.593	21.710

Appendix 2 – Early Years

Keeping a contingency in the Dedicated Schools Grant (DSG) Early Years Block is a prudent financial strategy for local authorities.

1. Managing Pupil Number Fluctuations

- Early years funding is based on participation, which can vary significantly throughout the year.
- A contingency allows for adjustments if actual numbers exceed projections, ensuring providers are funded appropriately.

2. Buffer Against Funding Volatility

- The DSG allocation from central government can change, especially with census updates or policy shifts.
- Contingency helps absorb these changes without disrupting service delivery.

3. Supporting Provider Sustainability

- Unexpected closures or financial difficulties among early years providers may require emergency support.
- A contingency fund can be used to stabilize the local early years market and maintain sufficiency.

4. Covering Unforeseen Costs

Examples include:

- Legal or compliance costs
- System upgrades for funding administration
- Costs related to SEND (Special Educational Needs and Disabilities) in early years settings

5. Flexibility for Strategic Initiatives

- Enables the local authority to respond to emerging priorities, such as:
- Piloting new approaches to early years education
- Addressing inequalities or gaps in provision
- Supporting transitions to new funding models or frameworks

6. Risk Management

- Helps mitigate risks associated with:
- Policy changes (e.g., changes to 30-hour entitlement)
- Economic factors affecting parental employment and childcare demand
- Provider capacity issues



Reading Schools' Forum

Dedicated Schools Grant (DSG) Budget Setting
Strategy for 2026/27
(Initial proposals for schools funding formula)

December 11, 2025

Agenda Item 7



For decision



For discussion



For information

1. Summary

- 1.1 This report sets out the proposed strategy to set the 2026/27 local funding formula for schools within Reading. The process is based on the current information released by the Department for Education (DfE) on Dedicated Schools Grant (DSG) for 2026/27.

2. Recommendations

- 2.1 Note the funding announced so far for 2026/27.
- 2.2 Note the tasks and timetable for completing the 2026/27 budget (Appendix 1)
- 2.3 Note the updates for 2026/27 National Schools Funding Formula and DSG
- 2.4 Note the basis of the schools funding formula for 2026/27
- 2.5 Agree the approach to setting the schools formula for 2025/26

3 Background

- 3.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority.
- **Schools Block** – funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes.
 - **High Needs Block** – funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges.
 - **Early Years Block** – funds nursery schools, nursery classes in mainstream schools, and early year's settings in the private, voluntary and independent (PVI) sector through the free entitlement for 2, 3 & 4 year olds.
 - **Central Schools Services Block** – funds services provided by the local authority centrally for all schools, such as the admissions service.
- 3.2 2026/27 will be the ninth year of the National Funding Formula (NFF) within the Dedicated Schools Grant (DSG). Due to issues with Central Government, the publication of allocation details and guidance information by the DfE has been delayed. Details from the DfE's announcement of 2026/27 DSG arrangements were made in November 2025. Arrangement for the Early Years block are expected later this year.
- 3.3 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance will be contained within various operational guidance documents issued by the DfE.
- 3.4 The report sets out the funding expected for 2026/27 where known, specific considerations, and the tasks required and timetable for setting the budget.
- 3.5 Due to a combination of events, there has been a delay in the issuing of educational documentation by the DfE. This includes funding guidance, detailed funding projections and a modelling version of the Authority Pro-forma Tool. Details within the report are based on the information that has been made available and where necessary using the existing 2025/26 rules and/or figures.

4 Schools Block Operational Guide 2026/27

- 4.1 Within the Schools Block, the DfE records that progress continues to be required by some local authorities towards mirroring the NFF in their formula funding arrangements at local level. In 2026/27, authorities not already mirroring the NFF are 'directed' to move towards the fuller adoption of the NFF values within the Schools Block. For mainstream primary and secondary formula funding, all authorities must use all NFF factors (and only these factors), and authorities that do not currently mirror the NFF must move 10% closer. Authorities that currently mirror the NFF (Reading being one of them) must stay within 2.5% of the NFF formula factor variable values.
- 4.2 As Reading directly mirror the NFF, and have done since 2018/19, this directive requires minimal response within our arrangements for 2026/27. We expect to continue to directly mirror the NFF.
- 4.3 From 2024/25, authorities were required to add the NFF Split Site factor into their local formula. Reading only had a single school eligible for split site funding in 2025/26 and we expect this to continue in 2026/27.
- 4.4 The DfE have not indicated that Authorities will not be allowed to continue to adopt Targeted SEND (EHCP) support funding arrangements for mainstream schools and academies in 2025/26. The assumption is that this will need to continue to support a minority of schools that have exceptionally higher levels of SEND (no's of EHCPs). Only 31 authorities declared some form of SEND Funding Floor / Targeted Additional SEND funding arrangement in 2023/24. Reading is one of them through the Inclusion process.
- 4.5 The DfE has reiterated its intention to include the Growth and Falling Rolls Funds within the 'hard' NFF within the Schools Block. However, the positions of these factors outside the NFF for 2026/27 is unchanged. The DfE will continue to fund Falling Rolls in 2026/27 for qualifying authorities. It is unlikely that we will qualify for falling rolls funding as the criteria requires a 10% fall in pupils with a predefined area. Until the result of the October 2025 schools census is published this cannot be confirmed.
- 4.6 A number of stand alone grant will be amalgamated into the Schools Block in 2026/27. These are the School Budget Support Grant (SBSG) and the National Insurance Contribution (NIC). Because the SBSG was only a part year grant the DfE are incorporating a full year equivalent into the schools block for 2026/27. This means that the NFF will allocate this grant and primary and secondary schools and academies should no longer budget for a separate allocation (otherwise they will double count this funding).
- An additional £55 has been added to the Primary basis per pupil
 - An additional £78 has been added to the KS3 basis per pupil
 - An additional £88 has been added to the KS4 basis per pupil
 - An additional £49 has been added to the Primary FSM6 per pupil
 - An additional £72 has been added to the Secondary FSM6 per pupil
 - An additional £2,086 has been added to the Lump Sum
- 4.7 The area cost adjust rate for Reading fell from 1.03622 to 1.036620
- 4.8 No changes for 2026/27 that appear to affect-
- Consultation, approval processes and timescales.
 - Restrictions on cross-block movements.
 - School Forum role and statutory powers.
 - De-delegation from maintained schools.
- 4.9 The DfE has indicated, in previous consultations, that changes will be made to the Central Schools Services Block (CSSB), (including the possible merger of this Block into the main local government financial settlement), in response to the DfE's Schools White Paper and the changing roles of local authorities in the

context of the movement to a full academy system. However, at the time of writing there are no technical changes announced for 2026/27.

4.10 To highlight the expected main aspects of this 2026/27 NFF settlement:

- The Minimum Funding Guarantee can be set between -0.5% and positive 0.0%. This is the same permissible range from 2025/26 which was set at a minimum of 0.0% and a maximum of 0.5%. Assuming the maximum MFG rate is applied, schools and academies that are funded on the MFG cannot see a reduction in their 2026/27 pupil rate but will not see an increase in the 2025/26 rate.

5 Funding Announced for 2026/27

5.1 Table 1 sets out the DSG funding Reading receives for the schools, central, and high needs blocks for 2025/26 and compares to the current information on allocations known for 2026/26. The units of funding for these blocks have been confirmed for 2026/27, but the actual funding will be based mainly on the October 2025 census to be confirmed later this month. The table therefore shows the funding allocations if there were the same number of pupils.

Table 1 sets out the DSG Allocations 2025/26 and 2026/27

	2025/26 ACTUAL		2026/27 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	5,569		5,850				Now Includes additional 2025/26 grants(NIC & SBSG)
Primary Pupil numbers & funding	13,102	72,962	13,102	76,647	3,685	0	Will be based on Oct. 24 Census
Secondary Unit of Funding (SUF)	7,382		7,744				Now Includes additional 2025/26 grants(NIC & SBSG)
Secondary Pupil numbers & funding	8,192	60,476	8,192	63,439	2,963	0	Will be based on Oct. 25 Census
Premises		1,666		1,784	118	0	
Amount allocated through 2025/26 additional grants		3,374		0	-3,374	0	Merged into formula
TOTAL Schools Block		135,105		141,875	6,770	0	
Growth Funding Factor		765		TBC			Not yet known
Central School Services Block (CSSB):							
Unit of Funding	45.70		50.64				
Pupil Numbers	21,294	973	21,294	1,078	105	0	Will be based on Oct 25 census
Historic Commitments		178		143	-35	0	Planned reduction by ESFA
TOTAL CSSB		1,151		1,221	70	0	

6 Specific Considerations for 2026/27 Budget Setting

- 6.1 A key decision to be made is whether to make a transfer of funding from the Schools Block to the High Needs Block. As in previous years, this is subject to a maximum of 0.5% of the total schools block allocation with Schools' Forum approval and following a consultation with all schools. Representatives are asked to consult with their member and email any objection to a transfer of funds prior to the next schools forum meeting.

7 Schools Formula for 2026/27

- 7.1 There will be no change to the National Funding Formula factors in 2026/27. These are detailed in Appendix 1. This limits what each LA can do as the DfE are forcing LAs to get closer to the national funding formula. For 2026/27 each LA has to be at least 10% closer to the NFF values than their baseline values. Reading have followed the NFF and made the changes in 2018-2020.
- 7.2 Local authorities remain responsible for setting the formula, by choosing values to apply as long as this complies with the guidelines (see Appendix 1). This must be done in consultation with the Schools' Forum.
- 7.3 The following strategy is therefore proposed in setting the school formula:
- Start with all factors and values mirroring the national factors and values.
 - Use Basic entitlement factors (AWPU) as a balancing figure. All rates to be reduced by the same percentage.
 - If basic entitlement is not sufficient to balance the formula then use lump sum as an additional or alternative balancing figure.
 - Assume the maximum permissible MFG rate of 0.0%.
 - Capping will not be used.
 - Growth funding will be required to cover any new and growing school. For 2025/26 these were Green Park Village Primary Academy and River Academy.
 - A 0.5% transfer from the schools block to High Needs will be factored into budget modelling. Members will be asked to agree an in principle continuation to the 0.5% transfer to the High Needs Block.
 - De-delegation to continue at existing levels and applied via existing 2025/26 criteria.

8 Timetable for Setting the 2026/27 Budget

Table 2 sets out the tasks and timetable for setting the 2026/27 DSG budget

TASK	DATE
RBC inform all schools on proposals for 2026/27 school formula, de-delegation proposals and to consult with all schools on the transfer of funding from the schools block to high needs block.	Consult with Schools/Forum - SF Meeting 2026
RBC complete High Needs Place Review	5th December 2025
Confirm school formula for 2025/26, Agree growth and falling rolls funding for 2025/26 Agree transfer of funding from Schools Block to High Needs Block. Approve de-delegations	January 2026
RBC work on high needs and central school services budgets	December 2025 - January 2026

Final funding allocations received from DfE for schools, high needs (part), central services block and Early Years. Final data received from DfE for school formula based on October 2025 census.	December 2025
RBC finalise the school formula based on final funding allocation	January 2026
Schools' Forum informed on final school formula, Approval of central school services budget. Schools' Forum review first draft of high needs budget in light of funding available/deficit position.	January 2026
Local Authority agrees school formula for 2026/27 and RBC submits APT to DfE	22 January 2026
RBC Inform mainstream maintained schools of their budget shares for 2025/26	By 28 February 2026 (statutory date but in reality by end of January 2026)
RBC work on final high needs and early years budgets This will include confirmation of Early Years Funding rates	January to February 2026
Schools' Forum review/agree final budgets for high needs and early years	March 2026
DfE confirm to academies their general annual grant (budget shares) for 2026/27	March 2026
High Needs place numbers at institution level published by ESFA	March 2026

Appendix 1 – Summary DSG Budget 2025/26

Funding factor	Description and further information
Basic entitlement (Compulsory Factor)	<p>This compulsory factor assigns funding based on individual pupils in reception to year 11 who are aged 4 and above at the start of the academic year. The number of pupils for each maintained school or academy is based on the October 2024 pupil census. Funding is allocated according to a basic per-pupil rate.</p> <ul style="list-style-type: none"> • There is a single rate for primary age pupils. • For KS3 and KS4, rates can be different. <p>The rates for primary, KS3 and KS4 pupils must be at least 10% closer to NFF values than their respective baseline values, subject to the 2.5% threshold for mirroring the NFF described above.</p>
Deprivation (Compulsory factor)	<p>For Free School Meals, factor values must be at least 10% closer to NFF factor values than their baseline factor values, except where local formulae are already mirroring the NFF values.</p> <p>The department measures eligibility for current FSM using the previous October census. Free School Meals – Ever 6 factor values must be at least 10% closer to NFF factor values than their baseline factor values, except where local formulae are already mirroring the NFF values.</p> <p>Local authorities are expected to add the rolled-in FSM6 entitlement element of the MSAG amounts to their FSM6 rates in 2024 to 2025, and the allowable values for each local authority are calculated on that basis.</p> <p>The department measures eligibility for FSM6 using the previous October census. The IDACI measure uses 6 bands. Different values can be attached to each band and different unit values can be used for primary and secondary within each band. The per pupil value for each band must be at least 10% closer to the NFF than the baseline values, except where local formulae are already mirroring the NFF values.</p> <p>The 2025 to 2026 NFF, as in the previous year, uses IDACI 2019 ranks to group each lower super output area (LSOA), an area with typically about 1,500 residents) into one of 6 bands of decreasing deprivation.</p> <p>IDACI data Ranks Band</p> <p>Pupils in the most deprived 2.5% of LSOAs 1 to 821 A</p> <p>Pupils in the next 5% most deprived LSOAs 822 to 2463 B</p> <p>Pupils in the next 5% most deprived LSOAs 2464 to 4105 C</p> <p>Pupils in the next 5% most deprived LSOAs 4106 to 5747 D</p> <p>Pupils in the next 10% most deprived LSOAs 5748 to 9032 E</p> <p>Pupils in the next 10% most deprived LSOAs 9033 to 12316 F</p>

Low Prior
(Compulsory factor)

This is a compulsory factor.

Factor values must be at least 10% closer to the NFF values than their baseline values, except where local formulae are already 'mirroring' the NFF values.

Local authorities must apply this factor for:

primary pupils identified as not achieving a good level of development in the early years foundation stage profile (EYFSP)

secondary pupils not reaching the expected standard in key stage 2 at reading, writing or maths

Since 2017 to 2018, we have weighted the LPA factor for secondary year groups so that year-on-year fluctuations in pass-rates do not disproportionately affect the distribution of funding through the LPA factor in the mainstream formula.

In 2026 to 2027, we will carry forward the weightings we used in 2025 to 2026 for the year 7 to year 10 cohorts, so they will apply to the year 8 to year 11 cohorts, respectively.

For the financial year 2026 to 2027, the weightings are:

pupils in year 7 in October 2025: TBC

pupils in year 8 in October 2025: 58%

pupils in years 9 in October 2025: 56%

pupils in years 10 and 11 in October 2025: 54%

The weightings will operate in the same way as in 2025 to 2026: the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.

Following the cancellation or incompleteness of both EYFSP and key stage 2 assessments in summer 2020 and summer 2021 due to COVID-19, local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use:

2022 attainment data as a proxy for the missing assessments in 2021

2019 attainment data from the 2025 to 2026 APT as a proxy for the missing assessments in 2020 for primary pupils – based on the overall primary LPA proportion for the schools in question. (This is not relevant for secondary since the pupils who would have sat the missing key stage 2 assessments in 2020 have now left key stage 4)

This will be reflected in the APT for both primary and secondary.

	<p>pupils in years 9 in October 2025: 56%</p> <p>pupils in years 10 and 11 in October 2025: 54%</p> <p>The weightings will operate in the same way as in 2025 to 2026: the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.</p> <p>Following the cancellation or incompleteness of both EYFSP and key stage 2 assessments in summer 2020 and summer 2021 due to COVID-19, local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use:</p> <p>2022 attainment data as a proxy for the missing assessments in 2021</p> <p>2019 attainment data from the 2025 to 2026 APT as a proxy for the missing assessments in 2020 for primary pupils – based on the overall primary LPA proportion for the schools in question. (This is not relevant for secondary since the pupils who would have sat the missing key stage 2 assessments in 2020 have now left key stage 4)</p> <p>This will be reflected in the APT for both primary and secondary.</p>
<p>English as an additional language (EAL) (Compulsory factor)</p>	<p>Pupils identified in the October census with a first language other than English attract funding for 3 years after they enter the statutory school system. Local authorities must now use 3 years as an indicator for providing funding to these pupils, in line with the department’s methodology.</p>
<p>Pupil mobility (Compulsory factor)</p>	<p>The mobility factor allocates funding to schools with a high proportion of pupils who have an entry date in the last 3 years that is not typical. For year groups one to 11, ‘typical’ means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. ‘Not typical’ means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, ‘typical’ means the first census in October or January.</p> <p>This mobility methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the May census, or pupils who joined in autumn before the October census.</p> <p>To be eligible for mobility funding, the proportion of mobile pupils in a school must be above the threshold of 6%. The department has allocated a per pupil amount in respect of all mobile pupils above that threshold. The department has published the NFF factor values for mobility as part of the 2024 to 2025 NFF publication.</p> <p>In light of the cancellation of the May 2020 census, pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May 2020 school census being their first census at the current school. This will be reflected in the APT and ensures that the factor continues to operate in as similar a way as possible to what it would have done if the May 2020 census had not been cancelled.</p>

Sparsity	<p>School is eligible for sparsity funding in the NFF if:</p> <ul style="list-style-type: none"> • Its sparsity distance is equal to or above the main distance threshold, or above the tapered distance threshold, and • The average year group size (calculated as the APT-adjusted pupil count divided by number of year groups present at the school) is below the relevant size threshold. <p>The sparsity factor allocates funding to schools that are remote, measured by sparsity distances, and are small, based on average year group size.</p> <p>Readings Schools do not qualify for this factor.</p> <p>Further details and examples are provided in sparsity section of the Operational Guide.</p>
Lump sum (Compulsory factor)	<p>Local authorities can set a flat lump sum for all phases or differentiate the sums for primary and secondary.</p> <p>The lump sum may be different for primary and secondary schools.</p>
Split sites (Compulsory factor)	<p>The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites.</p> <p>The split sites factor is made up of two parts:</p> <ol style="list-style-type: none"> Basic eligibility funding: Schools attract a lump sum payment for each of their additional eligible sites – up to a maximum of three additional sites. Distance funding: Additional eligible sites that are separated from the school's main site by more than 100 metres attract distance funding on top of the basic eligibility funding – up to a maximum of three additional sites.
Rates (An optional factor (used by all local authorities))	<p>All local authorities are required to enter the 2025 to 2026 NNDR estimate figure from their 2025 to 2026 APT in the 2026 to 2027 APT.</p>
Private finance initiative (PFI) contracts	<p>The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.</p> <p>Reading does not use this factor.</p>

Minimum level of per pupil funding for primary and secondary schools
(Compulsory factor)

The purpose of this factor is for local authorities to provide the NFF MPPLs to every school. All local authorities must implement the MPPLs by following the same methodology used in the NFF, summarised below and detailed in the NFF technical note. For all schools, the calculation for a school's individual MPPL is:

$$\frac{(\text{number of primary year groups} \times \text{£4,929}) + (\text{number of KS3 year groups} \times \text{£6,185}) + (\text{number of KS4 year groups} \times \text{£6,793})}{\text{total number of year groups}}$$

This provides per-pupil funding of at least £4,929 for each primary school, and £6,185 for each secondary school with standard structures of 7 and 5 year groups respectively. For middle schools, all-through schools, and other schools with a non-standard year group structure, this will produce a specific minimum per-pupil value that relates to the number of year groups in each phase.

When calculating the MPPLs for individual schools, local authorities should take the number of year groups from the APT, which is the approach taken in the NFF. When completing the APT, local authorities should only list the number of year groups in each key stage which have pupils in them at present or will do so in the upcoming year. Where a school will have empty year groups in the upcoming year, for example a school which has recently opened, these should not be included in the APT.

The only factors not included in per-pupil funding for the purpose of the MPPL calculation are premises and growth funding. Any prior year adjustments local authorities have made should also be excluded from the calculation.

Any capping and scaling cannot take a school's per-pupil funding, defined above, below the MPPLs. The only further calculation that local authorities can make once their formula has provided the minimum levels is, for maintained schools only, to deduct funding for de-delegated central services if the schools forum has agreed this can be taken from their budget shares in 2025 to 2026. It should also be noted the risk protection arrangement (RPA) is also exempt from the MPPLs.

Local authorities have the option, as with other aspects of the school funding regulations, to request to disapply the use of the full NFF MPPL values. Such requests should be exceptional and only made on the grounds of affordability, including in relation to the circumstances set out in the final paragraph relating to the tightening of local formulae within methodology underpinning the 10% tightening requirement.

Disapplication requests may also be submitted to alter the NFF methodology, for specific schools only, where the local authority can show that the relevant MPPL value for that school is skewed significantly by unusual year group sizes. For example, a local authority may want to provide a higher MPPL for an all-through school with significantly larger secondary than primary year group sizes.

While the department will consider any individual request on its merits, it expects the commitment to MPPLs to be implemented in full, locally and both local authorities and schools should work on that basis. The department will scrutinise any disapplication requests in this context.

Minimum Funding Guarantee (Compulsory factor)	<p>Local authorities will continue to set a pre-16 MFG in their local formulae, to protect schools from excessive year-on-year changes.</p> <p>Local authorities will be able to set an MFG between -0.5% and 0% per pupil. Any local authorities wanting to set an MFG outside of these parameters must apply for exceptional permission using the disapplication proforma. Applications to set a different MFG will only be considered on the grounds of affordability where local authorities have already exhausted the flexibility available from the 2.5% threshold for mirroring the NFF as well as capping and scaling - see final paragraph within methodology underpinning the 10% tightening requirement.</p> <p>Local authorities must include funding representing the funding allocated through the 2023-2024 MSAG in respect of their reception to year 11 pupils into the baseline. This includes the grant's basic per-pupil, FSM6 and lump sum components. The required adjustment will be included in the APT when it is made available to each local authority. The funding added to the baseline is based on pupil numbers from the APT itself rather than the pupil numbers underpinning the actual SSG allocations. That is to ensure that changes in pupil numbers do not distort the funding protected through the floor in per pupil terms.</p>
Capping and Scaling	<p>The department will again allow overall gains for individual schools to be capped as well as scaled back to ensure that local formulae are affordable.</p> <p>Local authorities can continue to choose to cap any gains schools receive through the 2025 to 2026 local formula, unlike the NFF where no gains cap is applied. Capping and scaling must be applied on the same basis to all schools.</p> <p>Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision. The department applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.</p> <p>Capping and scaling factors must not be applied to schools that have opened in the last 7 years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.</p> <p>Capping and scaling cannot take a school below the MPPLs.</p> <p>Should local authorities elect to apply a gains cap in 2025 to 2026, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied. Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision.</p> <p>The department applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.</p>
	<p>Capping and scaling factors must not be applied to schools that have opened in the last seven years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.</p> <p>Capping and scaling must not take a school below the minimum per-pupil funding levels.</p>

Keeping a contingency in the Dedicated Schools Grant (DSG) Early Years Block is a prudent financial strategy for local authorities.

1. Managing Pupil Number Fluctuations

- Early years funding is based on participation, which can vary significantly throughout the year.
- A contingency allows for adjustments if actual numbers exceed projections, ensuring providers are funded appropriately.

2. Buffer Against Funding Volatility

- The DSG allocation from central government can change, especially with census updates or policy shifts.
- Contingency helps absorb these changes without disrupting service delivery.

3. Supporting Provider Sustainability

- Unexpected closures or financial difficulties among early years providers may require emergency support.
- A contingency fund can be used to stabilize the local early years market and maintain sufficiency.

4. Covering Unforeseen Costs

Examples include:

- Legal or compliance costs
- System upgrades for funding administration
- Costs related to SEND (Special Educational Needs and Disabilities) in early years settings

5. Flexibility for Strategic Initiatives

- Enables the local authority to respond to emerging priorities, such as:
- Piloting new approaches to early years education
- Addressing inequalities or gaps in provision
- Supporting transitions to new funding models or frameworks

6. Risk Management

- Helps mitigate risks associated with:
- Policy changes (e.g., changes to 30-hour entitlement)
- Economic factors affecting parental employment and childcare demand
- Provider capacity issues

Reading Borough Council

TO:	Reading Schools Forum		
DATE:	11 th December 2025	AGENDA ITEM:	8
TITLE:	Emergency Growth Fund 2025/26		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 Growth Funding has not been requested since 2021 and for 2025/2026 financial year this continued. This report explains the need to have an emergency vote on using growth funding budget for creating an in-year bulge class. The request and details will be provided via email to all School Forum members with opportunity to ask questions and for an online vote.
- 1.2 This report sets out the Education Departments recommendation for the operation of the emergency growth fund in 2025/26, and the estimated funding requirement. Schools' Forum Members are required to approve the criteria and budget for this fund.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **NOTE: Growth Fund purpose (Section 5)**
- 2.2 **AGREE: The criteria (paragraph 7.2)**
- 2.3 **AGREE: Funding calculation to be applied (paragraph 8.2)**

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 The issue

- 4.1 There is lack of sufficiency of secondary school places to meet the demand of in year movement in NCY 9. Forecasts indicate this may continue to follow the year group as it moves through the secondary phase; i.e. NYC 10 in 2026/27 and so on. However, a reduction in new children arriving in Reading in-year may counteract the growth over the course of the year and into the following years.

- 4.2 Forecasts show that all current secondary school capacity will meet local need, however, one secondary school are currently unable to meet the demand required. Hartland High School (Previously John Madejski Academy) have experienced a significant difficulty in recruiting teaching staff to enable a full offer of education to meet the needs of a full PAN in all year groups; leading to a reduced offer of places in current NCY 9.
- 4.3 Hartland High has historical and current undesirable outcomes from Ofsted. This is a particularly significant barrier to enabling a full staff team to be attracted to the school and has been a factor for a number of years. Despite intervention from a new Multi-Academy Trust, the impact over time has led to recruitment challenges significant enough to restrict capacity of places able to be offered.
- 4.4 The LA pupil place planning group have been monitoring for some time this particular year group pressure. This has been an ongoing trend for this year group that started secondary school in 2023/24 as NCY 7. Pupil movement and trends have led to sufficient capacity in the last 2 years, however close monitoring has been required and contingency planning in place.
- 4.5 All Reading secondary school's current NCY 9 are currently full or operating a waiting list. There have been 7 children referred to the Fair Access Protocol this term due to being unable to obtain a school place through usual in-year procedures, directly linked to capacity restrictions at Hartland High.
- 4.6 The LA has the option to provide alternative provision for children in this position; however, all children have the right to attend their local mainstream school, and this is the duty of the Local Authority to ensure through local Pupil Place Planning arrangements.
- 4.7 A bulge class of 30 pupils to be embedded in a Reading secondary school with effect of 3rd November 2025 is proposed to address the current needs of this sufficiency issue.
- 4.8 There may be a proposal to extend this bulge class into year 10. Pupil movement reduced in-year in Reading across 2024/25. Should the previous year trend continue the extension of the bulge class may not be required. Review and detailed analysis of pupil movement in Spring and Summer 2025/26 will enable the decision based on real time data analysis. Therefore, usual pupil movement may enable a school to return to their usual PAN in NCY 10 in 2026/27 and the bulge may be for one year only.

5. FUNDING ALLOCATION FOR GROWTH IN 2025/26

- 5.1 Growth funding within the Schools Block of the Dedicated Schools Grant (DSG) is a specific allocation provided to local authorities in England to support schools experiencing significant increases in pupil numbers.
- 5.2 Growth funding is part of the Schools Block of the DSG and is intended to:
- Support schools expanding to meet basic need (e.g. new classes or year groups).
 - Help new schools in their early years of operation.

- Provide funding for bulge classes (temporary increases in pupil numbers).
- Cover costs associated with pre-opening or post-opening phases of school expansion.
- The growth fund cannot be used to support general growth due to popularity, which is managed through lagged funding.

5.3 Local authorities must agree the growth fund budget with their Schools Forum.

5.4 Local Authorities are responsible for funding these needs for all schools in their area, both new and existing. They should all be funded using the same criteria, which must be agreed by the Schools' Forum. The Schools Forum must also agree on the total size of the fund for each phase and receive updates on the use of the funding.

6 FUNDING AVAILABILITY

6.1 Since 2020/21, The strategy was to build up unused growth funding allocations to assure Reading schools that the creation of Green Park and Rivers Academy would not impact funding going to schools.

6.2 Within 23/24, the contingency totalled £2.4m where it was recommended and agreed to create a falling rolls fund for primary schools to match the fallings rolls process secondary schools went through between 2010 to 2014.

6.3 For the last 3 financial years the falling roles process has been agreed based on the funding coming from contingency as the new secondary school was being created and the assurances of funds for the school were more visible per created year.

Table 1 of Growth Fund contingency balances

Dedicated Schools Grant	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m
<i>Growth Fund Contingency</i>	<i>(0.622)</i>	<i>(1.069)</i>	<i>(1.547)</i>	<i>(2.391)</i>	<i>(1.779)</i>	<i>(1.060)</i>

6.4 Funds are availability to implement a new bulge class as this would take priority due to timing and future fallings roles funding will need to be put on hold for 2026/2027 until new funding allocations have been supplied in December 2025 for 2026/2027.

7 EMERGENCY GROWTH FUND PROPOSAL FOR 2025/26

7.1 Criteria for allocating growth funding should contain clear objective trigger points, and a clear formula for calculating allocations.

Reading Borough Council recommend using the same method as in previous bulge class size processes that consists of:

- A per pupil rate (usually based on AWPU and reflecting the proportion of the year which is not funded within the school's budget share).

- Funding based on a class of 30 children maximum.

7.2 The criteria agreed by Reading Schools' Forum in both 2018/19 and 2019/20 is as follows:

- For each expanding school or school taking a new bulge class from the following September: Number of additional pupils x average funding rate per pupil x 7/12 (or a full 12 months if an academy).
- The national minimum funding rate per pupil is used. In 2025/26 these rates are £4,955 primary and £6,221 Secondary. There is no ceiling placed on the funding each school can receive.
- Where a school has agreed with the local authority to increase its admission number and provide an extra class as an on-going commitment, or to provide a bulge class, both scenarios being in response to meeting basic need in the area, additional funding will be allocated.
- If, at the time the growth fund budget is set, it is clear that pupil numbers are no longer increasing at a level that will require an additional class, additional funding will **not** be guaranteed. If in the autumn, numbers are greater than that forecast and an additional class **is** required, additional funding will then be payable.

7.3 It is impossible for the local authority to guarantee any future funding that is subject to changes in Government legislation and national funding allocations.

7.4 Schools also need to be aware that this is one off funding, and in the following year the funding for that year group will be based on the formula and actual pupil numbers. The organisation of classes therefore needs to be based on actual pupil numbers, and schools should not be setting up additional classes based on one off growth funding, if in the long term this will make them unviable.

8 FUNDING CALCULATION

8.1 If the above criteria in paragraph 7.2 were agreed then the annual funding for a bulge class would be:

Primary £148,650 (class of 30)

Secondary £186,630 (class of 30)

8.2 For 2025/2026, this will be prorated due to the class not being created until 3rd November 2025.

Secondary Year 9 class from the 3rd November to 31st August 2026

$$30 \times £6,221 = £186,630 / 195 \text{ days} \times 157 \text{ days} = £150,261$$

Reading standard term days

Autumn Term =	3 September - 24 October 2025	38 days
	3 November - 19 December 2025	35 days
Spring Term =	5 January - 13 February 2026	30 days
	23 February - 27 March 2026	25 days
Summer term =	13 April - 22 May 2026	29 days
	1 June - 22 July 2026	38 days
		195 days

- 8.3 Whatever decision is reached will be for one year only, and the funding methodology will need to be reviewed again next year in line with funding available and national developments on growth funding.
- 8.4 Due to the timing for this emergency bulge class, the bulge class funding will not hit October 2025 census and will be classed as a 2-year bulge class if the class continues to exist in September 2026. The situation will be updated within the 2026/27 funding papers in January 2026.