TO: ALL MEMBERS OF THE SCHOOLS' FORUM

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Notice of Meeting – Schools' Forum

A meeting of the Schools' Forum will be held on **September 24, 2026, 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. *Chair*	
2.	Minutes of the meeting held on 25 June 2026 including matters arising. *Chair*	
3.	Schools' Forum Membership Update *Chair*	-
4.	DSG Budget Monitoring – Period 5 *Strategic Finance Business Partner*	-
5.	DSG Consultations update *Strategic Finance Business Partner*	-
6.	DSG Budget Setting Strategy 2027/28 *Strategic Finance Business Partner*	-
7.	SEND update *Verbal*	-
8.	Agenda Items for next meeting (provisional): • DSG Budget monitoring Period 7 • Known updates to the 2027/2028 Budget Setting including: a. De-delegation Information b. 0.5% transfer to fund the RISE Team c. Update on Early Years • SEND Reform update	- - - ✓ -
9.	• Any other business	

Next Meeting: **December 10, 2026 at 5pm** – To be held virtually via Teams

Minutes of Schools' Forum Meeting

25 June 2026

Members Present

Justine McMinn – Head Teacher of EP Collier
Richard Rolfe – Governor at Micklands (Chair)
Dave Dymond – Governor at East Reading Federation
Dr S Uttley – Head Teacher of Blessed Hugh Faringdon
Jo Budge - Executive Head Teacher of Reading Early Years Schools Federation
Annul Nayyar – Finance Director at Reading Girls (Thames Learning Trust)
Dorothy Company – Kings Academy Propsect
Rebecca Brown - Head at Geoffery Field Junior
Ita McGullion – Manager of Kennet Day Nursery
Cathy Woodcock – Finance Director of Reading School
Alison McNamara – National Education Union (NEU)

Apologies

Julia Cottee – Governor of Reading Early Years Schools Federation

	Item	Notes
1	Welcome and apologies - Chair	The Chair welcomed everyone to the meeting. All Schools Forum members present will be required to vote on the following items: We have two decisions to make this evening. The first is to review and approve the forum's constitution, which applies to all members. The second, under item 8, relates to the Scheme for Financing Schools, which requires approval from maintained schools only. These are the two decisions we will be addressing this evening. Recording of the meeting commenced. The recording will be retained until the minutes have been approved.
2	Minutes of the meeting held on 19 March 2026 - Chair	To be approved at the next meeting
3	Schools' Forum Membership Update – Chair	I'm pleased to report that the membership list is now up to date. We have worked to ensure all details are accurate, and it is now clear that most members have a significant period remaining in their terms of office, with the majority having recently been renewed. Contact with Blagdon and Kendrick will be needed due to long standing members moving on form their posts. The longstanding vacancies within the primary maintained category will be removed; these have been clearly marked, and Grahame will address this further as part of the constitution update later in the agenda.

4	DSG Outturn 2025/26 *Finance Business partner*	A brief summary will be provided on how we closed the 2025–26 financial year. There is no decision required from the Forum on this item; it is presented for information only. As members will be aware, the Dedicated Schools Grant (DSG) has been in an overspent position for a number of years. In 2025–26, a further £23.9 million was added to the deficit, resulting in a cumulative deficit of £48.8 million at the end of the financial year. This includes the £24.9 million carried forward from previous years. As a result of the SEN reforms that have been implemented, alongside a review of accounting processes and a number of changes requested by the Department for Education (DfE), the figures now reflect a school's block overspend of £641,000. This is partly due to changes in accounting treatment, particularly in relation to how carry-forwards are managed, in line with DfE requirements. This explains why the position is presented as a deficit at the end of the financial year. However, the overall position remains unchanged, with an in-year deficit of £23.9 million and a cumulative deficit of £48.8 million. These remain the key headline figures. In terms of the overspend, the most significant pressure continues to be within the High Needs Block. As members will be aware, areas such as top-up funding, place funding, and associated budgets account for £20.7 million of the £23.9 million deficit, making this the largest contributing factor. Within the appendices, you will find a detailed breakdown of the individual funding blocks, with overspends clearly highlighted. As expected, the most significant pressure sits within the High Needs Block, including a breakdown of the £20.7 million overspend. The largest contributors to this overspend are top-up funding for alternative provision, which is overspent by nearly £2 million, and special schools, which show an overspend of £1.3 million. These pressures are consistent with the ongoing increase in the number of pupils requiring support through the High Needs Block. This reflects the continued challenges we are facing in managing demand within this area. Overall, this summarises the position at year-end. Members were invited to ask any questions they may have on the outturn.
5	Maintained School Balances 2025/26 and Budgets 2026/27 *Schools Finance Lead*	This item is presented for information, as is standard practice each year, to report on the current position of school balances. As at 31 March 2026, overall school balances stood at £1.2 million, representing a slight decrease from £1.3 million in the previous year. While this appears to be a

		relatively small change at headline level, the underlying detail shows a more significant shift. Table 2.1 highlights that primary school balances decreased by £1 million, which has been offset by improvements in nursery, secondary and special school balances. Table 2.3 provides a breakdown of how these balances are distributed across schools. Within this, 16 maintained schools ended the year in deficit, with a combined deficit of £3.8 million, compared to 15 schools in 2024–25 with a total deficit of £3.2 million. Looking ahead to 2026–27, section 3 outlines budgeted balances. These are projected to decrease by £4 million, resulting in an overall deficit balance of £2.9 million. Within these projections, 20 schools are forecasting a deficit position, with a combined deficit of £7 million. This position is currently under review by the Strategic School Finance Group, which is considering the next steps in terms of providing appropriate support to those schools.
6	Review of the Schools' Forum Constitution *Finance Business Partner*	The constitution remains largely unchanged in terms of its rules and regulations, and there have been no directives from the Department for Education requiring revisions. The primary consideration for the Forum continues to be the proportional representation between academies and maintained schools, particularly in relation to the allocation of seats on the Schools Forum. Tables 1 and 2 summarise the current position. Table 2 sets out the total number of pupils in Reading, broken down as percentages. These proportions are then applied to determine the distribution of the 14 available seats across maintained primary, maintained secondary, academy primary, and academy secondary representatives. As there is only one maintained secondary school, this automatically accounts for one seat. The proportional allocation for maintained primary schools is therefore five seats. The two vacancies identified in the previous review have now been removed, resulting in full representation across the maintained sector. The most significant change is therefore the revised proportional distribution of voting seats between maintained schools and academies.

		Members were invited to ask any questions on the constitution. A full copy has been included as an appendix to the report and will also be made available on the website. We do now need to take a formal vote to approve the constitution and confirm that members are satisfied with its content. I would be grateful if you could indicate your agreement by voting either "yes" or "no." We have achieved a quorum, and the motion has been carried. The constitution is therefore approved. Thank you, Chair.
7	DSG Budget 2026/27 *Finance Business Partner*	In terms of the allocation received as of March, this totals £209 million. As members will be aware, the Department for Education distributes the Dedicated Schools Grant (DSG) across four funding blocks, with additional adjustments applied where relevant. For the Schools Block, £81.7 million will be recouped, and for the High Needs Block, £4.4 million. Members may question the High Needs recoupment; this relates to the imports and exports adjustment. As a net exporter, we typically contribute more funding than we receive, which is reflected in these figures. The draft budget currently allocated across the DSG blocks is £123 million. As we progress through the financial year, we will continue to update the Forum on the financial position and, as is standard practice, revise in-year allocations accordingly. Looking ahead, the forecast indicates that the Schools Block will be fully utilised. The £300,000 variance referenced is the result of DfE-directed accounting adjustments, specifically relating to payments associated with falling rolls funding. In relation to the Central School Services Block, we are anticipating that this will be fully utilised. Unlike the previous year, where there was a slight variance due to copyright licence costs, we aim to estimate these as accurately as possible, although minor fluctuations can occur. The Early Years Block is also expected to be fully allocated. For the High Needs Block, we are forecasting expenditure of £53.6 million against income of £30.7 million. This results in an anticipated in-year deficit of approximately £23.0 million. Consequently, the cumulative deficit is projected to increase to £70.5 million by the end of the 2026–27 financial year. To emphasise that these figures are initial forecasts. Members have previously requested further detail on the SEND reforms; however, it is still too early to present a comprehensive update at this stage. Work is ongoing, and we will bring a more detailed report to the Forum in September. These reforms are intended to

		help manage, and over time, reduce the escalating deficit, although it is unlikely to be eliminated entirely in the short term. As members will recall from the outturn report, this continues to be a key area of financial pressure. We begin with the initial budget and map allocations accordingly. Appendix A provides a detailed breakdown of how expenditure has been distributed across the individual blocks and within the specific areas of those blocks, including maintained schools. For academies, funding is managed through the recoupment process by the Department for Education, and allocations are made directly to those institutions. In relation to the Central School Services Block, this follows the standard allocation applied in previous years, covering agreed areas of expenditure such as copyright licences. This element can vary slightly, as final costs are confirmed through billing from the DfE. The Early Years Block has been allocated on a similar basis. However, I appreciate that members are likely to have the greatest interest in the High Needs Block. As shown, allocations have been apportioned based on our best available estimates of expected demand and need. Members were invited to ask any questions they may have on the budget setting process. **Question:** A question was raised regarding the delegated funding for school improvement. Could you clarify what this covers? By way of context, it has been raised that some services previously provided by the local authority—such as network meetings and moderation activities—are now subject to charges. I would appreciate some clarification on how this aligns with the delegated funding arrangements. **Response:** The delegated funding for school improvement supports the core functions of the school improvement team, and this arrangement applies to maintained schools only; academies are not included within this delegation. Details were presented to the January 2026 meeting. When the budget is set, we present to the Schools' Forum the services and teams included within the de-delegated funding, and this covers the core provision. In order to keep the level of de-delegated funding as low as possible, some additional or non-core activities—such as certain network or support services—are subject to a charge. This means that while the core service continues to be

		funded through de-delegation, there is a charge for some supplementary elements to ensure the service remains financially sustainable. In summary, we have sought to minimise the level of de-delegated funding requested by introducing charges for certain non-core services. The core elements of the school improvement service continue to be funded through de-delegation, while some additional or supplementary activities are subject to a charge to ensure overall sustainability. We are, of course, happy to provide further detail on how the service is structured and how funding is allocated, should that be helpful.
8	Scheme for Financing Schools *Finance Business Partner*	Scheme for Financing Schools requires formal approval. This is a comprehensive document—approximately 62 pages—which I trust members have had the opportunity to review. The document remains unchanged from the current version already in place. There have been no new directives or revisions issued by the Department for Education this year, which is somewhat unusual. Therefore, we are effectively seeking approval to continue with the existing scheme. Accordingly, we are seeking approval to continue with the existing scheme. Just to clarify, this vote applies to maintained schools only and all agreed.
9	Agenda Items for the next meeting	The provisional agenda items for that meeting include: • Budget monitoring 2026-27 month 5 • DSG budget setting strategy for 2027-28 including schools' funding formula • SEND Reform update
10	AOB	If there is no further business to raise that has not already been covered on the agenda, that brings us to the end of this evening's meeting. I would like to take this opportunity to thank everyone for their contributions over the course of the year. In particular, I would like to recognise the significant effort of the finance team in preparing the detailed reports. Thank you, Grahame and Clare, and to anyone else involved whom I may not have mentioned.

Reading Schools' Forum

Dedicated Schools Grant (DSG) Budget Monitoring 2026/27
Period 5

September 24, 2026

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 2026/27.

2. DSG Allocation 2026/27

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 (2026).
The School and Early Years Finance (England) Regulations 2026

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 Department for Education (DfE) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

2.4 The current DSG allocation for 2026/27 is summarised in Table 1 below.

2.5 The allocations shown in the table are prior to any transfers between blocks. For the 2026/27 budget the Schools' Forum has agreed a transfer of £580k from the school's block to the High Needs block.

2.6 Allocations were updated on the 22 July 2026. In previous years, Early Years allocations would have been updated from January 2026 census, but due to the changes that all early years are funded on each termly census then the LA are waiting for the summer term allocations to be updated. Export and import provisions within the High Needs Block have been updated.

Table 1: Readings Current DSG allocations for 2026/27 (July 2026)

BLOCK	REVISED DSG ALLOCATION 2026/27				
	Gross DSG Allocations £m	Less Recoupment relating to Academies & NNDR £m	Draft LA DSG Allocations March 2026 £m	In year allocation changes £m	Current Allocation September 2026
Schools Block	139.778	(81.727)	58.051	-	58.051
Central Schools Block	1.198	-	1.198	-	1.198
Early Years Block	33.182	-	33.182	-	33.182
High Needs Block	35.114	(4.609)	30.505	(0.145)	30.360
Total	**209.272**	**(84.632)**	**122.936**	**(0.145)**	**122.791**

Link: https://skillsfunding.service.gov.uk/view-latest-funding/local-authority/statement/870

3 DSG Budget 2026/27 Budget Monitoring

3.1 Appendix 1 contains the original 2026/27 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 £24.266m on the Dedicated Schools Grant, as summarised in Table 2. This is £0.832m higher than the budget set within March 2026.

Table 2: Summary Expenditure Budget per Block 2026/27

	Current Budget (£m)	Forecast (£m)	In Year Variance (£m)	C/Fwd (£m)	Cumulative Variance (£m)
Schools Block	58.051	58.351	0.300	(0.531)	(0.231)
Central Schools Block	1.198	1.198	-	-	-
Early Years Block	33.182	33.277	0.125	(0.511)	(0.386)
High Needs Block	30.360	54.502	23.840	47.977	71.817
Total	**122.791**	**147.329**	**24.266**	**46.935**	**71.201**
Planned Overspend			(23.434)		
Variance			**0.832**		
High Needs Only			**0.407**		

3.3 Schools Block

- Reserves are connected to the expansion of the growing secondary school (Rivers) as a contingency fund agreed by Schools' Forum to have in the likely scenario that growth funding does not match the funding needed for future year groups. For the first 3 years of the expansion, most of the funding has been enough to support the expansion.

- 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 will be suspended for 2027/28.

- The implementation of the High Needs Stability Grant (HNSG) announced by government in February 2026, where LAs with accumulated Dedicated Schools Grant High Needs Deficits can received funding to cover 90% of their eligible deficit as of 31 March 2026 has a severe impact on the Schools Block. The HNSG figure will be used as a total of the DSG deficit and not linked to the High Needs Block only. This means the Schools Block and Early Years block surpluses will potentially be wiped out and surpluses moved to the High Needs Block.

- The council has taken the decision to keep reporting with surpluses created in other blocks and has been discussing with the DfE and other LAs on how these other blocks can be protected i.e. protecting Reading schools and Early Years providers. As the HNSG is not being agreed until Autumn 2026, then the council is waiting for this vital information before discussing next steps.
- Schools Block potential reserves total **£0.231m.**

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.

3.5 Early Years Block

- 97% of Early Years funding is relating to the free early year's entitlement for under 2s to 4 -year-olds. The budget for 2026/27 is based on the DfE allocation in December 2026. From April 2026, all entitlements will be funded from individual census data instead of an 7/12ths, 5/12ths split over each January census.

- For the Summer term, Table 1 shows the entitlements paid out with estimated allocations. Allocations have not been updated by the DfE as of 7th September 2026.

Entitlement Summer 2026	PTE	Hours	Annual Allocation	Summer 2026	Variance with predicted Summer allocation
3 & 4 YOs universal	2,489	1,418,764	£10,356,979	£4,315,408	£166,668
3 & 4 YOs additional 15 hrs	907	517,252	£3,775,941	£1,573,309	(£219,890)
2 YOs of families receiving additional	232	132,422	£1,348,060	£561,692	£160,383
2 YOs for working parents	1,220	695,275	£7,077,895	£2,949,123	£195,904
Under 2s entitlement	1,150	655,557	£9,197,465	£3,832,277	(£191,883)
Early years pupil premium (EYPP)	502	286,362	£329,317	£137,215	(£111,729)
Maintained nursery schools (£ / hr)	310	176,643	£966,767	£402,820	(£20,569)
Disability access funding (DAF)	133	133	£129,675	£54,031	£22,831
Total early years block	6,944	3,882,409	£33,182,099	£13,825,874	£1,716

- Early Years potential reserves total **£0.386m.**

- Early Years Inclusive Funding grant of £0.166m has also been paid out to eligible early years settings
  Link: [Inclusive early years fund for 2026 to 2027: conditions of grant and operational guidance for local authorities - GOV.UK]

- This funding marks a first step towards a more coherent and inclusive Early Years SEND funding system.
  It is upfront funding intended to:
  - help providers adopt setting-wide inclusive practices
  - reduce reliance on individual child-based funding applications
  - enable early intervention for children with SEND

3.6 High Needs Block

- The financial position of the High Needs Block remains highly challenging, with an in-year deficit of £23.840m projected at the end of Period 5. 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 is in its first stages with all LAs submitting SEN reform strategy plans at a local level. This plan sets out how the local authority, and its partners will improve outcomes for children and young people with special educational needs and disabilities (SEND) while ensuring that support is delivered in a financially sustainable way. The plan focuses on increasing inclusion in mainstream settings, improving early identification and intervention, developing local specialist provision, strengthening joint working with schools, health and social care partners, and reducing reliance on expensive out-of-area placements.

- The plan does not solve the current financial overspend (even after the 90% is paid via grant on balances as at 31st March 2026) that potentially will increase back to £45m by March 2028. The plan must be seen as changing the available support needed in all mainstream settings with the reliance on alternative provision and independent sector support reducing significantly.

- The government has stated that it plans to take over the High Needs Block from 1st April 2028, but no details on what this means have been published.

- However, the deficit creates additional pressure on borrowing. For 2025/26, Reading's average borrowing rate was around **5%**, resulting in **£2.350 million** in annual interest payments. This will increase as long as the HNSG has not been received and will not disappear due to the continued projections of overspend within the next two years. This expenditure does not get charged to the DSG and comes out of Council funds (can be seen as council tax funds) that puts pressure on the council's other vital services.

3.7 Information on current top-ups/EHCPs as at period 5

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

Type	Outturn	P3	P4	P5
Alternative Placements	2,104,042	3,185,207	3,153,017	3,144,415
Special schools Top-up	15,307,993	17,698,223	17,985,834	18,141,993
Resource Unit Top Up	459,083	556,606	573,092	584,393
Mainstream Top Up	6,790,921	6,265,680	6,093,694	6,190,853
Nursery Top Up	90,018	122,650	135,354	128,014
FE Colleges Top up	2,787,948	3,032,722	3,213,907	3,167,486
Independent & NMSS	9,827,481	10,429,101	10,229,294	10,263,838
Personal Budgets	549,048	664,138	700,330	647,518
Total	37,916,533	41,954,327	42,084,522	42,268,511

Change from previous period

Alternative Placements		1,081,165	(32,190)	(8,602)
Special schools Top-up		2,390,230	287,611	156,159
Resource Unit Top Up		97,523	16,486	11,301
Mainstream Top Up		(525,241)	(171,986)	97,159
Nursery Top Up		32,632	12,704	(7,340)
FE Colleges Top up		244,774	181,185	(46,421)
Independent & NMSS		601,620	(199,807)	34,543
Personal Budgets		115,090	36,192	(52,812)
Total		4,037,794	130,195	183,989

Notes:

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.

Due to the nature of reporting, expenditure can jump from Outturn to the new year due to the forecasting of full year placements. For example, an independent school costing 120k per year might be new placement in January 2026 and 30k is paid out within 2025/2026 accounts. The following year that same placement will be forecasted at the full 120k unless known pupil movement is involved.

Table 4: Element 3 (top-ups) numbers of EHCPS by type of educational setting

Type	Forecast (26/27)	Outturn (25/26)	P5 (26/27)	Outturn to P5	Forecast to P5
Alternative Placements	111	105	155	50	44
Special schools Top-up	615	592	648	56	34
Resource Unit Top Up	31	31	36	5	5
Mainstream Top Up	708	709	702	(7)	(5)
Nursery Top Up	10	7	14	7	4
FE Colleges Top up	258	243	296	53	38
Independent & NMSS	145	138	141	3	(3)
Personal Budgets	26	25	29	4	3
Total	1,903	1,850	2,023	173	120

Appendix 1 – Summary DSG Budget 2026/27

Line Ref.	Description	Current Budget £m	Period Forecast £m	In year £m
	Schools Block			
SB1	Individual Schools Budget - Maintained Schools	56.715	56.715	0.000
SB2	Growth Fund & Falling Roles	0.000	0.300	0.300
SB3	Behaviour Support Services (de-delegation)	0.286	0.286	0.000
SB4	Staff costs supply cover (trade unions) (de-delegation)	0.048	0.048	0.000
SB5	School Improvement (de-delegation)	0.335	0.335	0.000
SB6	Statutory/regulatory Duties (ESG) (de-delegation)	0.088	0.088	0.000
SB7	Additional high needs targeted funding (0.5% Transfer)	0.580	0.580	0.000
SB8	Contingency	0.000	0.000	0.000
SB9	Schools Block allocation change from budget	0.000	0.000	0.000
	Subtotal Schools Block Net Expenditure	**58.051**	**58.351**	**0.300**
	Central Schools Services Block			
CSSB1	Contribution to combined budgets	0.129	0.129	0.000
CSSB2	School admissions	0.292	0.292	0.000
CSSB3	Servicing of schools forum	0.020	0.021	0.001
CSSB4	Prudential borrowing costs	0.014	0.014	0.000
CSSB5	Other Items (copyright licences)	0.168	0.167	-0.001
CSSB6	Statutory/regulatory Duties (ESG)	0.575	0.575	0.000
CSSB7	Central Schools Services Block allocation changes from Budget	0.000	0.000	0.000
	Subtotal Central School Services Block Net Expenditure	**1.198**	**1.198**	**-0.000**
	Early Years Block			
EY1	Early Years Funding (free entitlement)	31.992	32.117	0.125
EY2	SEN support services (Portage/Dingley)	0.674	0.674	0.000
EY3	Central expenditure on early years entitlement	0.486	0.486	0.000
EY4	Early Years Block Allocation changes from Budget	0.000	0.000	0.000
	Subtotal Early Years Block Net Expenditure	**33.152**	**33.277**	**0.125**
	High Needs Block			
HN1	SEN placement Funding & PRU lump sum	0.424	0.424	0.000
HN2	ARP Funding	6.218	6.743	0.524
HN3	Therapies & Sensory Consortium	0.962	0.962	0.000
HN4	Support for Inclusion & SEN Services	0.367	0.067	(0.300)
HN5	Children Missing Education (including Hospital)	0.520	0.520	0.000
HN6	Teachers pay & pension grants to special schools/PRU	1.833	1.833	0.000
HN7	Central Services	0.918	0.439	(0.480)
TOP1	Top up funding - Alternative Provision / EOTAS	3.495	4.089	0.594
TOP2	Top up funding - Special Schools	16.385	18.142	1.757
TOP3	Top up funding - Resource Units	1.331	0.584	(0.747)
TOP4	Top up funding - Mainstream	7.141	6.191	(0.950)
TOP5	Top up funding - Nursery	0.100	0.128	0.028
TOP6	Top up funding - FE Colleges	3.076	3.167	0.091
TOP7	Top up and other funding - non maintained & independent schools	10.746	10.264	(0.482)
TOP8	Personal Budgets	0.570	0.648	0.078
TOP9	Tier 4 + Unallocated Future EHCPs	0.010	-	(0.010)
HN8	Budgeted Overspend as of April 2026	(23.434)	-	23.434
HN9	High Needs Block allocation changes from Budget	(0.301)	0.000	0.301
	Subtotal High Needs Block Net Expenditure	**30.360**	**54.201**	**23.840**
	Total All Blocks Net Expenditure	**122.761**	**147.027**	**24.266**

Reading Schools' Forum

Dedicated Schools Grant (DSG) Consultations update

September 24, 2026

Agenda Item 5

☐ For decision ☐ For discussion ☒ For information

Consultation 1 - Apply to Provide Upfront SEND Funding to Mainstream Schools

Summary:

The Department for Education (DfE) has introduced a process allowing local authorities in England to apply to provide more SEND (Special Educational Needs and Disabilities) funding directly to mainstream schools from the 2027/28 financial year. The aim is to give schools greater flexibility to support pupils earlier and more inclusively.

Key Changes

- Schools are currently expected to meet the first £6,000 (element 2) of additional SEND support costs from their own budgets.
- Approved local authorities can increase this threshold and transfer funding from their High Needs budget into mainstream school budgets to compensate schools.
- Funding will be distributed through a new Local SEND Inclusion Factor within the local school funding formula.

Application Process for Local Authorities

- Expression of Interest
  - Must be submitted to DfE by 18 September 2026.
  - Requires authority details

- Develop Proposal with DfE
  - Discuss proposals during August and September 2026.
  - Proposal must set out:
    - The proposed new SEND threshold.
    - Funding to transfer from High Needs budgets.
    - How funding will be distributed to schools.
    - Any transitional or targeted funding arrangements.

- Consult Schools Forum
  - Local authorities must consult their Schools' Forum and provide evidence of its views.
  - Consultation must cover the threshold increase, funding transfer amount, funding formula, and any targeted funding arrangements.

- Submit Formal Application
  - Deadline: 30 October 2026.
  - DfE will review applications and advise ministers before decisions are made.

- Report Through the Authority Proforma Tool (APT)
  - Approved authorities must report:
    - New threshold amounts.
    - Funding transferred.
    - Distribution methodology.
    - Any High Needs redistribution arrangements.

- Implementation
    - Changes would take effect from the start of 2027-28.
    - Schools must be able to clearly identify this additional funding and report how it supports inclusion through their annual inclusion strategy.

Strategic Implications

For schools, the proposal could:

- Increase upfront funding certainty.
- Support earlier intervention and inclusion.
- Reduce reliance on individual top-up funding requests.
- Place greater responsibility on schools to manage SEND provision from core budgets and demonstrate impact through annual reporting.

In principle, transferring funding from the local authority's High Needs budget into mainstream school budgets appears to be a positive step and aligns with the direction of travel within the SEND reforms. The key risk will be ensuring that the amount transferred is proportionate to the additional SEND costs that schools are expected to meet.

The transferred funding would then be allocated to schools through a new factor within the local schools funding formula. The guidance states that this funding must be distributed in addition to the existing local funding formula through the Local SEND Inclusion Factor.

Although the DfE has not prescribed a national formula, local authorities have flexibility and could use a combination of:

- Total pupil numbers.
- Deprivation indicators.
- Prior attainment measures.
- Other characteristics linked to additional needs.

The exact weighting would be determined locally and would form part of the proposal submitted to the DfE.

The DfE has intentionally left the guidance flexible, recognising that there is no single national solution for transferring funding from the High Needs Block to the Schools Block without causing disruption or disadvantaging some schools, particularly those with unusually high levels of SEND need.

The key challenge will be designing a formula that:

- Predictably distributes funding.
- Rewards inclusive practice.
- Avoids overfunding or underfunding individual schools.
- Reduces the administrative burden associated with top-up funding requests.
- Remains affordable within the overall High Needs system.

For the 2027/28 financial year, Finance recommended that RBC does not pursue the opportunity to review and implement changes to Element 2 funding. Instead, it is proposed that the Council revisits the position for 2028/29, once the SEND reform programme (Experts at Hand) has become established and its impact can be assessed.

At that point, RBC can review whether other local authorities have implemented the funding transfer, evaluate the outcomes achieved, and consider whether a similar approach would be appropriate locally. This recommendation would have no impact on current funding arrangements.

Feedback from Finance Officer meetings across the London and South East groups has not been encouraging regarding this proposal. The majority of local authorities recognise that the changes would disrupt funding for schools through existing school factors rather than through EHCP-led allocations. As a result, schools that are already operating inclusively could see a reduction in funding through the formula at a time when national policy is seeking to encourage greater inclusion across all schools.

Furthermore, there is no additional funding being introduced into the system. The proposal simply brings a greater proportion of funding forward upfront, which in turn requires a reduction in banding values elsewhere within the funding model.

Appendix 1 - Consultation questions with LA submission

Q1. Do you agree that DfE should allow local authorities to increase the share of funding mainstream schools receive upfront to support their pupils' special educational needs (SEND)? (This would involve local authorities funding a change to the amount schools are expected to fund from their core budget before accessing High Needs 'top-up' funding.)

Yes – This proposal aligns with the direction of the SEND reforms, which aim to increase resources and support within mainstream settings, enabling earlier intervention and greater inclusion.

Q2. If this policy is introduced, how should local authorities decide the new amount schools are expected to fund from their core budget before accessing 'top-up' funding?

We would recommend a national approach whereby Element 2 funding is increased from £6,000 to an appropriate level (for example, £10,000 or higher). We do not believe individual local authorities should determine different thresholds and funding criteria, as this would increase inconsistency across the country. This approach should be supported by a nationally consistent methodology for calculating the notional SEND budget. Any revised threshold should also incorporate an Area Cost Adjustment (ACA) to reflect variations in costs across different regions of England

Q3. Should there be a maximum amount that local authorities can ask schools to fund from their core budget in 2027-28 before accessing 'top-up' funding? If so, what should it be? (This is set currently at £6,000 per pupil)

Yes – Increasing Element 2 funding from £6,000 to £10,000 (or another nationally determined level) would support the objectives of the SEND reforms. However, a national maximum should be established to ensure consistency and avoid significant variations between local authorities.

Q4. What is important for DfE to consider, when reviewing proposals from local authorities, to make sure proposed local funding distribution takes into account variation in levels of need and the costs of supporting those needs?

A nationally consistent funding formula would provide greater equity and transparency for schools.

The continued use of Area Cost Adjustments (ACAs) is essential to recognise differing employment and service delivery costs across England. DfE should also ensure that any formula appropriately reflects variations in SEND prevalence, complexity of need, deprivation, and other factors that drive support costs.

Q5. Would you prefer that the funding formula to distribute this funding from the High Needs budget directly to school budgets is (i) set in line with nationally consistent factors or (ii) set at the discretion of each participating local authority?

A. **Nationally consistent funding formula,**
B. **At the discretion of the local authority**

A – A national approach would help remove many of the inconsistencies that currently exist between local authorities and would provide greater clarity and fairness for schools operating in different areas of the country.

Q6. What safeguards do you think we should put in place within this policy to ensure that all children in mainstream schools, irrespective of their geographical location, have adequately funded SEND support?

The policy should include a mandatory inclusion funding mechanism, funded through the High Needs Block, for schools with SEND populations significantly above local or national averages. This would help ensure that schools with particularly high levels of need are not disadvantaged by a formula-driven approach and would continue to incentivise inclusive practice within local communities.

Q7. Do you have any other comments on this proposal?

Many school leaders remain unclear about what the future expectations for mainstream SEND provision will be following the implementation of SEND reforms from 2029 onwards. There is also significant uncertainty about how funding will be allocated where pupils have identified needs but do not have an Education, Health and Care Plan (EHCP). Schools are willing to be more inclusive and accept greater responsibility for meeting SEND needs; however, this must be supported by adequate and sustainable funding arrangements. Schools require confidence that funding mechanisms will be robust, transparent, and responsive when exceptional circumstances arise. We would also welcome the development of a national framework for funding EHCP provision that applies consistently across both maintained schools and academies, reducing complexity and variation between local authority areas.

Consultation 2 – Early Years Funding - Proposed Changes to the Entitlements Funding System

This consultation sets out the government's vision for reforming the early years funding system in England. The proposals aim to make funding fairer, simpler, more transparent, and more focused on disadvantaged children and those with SEND. The consultation runs from 6 July to 14 September 2026, with a government response expected in Autumn 2026.

Why Change the System?

The DfE argues that the current system:

- Has become overly complex since the last major reforms in 2017.
- Contains multiple funding streams and eligibility rules that are difficult for providers and families to navigate.
- Creates significant variation between local areas.
- Does not consistently support disadvantaged children or children with SEND.
- Can result in a "postcode lottery" where funding and support differ considerably across England.

Key Reform Themes

Better Support for Disadvantaged Families

The consultation proposes:

- Requiring local authorities to pass more Early Learning for 2s (EL2) funding directly to providers rather than retaining portions for central services.
- Refocusing deprivation funding to improve access for low-income families.
- Setting clearer expectations and minimum levels for deprivation supplements.
- Using funding to help providers tackle practical barriers such as:
  - food costs
  - transport issues
  - irregular working patterns
  - helping parents access benefits and services.

Reforming SEND Funding

The DfE highlights significant variation in SEND support and funding across local authorities. Current arrangements are described as bureaucratic and heavily dependent on child-by-child applications.

Proposals include:

- Moving towards more upfront inclusion funding.
- Encouraging providers to plan for common additional needs across groups of children rather than relying solely on individual funding requests.
- Retaining specialist support and High Needs funding for children with the most complex needs.
- Creating a simpler, less administrative funding model.

Making Funding Allocation Fairer

The consultation proposes:

- Updating data used within the Early Years National Funding Formula (EYNFF).
- Better reflecting local costs and deprivation levels.
- Increasing transparency around how much funding reaches providers.
- Reducing unnecessary local variation in funding approaches.

Proposed Timeline

2027-28

- Keep the Inclusive Early Years Fund (IEYF) as a standalone grant temporarily.
- Update EYNFF data and introduce IDACI deprivation data into the formula.
- Recommend local authorities spend at least 0.75% of their Early Years Block funding on SEN Inclusion Funds (SENIF).
- Redistribute unused contingency funding to providers.
- Pass more EL2 funding directly to providers.

2028-29

- More clearly target deprivation funding toward improving access.
- Reduce and simplify the number of permitted local funding supplements.
- Replace the standalone IEYF with inclusion funding built directly into local authority rates.
- Replace SENIF and Disability Access Fund (DAF) with a streamlined targeted funding stream.

From 2029-30

- Increase the proportion of SEND/High Needs funding available upfront to Early Years settings.
- Further separate provider funding from local authority central service funding.

Likely Implications

<u>For Local Authorities</u>

- Less flexibility to retain funding centrally.
- Greater transparency requirements.
- Changes to SEND funding administration.
- Revised formula allocations.

<u>For Providers</u>

- Potentially more funding passed directly to settings.
- Increased responsibility for inclusive provision through upfront SEND funding.
- Simpler funding structures with fewer supplements.

<u>For Families</u>

- Better targeting of support for disadvantaged children.
- Potential help with practical barriers such as food and access costs.
- Earlier and more consistent SEND support.

Headline Takeaway

The consultation represents the most significant review of early years funding since 2017. The biggest strategic shifts are:

- Redirecting more money directly to providers and disadvantaged families.
- Replacing reactive SEND funding with more proactive upfront inclusion funding.
- Reducing local variation through formula and funding-rule changes.
- Potential Impact on Councils

For local authorities, the most material proposals are the requirement to pass through more funding, the simplification of SEND funding streams, and the reduction in local discretion over supplements and retained funding, all of which could alter both budgets and service delivery models.

Appendix 2 - Consultation questions with LA submission

Q1. Do you agree that local authorities should pass on more of the EL2 funding rate to providers to support disadvantaged children and their families?

No, the EYPP and deprivation supplement should be increased to provide targeted support for identified children with the greatest need. This would build on existing accountability arrangements for how funding is used, ensure resources are directed where they can have the greatest impact, and enable outcomes for disadvantaged children to be measured and evaluated more effectively

Q2. Do you agree with the Department setting out more clearly how the deprivation supplement should be used, setting a minimum level and clearer purpose to this funding so it more directly supports disadvantaged children?

Yes, align with EYPP criteria and set a minimum level.

Q3. How might this funding be best used to support access for disadvantaged children to access early education childcare?

Align with EYPP expectations. Providers may benefit from greater guidance and practical support from the DfE and local authority to help ensure funding is used effectively and consistently. Also, include monitoring of impact within inspection activity.

Q4. How can providers best be involved and play an active role in the development and delivery of the Best Start Local plan and Best Start Family Hub network?

- Representation on local decision-making groups to ensure the early years sector informs planning and delivery.
- Co-production with local authorities, Family Hubs, health services and other partners to identify needs, shape services and evaluate impact.

- Opportunities to collaborate with other providers, share good practice and strengthen local partnerships.
- Access to CPD, networking opportunities and regular local and national updates.
- Strong links with local Best Start Family Hubs to support referrals, family engagement and consistent communication with families.

Q5. What challenges do you think providers and local partners will need to overcome to ensure high quality and consistent advice to families about what they can do to support their child's development at home?

- Reaching and engaging all families, particular those not accessing EY provision.
- Ensuring consistent messaging and a whole local authority approach.
- Avoiding overwhelming families with too much information and ensuring messages are accessible and practical.

How can the DfE and local authorities support providers in delivering this?

- Continue development of evidence-based resources and key messages that can be used across all services, with influencer endorsement.
- LA to provide support for identified settings and targeted families.
- Provide a consistent offer of high-quality CPD.
- Support local partnerships and networks to promote shared approaches and consistent messaging.
- Provide communication materials in a range of languages and accessible formats.
- Share examples of effective practice and evaluation evidence to support continuous improvement.
- Ensure Family Hubs and local services are well connected with providers so families receive joined-up information and support.

Q6. When distributing upfront inclusion funding (currently IEYF), should local authorities ensure that all providers receive funding? How should providers use this funding where sums of money are small?

Yes, funding should be available to all provider types. Due to the minimum threshold applied this year, the majority of childminders were excluded from receiving funding, which does not align with the principle of inclusion for all children and families. In addition, a local decision was taken not to duplicate funding already provided to maintained nursery schools, recognising that they are already implementing strong approaches to support disadvantaged children. However, the impact of this decision should be reviewed regularly to ensure funding is being targeted fairly and effectively.

Where individual allocations are small, this will be reflective of the number of children attending the setting and providers can use the funding flexibly to support inclusive practice including workforce development, environment enhancements, resources, and/or targeted interventions.

Q7. Should local authorities distribute this funding through a mandatory inclusion supplement?

Yes.

Q8. How could local authorities distribute upfront inclusion funding in a way that

targets local SEND need effectively?

Use existing deprivation/EYPP measure.

Q9. Do you agree we should replace SENIF and DAF with a new targeted funding stream for providers to access?

No, this could cause additional admin and delay for providers requesting funding.

Q10. Do you agree that the new targeted funding stream should be distributed to local authorities using a national formula? If so, what indicators or data could we use to allocate this?

Yes, national formula but recognise that data is limited for early years. EYPP/deprivation best indicator.

Q11. Do you have any views on what a national framework for how this funding should be administered could include? Are there any existing local authority practices for administering SENIF you think work particularly well or not well?

Reading's current SENIF model uses a three-tiered funding approach, with support allocated according to the level of a child's identified need. The model is applied consistently across all provider types and enables funding to be accessed quickly and proportionately. This approach supports a graduated response, promotes inclusion, and helps streamline the pathway towards statutory assessment and Education, Health and Care Plans (EHCPs) where appropriate. A national framework could build on this model by providing clear eligibility criteria, consistent funding bands, and standardised processes while retaining sufficient local flexibility to respond to individual children's needs

Q12. Do you agree that, as an interim measure, we should recommend a minimum spend of 0.75% of each local authority's early years block on SENIF?

Yes.

Q13. What accountability arrangements should be in place to ensure inclusion and SEND funding is improving inclusive practice in settings?

Accountability arrangements should focus on provider engagement with relevant SEND and inclusion Continuing Professional Development, the implementation of evidence-informed inclusive practices, and the impact these are having on children's outcomes. This could be supported through regular monitoring, self-evaluation, and local authority impact visits to review how funding has been used and the difference it has made to children's participation, progress, and access to inclusive provision.

Q14. Do you agree that IDACI should be introduced as a proxy for deprivation, alongside free school meals, in the 3- and 4-year-old formula, using this 'basket of measures' approach to capture both household and area-based dimensions of deprivation?

No, in our experience too unreliable, particularly when considering small groups

Q15. For 2027 to 2028, do you agree we should implement transitional protections for local authorities, softening the level of year-on-year reduction a local authority

can see?

Yes.

Q16. How best do you think we could smooth local authorities' transition to formula driven rates, in a way that protects operational delivery, but ensures that authorities are funded in line with the latest available data?

Implement a minimum funding guarantee

Q17. Do you think there would be value in having a minimum funding floor (MFF) for the 2-year-old and under-2 funding rates?

Yes.

Q18. Are there any improvements you would suggest to how the national funding formulae reflects different levels of additional need and cost variation, and are there any other changes you would like to see?

Yes, childminders experience a significant change in funding rates as children move through different age groups within their setting. A more consistent hourly rate approach is recommended, recognising the differences in ratio requirements while avoiding a substantial reduction in funding when a child turns two or three years old. Without this, childminders may be less able to offer places to older children, potentially leading to premature transitions for children who are otherwise settled and thriving in their current setting.

Q19. Do you agree with the proposal to make it possible for local authorities to distribute emerging early years contingency funding underspends to providers during the year?

No, due to final allocations being supplied after the financial year has ended.

Q20. Do you agree that the permissible categories for supplements should be reduced from five to three from financial year 2028 to 2029?

Yes

Q21. Do you agree that Deprivation, Site Specific, and Inclusion are the right categories to have from financial year 2028 to 2029?

Yes.

Q22. Do you think that there are any delivery issues to consider with the proposed new supplements in 2028 to 2029?

Delivery issues will be based on the national data for inclusion. Suggest remains at a local level to ensure a more targeted approach.

Q23. Do you agree on the principle of funding central services separately from provider funding through a standalone grant?

Yes, at the same rate or more (3%)

Q24. Should the government prescribe how the early years central services grant is used? If so, to what extent?

A form of guidance for local authorities is always welcome

Q25. What type of early years central activities should be funded through this grant?

Finance, including assurance & data, quality assurance, safeguarding and welfare, Sufficiency, SEND/EY advisory, support for individual children with SEND, Portage, workforce retention, professional development/training, business support, EY entitlement outreach, Best Start in Life (after grant ends) and home learning education.

Q26. What central services are currently provided by your local authority using this funding?

Finance & data, quality assurance, safeguarding and welfare, Sufficiency, SEND/EY advisory, support for individual children with SEND, Portage, professional development/training, business support.

Q27. Would you support some of Ofsted's Early Years Register costs being funded through a top-slice of early years entitlement funding, in order to reduce or remove individual provider Early Years Register annual fees?

No, small gains to businesses

Q28. Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

No guarantee of inclusive access for children with SEND across the borough or additional support for children facing disadvantage. Mitigation is that the funding is proportionately distributed according to inclusivity and that accountability in line with the funding needs to be monitored.

Reading Schools' Forum

Dedicated Schools Grant (DSG) Budget Setting Strategy for 2027/28
(Initial proposals for schools funding formula)

September 24, 2026

Agenda Item 6

☐ For decision ☒ For discussion ☒ For information

2. Summary

1.1 This report sets out the proposed strategy to set the 2027/28 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 2027/28.

2. Recommendations

2.1 General Principles

2.2 Agree the approach to setting the schools formula for 2027/28

2.3 Note the tasks and timetable for completing the 2027/28 budget

2.4 Note recommended consultation on key school formula items for 2027/2028

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 Bloc**k – 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 under 2s to 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 tenth year of the National Funding Formula (NFF) within the Dedicated Schools Grant (DSG). As of writing this report, the publication of allocation details and guidance information by the DfE has not been received.

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 Due to minimal information being supplied at this stage in relation to funding guidance, detailed funding projections and a modelling version of the Authority Pro-forma Tool is not available. Details within the report are based on the process and readiness to implement 2027/2028 when possible.

4 General Principles

4.1 In recent years, the DfE requires local authorities to move 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.

4.2 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.

4.3 As Reading directly mirror the NFF, and have done since 2018/19, this directive requires minimal response within our arrangements for 2027/28. We expect to continue to directly mirror the NFF.

4.4 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 2026/27 and we expect this to continue in 2027/28.

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 2027/28 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 2026 schools census is published this cannot be confirmed.

4.6 Currently we know of one standalone grant that will be amalgamated into the Schools Block in 2027/28. This is the School Budget Support Grant 2026 (SBSG26). How this will be incorporated against which formula is unknown. Because the SBSG26 is only a part-year grant the DfE would mostly likely incorporate a full year equivalent into the school's block for 2027/28. 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).

4.7 Finance Colleagues will review any changes in the area cost adjustment rate for Reading.

4.8 The LA expects no changes for 2027/28 that affect-

- Consultation, approval processes and timescales.
- Restrictions on cross-block movements.
- Schools' Forum role and statutory powers.
- De-delegation from maintained schools.
- Minimum Funding Guarantee

5 Funding Announced for 2027/2028 relating to Teacher pensions

5.1 From 1 April 2027, employer contributions to the Teachers' Pension Scheme (TPS) will fall from 28.6% to 17.6%, and school funding will be reduced accordingly to reflect this decrease

5.2 The Teachers' Pension Scheme (TPS) is a defined benefit scheme, meaning teachers' pensions depend on their salary and years of service. The upcoming adjustment reduces employer contributions from 28.6% to 17.6% of pensionable pay, following the 2024 valuation of the scheme, which assessed the cost of benefits being accrued by active members and determined the appropriate employer rate going forward

5.3 For many years, the TPS has increased in percentage and the government in power at the time have supplied standalone grants to assist the national increases that were then merged within the funding formula going forward.

5.4 To reflect the lower employer contributions, funding for schools and other eligible education providers will be reduced from 1 April 2027. The adjustment will be applied to the Schools Block allocation for 2027/2028 and will potentially see a drop of base funding per pupil. This will be processed through the APT for maintained and academy primary and secondary schools.

5.5 Special schools, still receive a separate grant and this will be reduced from April 2027.

5.6 It has been stated in various articles that the reduction is designed to be cost-neutral at the national level meaning the reduction will be offset with any potential inflation growth. This could mean the overall spending power of the sector remains unchanged, though individual schools may experience variations depending on the proportion of their funding spent on teachers' salaries.

6 Consultations for 2027/28 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 School's Block allocation with Schools' Forum approval and following a consultation with all schools. Appendix 1 shows a recommended consultation that, if agreed by Schools' Forum, will be sent out shortly for a 3–4-week period. Results will be supplied to Schools' Forum in December 2026.

7 Schools Formula for 2027/28

7.1 There will likely be no change to the National Funding Formula factors in 2027/28. This limits what each LA can do as the DfE are forcing LAs to get closer to the National Funding Formula (NFF). Reading have followed the NFF and made the changes in 2018-2019.

7.2 Local authorities remain responsible for setting the formula, by choosing values to apply as long as this complies with the guidelines. 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 2027/28 this would be for River Academy.

- A 0.5% transfer from the school's block to High Needs will be factored into budget modelling. Members will be asked to agree an in-principal continuation to the 0.5% transfer to the High Needs Block.
- De-delegation to continue at existing levels and applied via existing 2026/27 criteria.

8 Timetable for Setting the 2027/28 Budget

Table 2 sets out the tasks and likely timetable for setting the 2027/28 DSG budget

TASK	DATE
RBC inform all schools on proposals for 2027/28 school formula, de-delegation proposals and to consult with all schools on the transfer of funding from the Schools Block to High Needs Block.	October 2026
RBC complete High Needs Place Review	27th November 2026
Confirm school formula for 2027/28, Agree Growth and Falling Rolls Funding for 2027/28 Agree transfer of funding from Schools Block to High Needs Block. Approve de-delegations	January 2027
RBC work on High Needs and central school services budgets	December 2026 - January 2027
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 2026 census.	December 2026
RBC finalise the school formula based on final funding allocation	January 2027
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 2027
Local Authority agrees school formula for 2027/28 and RBC submits APT to DfE	(potentially) 21 January 2027
RBC inform mainstream maintained schools of their budget shares for 2027/28	By 28 February 2027 (statutory date but in reality, by end of January 2027)
RBC work on final High Needs and Early Years budgets This will include confirmation of Early Years funding rates	January to February 2027
Schools' Forum review/agree final budgets for High Needs and Early Years	March 2027
DfE confirm to academies their general annual grant (budget shares) for 2027/28	March 2027
High Needs place numbers at institution level published by ESFA	March 2027

Reading Schools funding Consultation

The consultation includes a number of proposals for the funding of Reading schools in 2027/2028. Each Question relates to current practices, and this is to inform Schools' Forum of the general view of all schools.

Details will be provided to Schools' Forum in December 2026

Consultation ends on the 23rd October 2026 and all responses to be emailed to school.support@reading.gov.uk

Information on each service is provided within Appendix 1

Question 1 (All Schools)
Do you agree to continuing transferring 0.5% of funding from the Schools Block to the High Needs Block to provide services to all schools with SEND via the RISE Team?

Yes / No
Comment:

Question 2 (Maintained only)
Do you support continued de-delegation of funds for primary behaviour support (maintained primary schools only)?

Yes / No
Comment:

Question 3 (Maintained only)
Do you support continued de-delegation of funds for primary trade union facilities (maintained primary schools only)?

Yes / No
Comment:

Question 4 (Maintained only)
Do you support continued de-delegation of funds for non-statutory school improvement (maintained primary and Secondary schools only)?

Yes / No
Comment:

Appendix 1 - Information

Question 1 Information: RISE Team

The Reading Inclusion Support in Education (RISE) service supports all Reading schools to improve their offer of Ordinarily Available Provision (OAP), Graduated Response (GR) and better support all children and young people (CYP), including those with Special Educational Needs and Disabilities (SEND)

The RISE team includes specialists and consultants with experience and knowledge of the different areas of children and young people's needs (e.g. mental health, neurodiversity, behaviour, speech, language and communication needs and sensory needs). It's aim is to support schools through the following functions:

- Providing a training offer in line with Reading recommended approaches
- Embedding evidence-based strategies in line with Reading recommended approaches
- Supporting school systems to develop their early intervention approach to aid a strong GR and OAP offer
- Facilitating networks and shared knowledge within Reading schools
- Enabling professional reflection for working with SEND children

Question 2 Information: Primary Behaviour Support

RISE seeks to support adults to implement strategies to co-regulate with children, to remain curious about the factors that might be causing distressed behaviour and provide strategies to regulate their behaviour and reduce suspensions/exclusions. RISE involvement includes a consultation, followed by planning/implementation support and a review.

This will usually be delivered by specialist behaviour SEND consultants, and there is extra resource available for implementation support. Following review, if the initial consultation or planning/implementation is not successful, the child/young person will be carefully monitored and a high level of support provided.

This support aims to ensure that children in Reading demonstrating behaviours that challenge are appropriately supported in their settings by:

- Having a detailed analysis of the presentation of the behaviours
- Ensuring they are appropriately supported in their settings through the implementation of evidence-based support strategies
- To identify and manage concerns that occur from the behaviours that challenge

School and other agencies involved will be asked to provide a copy of all relevant documents and RISE staff will discuss with the school if there is an appropriate plan in place to support the CYP.

Alongside the RISE involvement, the CYP, family and schools' views (this may already be in place if there is a recent EP report) will also be considered.

When seeking to implement the strategies based on the agreed plan, RISE Regulation staff will support school staff confidence and effective implementation of strategies as well as liaising with other RBC teams and relevant services, if appropriate.

Following a cycle of support, and where behaviours are still resulting in risk of harm, RISE Regulation will coordinate a multi-disciplinary meeting to mitigate and identify additional resources and agree on next steps.

Question 3 Information: Union Duty.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time. These provisions are contained within the Employment Relations Act 1999, the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety representatives and Safety Committees Regulations 1997.

Pooled funding is the most effective and efficient arrangement to help the local authority and all schools to meet their statutory obligations on trade union facilities time. It helps maintain a coherent industrial relations environment where issues and concerns, whether individual or collective, can be dealt with efficiently.

It provides funding for union representatives to accompany workers to disciplinary or grievance hearings, attend union training, carry out union duties and relevant learning activities, and to carry out health and safety functions. To cover each of these as the need arises, without the arrangements made possible through a central funding arrangement, would be considerably more costly for schools. This service is also available to academies and free schools via a service level agreement.

Question 4 Information: School Effectiveness

Experienced group of specialist education professionals provide high-quality support, advice and training to assist schools in raising attainment, accelerating progress and improving the provision for vulnerable pupils.

They support schools on their journey to achieving a positive Ofsted judgement and challenge good and outstanding schools to continue to develop excellent practice. They also offer bespoke services designed to address particular objectives.

Key service features:

- In-depth knowledge of local schools supporting them in reaching and sustaining excellence
- Core and bespoke services to support school improvement
- Highly-skilled and professional staff with a vast range of experience including as English specialists and KS1 and KS2 moderators
- Up-to-date knowledge of the Ofsted Inspection Framework

Officers provide bespoke support packages according to individual schools' needs. Outcomes will be evidenced in terms of impact on pupils' outcomes, including for different groups of pupils and improvements in practitioner practice.

Examples of the types of support that can be delivered include:

- Mentoring and coaching of staff and support for teams
- Bespoke professional development packages tailored to support individual staff or groups of staff
- Curriculum development guidance and support
- Support and challenge to maximise school improvement and achievement
- Analysis of pupil performance data and access to expert advice and guidance on its use

- Guidance and support to quality assure and develop teaching and learning.
- Professional development and support for leaders and governors
- Validation of school self-evaluation in line with the current Ofsted inspection framework
- Facilitating learning partnerships to support professional development and school improvement
- Pre- and post-Ofsted support including support for action planning and monitoring visits
- Specialist support across all phases for English and Mathematics
- Support and guidance for underachieving and ‘at risk’ pupils/groups of pupils
- Support for performance management

Reading Schools' Forum

SEN Reform update

September 24, 2026

Agenda Item 7

☐ For decision ☐ For discussion ☒ For information