

(BARKING AND DAGENHAM SCHOOLS FORUM)

21 October 2025

Title: Schools' Forum Report	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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Summary: The purpose of this report is to update the Barking and Dagenham Schools Forum on: <ol style="list-style-type: none">1. Update on Schools, Central, High Needs and EY DSG Blocks Allocations:2. 2025/26 Projected DSG Outturn3. Update on 2025/26 Projected High Needs Outturn & Savings Proposals4. Update on Early Years5. Update on DSG Allocation & NFF - Indicative Allocation for 2026/276. Growth Fund for 2025/267. Falling Rolls for 2025/268. Action(s) to support schools in financial difficulty9. AOB	

Recommendation(s)

The Schools' Forum is requested to:

1. Note the updated 2025/26 DSG funding.
2. Note the projected DSG outturn for 2025/26
3. Note and comment on the 2025/26 High Needs outturn position and savings strategies.
4. Note and comment on Early Years update
5. Update on DSG Allocation & NFF - Indicative Allocation for 2026/27
6. Note the updated growth fund allocations for 2025/26
7. Note the proposed distribution of falling rolls budget for 2025/26
8. Note Action(s) to support schools in financial difficulty
9. Any other Business

Reason(s)

The Schools Forum Regulations 2012 requires that the Schools' Forum meets regularly and is consulted by the local authority concerning the Dedicated Schools Budget and various related matters.

1. Update on Schools, Central, High Needs, and Early Years Block

1.1. The initial allocation of the 2025/26 Dedicated Schools Grant (DSG), published in December 2024, this was revised in March 2025 and LBBD was awarded a total of £307m across four blocks (excluding academy recoupment). This allocation has since been revised again with the latest update released in July 2025.

The updated figures are summarised in the table below.

2025/26 DSG allocation (Mar 2025)				2025/26 DSG allocation (July 2025)			
	Before recoup't £000's (a)	Less recoup't & Rates £000's (b)	Net £000's ('c) = (a) - (b)	Before recoup't £000's (d)	Less recoup't & Rates £000's (e)	Net £000's (f) = (d) - ('e)	Movement (g) = (f) - ('c)
Schools Block	299,589	86,875	212,714	299,589	86,875	212,714	0
Central Block	2,237	0	2,237	2,237	0	2,237	0
High Needs	61,919	5,250	56,669	62,245	5,238	57,007	337
Early Years	35,717	0	35,717	34,910	0	34,910	(807)
	399,462	92,125	307,337	398,981	92,114	306,867	(470)

Table - Updated DSG Grant Allocation for 2025/26 (in £'000s)

1.2. There has been an increase of £337k in the High needs funding. This adjustment reflects changes due to recoupment and net import & export adjustments across special free schools.

1.3 The Early Years block has been reduced by £807k. This change is the net decrease of £985k due to lower uptake hours across all the funding streams and an increase of £177k in the Early Years pupil premium allocation for 3- and 4-year-olds.

Recommendation: Schools Forum is requested to:

Note updated DSG funding for 2025/26

2. DSG projected outturn – 2025/26

2.1 The table below presents the projected DSG outturn for 2025/26. The schools block, early Years block, and central schools services block are expected to achieve a breakeven position by year-end. In contrast, the High Needs block is forecasting an overspend of **£3.016m**.

2.2 The DSG reserve reported in June was £547k, based on an anticipated clawback of £920k from the Early Years block. However, the Department for Education (DfE) has now confirmed a clawback of only £309k. As a result, the difference of £611k has been added to the reserve balance resulting in £1.158m carry forward.

2.3 Based on 2.2 the DSG reserve brought forward from 2024/25 is £1.158m. The net overspend on the DSG is £3.016m from the pressures in the High Needs block. The projected reserve for the current financial year is a **deficit** of **£1.858m**.

	2025/26 DSG Funding £'000	2025/26 Projected Outturn Sept 2025 £'000	Surplus / (Deficit) £'000
Schools Block (ISB)	212,714	212,714	0
Central Services Block	2,237	2,237	0
High Needs Block	57,007	60,023	(3,016)
Early Years Block	34,910	34,910	0
	306,867	309,883	(3,016)
DSG reserves B/f Surplus/(Deficit) *	1,158		1,158
Revised DSG Carried forward-Surplus/(Deficit)			(1,858)

Table: DSG outturn 2025/26

Recommendation: Schools Forum is requested to:

Note the DSG outturn position for 2025/26

3.0 Update on 2025/26 High Needs

3.1 We are forecasting a £3.016m overspend within the High needs budget for 2025/26.

2025-26 Update on High Needs and Projected Outturn					
High Needs Budget and Outturn	2023/24 Outturn £	2024/25 Outturn £	2025/26 Budget £	2025/26 Outturn Forecast £	Variance +Surplus (Deficit) £
Alternative Provision (excl PRU)	3,369,139	4,145,018	4,083,002	4,383,002	(300,000)
ARP Funding	9,789,848	10,001,189	10,276,640	10,730,960	(454,320)
Education Inclusion	1,945,955	1,866,872	2,392,321	2,392,321	0
SEN - Non maintained	5,501,905	3,901,597	3,993,776	3,993,776	0
High Needs Top Ups - OB	2,661,046	3,109,263	2,939,727	2,939,727	0
SEND (Commissioned Services)	1,369,200	2,045,491	1,016,317	1,016,317	0
Legal fees & CiC Residential Education	839,121	1,219,200	1,460,850	1,460,850	0
HN Top Ups - Post 16	2,664,888	3,977,999	4,055,150	4,055,150	0
Mainstream Top Ups	5,474,350	5,175,066	5,750,000	5,750,000	0
Provisional Payments	2,790,000	2,440,000	0	0	0
Aspire Virtual School	380,035	377,667	382,324	382,324	0
Initiatives (Rapid Response)	903,872	817,251	791,917	791,917	0
Special School Funding	14,438,249	16,930,529	18,175,947	19,437,396	(1,261,449)
EY Portage & Youth Service	471,527	404,597	395,049	395,049	0
Wordfirst & Salt Projects	570,315	1,130,509	568,000	568,000	0
Total	53,169,450	57,542,249	56,281,020	58,296,789	(2,015,769)
Gatekeeping		620,000	725,651	1,725,651	(1,000,000)
Total Budget		58,162,249	57,006,671	60,022,440	(3,015,769)

3.2 The 2025/26 High Needs overspend are driven by:

- Expansion in ARP places.
- Growth in places at special schools.
- Pressures within the Home Tuition service.
- Pressures from banding moderation.
- A contingent liability for historic payments

3.3 Mainstream Top-up Payments

As discussed with schools' forums during the summer, the table below shows the funding allocation for mainstream top-up payments. The total budget for mainstream top-up is £5.750m. An amount of £4.150m has been paid to schools for pupils with EHCP's, the budget balance of £1.6m will be paid equally for pupils without EHCP's following a data cleansing exercise.

High Needs Top Up	£
Mainstream Top-up Budget	5,750,000.00
Allocation for EHCP	-4,149,755.00
Allocation for Non-EHCP	1,600,245.00

3.4 As part of the ongoing strategies to mitigate the HN overspend, the local authority is proposing the following one-off savings from central services funded from High Needs for 25/26. The table below shows savings of circa **£1m** to mitigate **2025/26 deficit**.

High Need Central Savings - One Off - In Year Savings	Amount
Commissioned services	282,974
Reduction to training budget	221,358
Gatekeeping	300,000
Reduction to Residential Education	200,000
Total	1,004,332

Recommendation (iii): School Forum are requested to:

Note & comment on the outturn forecast and savings to mitigate the High Needs projected overspend.

4. Update on Early Years

4.1 The projected outturn for early years for 2025/26 is a breakeven position. Due to lower uptake hours across all the funding streams, there is a possibility of an underspend across the various Early years budget lines, however, finance is working with the EY teams to assess the impact of the lower take-up on the outturn position and will report to school's forum at the next meeting.

2025-26 Early Years Funding	Ratified Budget	PTE	Annual Entit'mt (Hrs)	Funded Hours	Rates paid by DFE	Total DSG Funding	Rates Paid to Providers	Anticipated Expenditure	Variance
		2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2024-25
Centrally Retained 4%	1,357,230							1,357,230	1,357,230
Universal 3&4 YO	13,413,513	4,240	570	2,416,555	6.48	15,659,276	5.70	13,765,925	
Census Adj.									
Plus 15 PTE 3&4 YO	4,181,415	1,179	570	672,167	6.48	4,355,641	5.70	3,829,004	
Deprivation	926,617							0.30	926,617
Flexibility	324,316							0.21	324,316
SEN Inclusion	300,000							300,000	
Contingency	68,459							68,459	
EY Pupil Premium	431,701	757.37	570	431,701	1	431,701		431,701	
DAF - 3&4YOF	197,918			211	938	197,918		197,918	
Total 3&4 YO EY Block	19,843,939					20,644,536		19,843,939	-800,597
Entitlement 2 YO	4,475,288	890	570	507,158	9.41	4,772,353	8.92	4,521,508	
Plus 15 PTE 2YOF	3,532,113	686	570	390,997	9.41	3,679,285	8.92	3,485,893	
2YOF PP	275,310	483.00	570	275310	1	275,310		275,310	
2YOF DAF	42,210			45.00	938	42,210		42,210	
SEN inclusion fund	100,000							100,000	
Contingency	6,171							6,171	
Total Entitlement 2 Y O	8,431,092					8,769,158		8,431,092	-338,066
Under 2 year old Funding	5,110,711	747.18	570	425,893	12.83	5,464,203	12.00	5,110,711	
Under 2YOF PP	24,778	43.47	570	24,778	1.00	24,778		24,778	
Under 2s DAF	7,504			8	938.00	7,504		7,504	
SEN Inclusion Fund	76,507							76,507	
Contingency	58,417							58,417	
Under 2 Funding Total	5,277,917					5,496,485		5,277,917	-218,568
TOTAL EY BLOCK	34,910,178					34,910,179		34,910,178	0

4.2 Take up of Extended Entitlements

Parents apply for eligibility codes from the DfE's website, which has been rebranded as Best Start in Life. They prove their eligibility online and only when they are issued a code, can they claim. To activate their claim, codes must be validated by the LA. So, some parents apply and get a code but do not use it.

4.3 823 codes have been issued for children entitled to the 2-year-old working parents' offer. Of these, 742 codes have been validated, which makes our validation rate 90%. At present, 720 2-year-olds are accessing their new working entitlement in Barking and Dagenham.

4.4 The extended entitlement for children aged 9 months and above commenced in September 2025. In total, 415 codes have been issued. 84% of these have been validated. At present, 476 children are accessing their entitlement in our settings. We are currently seeing between 8 and 9 code validations per day.

4.5 **Early Years Capital programme**

LBBd received £248k EY capital funding to support the sector as it prepares to deliver the final phase of expansion of the working parent entitlement from September 2025. The early years capital programme has successfully delivered 318 new childcare places for the expansion of early years entitlements. These places were ready for delivery of the new entitlements on the 1st of September 2025.

Recommendation (iv): School Forum are requested to:

Note the EY projected outturn and take-up of places.

5. National Funding Formula (NFF) - Indicative Funding 2026/27

5.1 Due to the DfE delay in publishing the notional schools and high needs national funding formula (NFF), the LA is unable to present the 2026/27 allocations to the October schools forum.

5.2. According to the statement released by the DfE, the notional NFF allocations for schools and all supporting documents on the NFF will be published later in the autumn.

5.3 A policy document published by the DfE on the 4th of August, outlined the principles that will be adopted for the 2026/27 NFF. The principles of the funding methodology remain the same as the previous year.

5.4 The principles to be adopted are outlined below:

(a) To Apply National Funding Formula (NFF) rates for all funding factors including area cost adjustment except for basic entitlement (AWPU)

(b) To adjust the AWPU rates to remain within the cash limit and to achieve a ratio to shift funding between primary and secondary phases or as close to it as possible.

(c) To apply no capping and scaling unless necessary to allow the formula to operate in a reasonable, fair and stable manner. This means that schools

will retain all their gains under the formula. However, it may be necessary to apply capping and scaling to ensure that the formula remains affordable.

- 5.5 It is important to note the Schools Budget Support Grant (SBSG) and the National Insurance Contributions (NICs) grant will be rolled into the NFF for 2026/27.
- 5.6 LA's will continue to be responsible for deciding the local funding formulae for both maintained schools and academies in their local area. To this end LBBD is proposing to consult on the principles of the NFF using the 2025/26 accepted model as the basis for discussion.

Recommendation (v): School Forum are requested to note:

The principles that will be applied to the 2026/27 funding formula, that schools will be consulted regarding the local funding formulae as soon as the DfE publish the indicative NFF.

6. 2025/26 Growth Fund

- 6.1 Growth funding is allocated to Schools to manage an increase in pupil numbers in 2025/26 before the lagged funding catches up. The DFE allocate growth funding based on the differences between primary and secondary pupils at school within each Middle Layer Super Output Area (MSOA) between the October 2023 and October 2024 census figures. Only positive MSOA growth will be used in calculating the number of pupils to be funded. The criteria set by LBBD for the growth fund is as below:
 - Support growth in Pre-16 pupil numbers to meet basic need.
 - Support additional classes needed to meet the infant class size regulation.
 - Meet the costs of new schools.
 - Where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).
- 6.2 The 2025/26 DFE growth fund allocation is **£1.302m** and the provisional growth fund requirement is **£0.929m**. The rate of growth allocation per pupil is **£1,771.05** and **£2,650.94** for primary and secondary schools respectively.
- 6.3 The table below outlines the updated growth allocations for 2025/26 based on the projected admission numbers for September 2025. These figures are provisional and maybe subject to change pending confirmation by the LA admission team.

School	Prim Nos	Sec Nos	Prim. Growth	Sec. Growth	Total Growth Allocation 2025/26 incl ACA
			£1,771.05	£2,650.94	
Eastbrook School		90	£0.00	£238,584.69	£238,584.69
Greatfields Secondary School		60		£159,056.46	£159,056.46
Greatfields Primary School	30		£53,131.63		£53,131.63
Riverside Primary (Free School)	60		£106,263.25	£0.00	£106,263.25
Robert Clack School of Science	60	60	£106,263.25	£159,056.46	£265,319.71
Thames View Junior	60		£106,263.25	£0.00	£106,263.25
Total	210	210	£371,921.38	£556,697.61	£928,618.99
DFE Growth Fund Allocation 2025/26					£1,302,413.00
Surplus/(Shortfall)Growth Allocation to support falling rolls					£373,794.01

Table – 2025/26 Provisional Growth Fund Allocation

Recommendation (vi): School Forum are requested to:

Approve the provisional growth fund allocation of £0.929m.

7. Falling Rolls Fund 2025/26

7.1 The table below shows the schools that meet the eligibility criteria and the amounts that will be paid to each school to support the reduction in pupil numbers.

School Name	Reduction in NOR	Falling Rolls Fund
		Rate per Pupil 1/3 AWPU
		£ 1,454
Roding Primary School	-56	£81,449.28
Dorothy Barley Infants' School	-34	£49,451.35
Southwood Primary School	-28	£40,724.64
George Carey Church of England Primary School	-28	£40,724.64
St Joseph's Catholic Primary School - Dagenham	-25	£36,361.28
Dorothy Barley Junior Academy	-20	£29,089.03
William Bellamy Primary School	-20	£29,089.03
Valence Primary School	-16	£23,271.22
Beam Primary School	-14	£20,362.32
William Ford CofE Junior School	-10	£14,544.51
St Vincent's Catholic Primary School	-6	£8,726.71
	-257	£373,794.00

Table: Falling rolls allocation for 2025/26

Recommendation (viii): School Forum are requested to note:

The distribution of the unallocated growth fund £373k to support falling rolls.

8. Action(s) to support schools in financial difficulty

8.1 The current financial situation in schools is due to multiple reasons including the following:

- Unfunded pay awards
- High staff absences
- Use of Agency staff for long & short-term cover
- The benefits of having experienced personnel in schools
- Long term impact of falling rolls below schools PAN
- Other cost pressures including less than inflationary increases in schools budget over the past years and high cost of goods & services
- Increase and complexity of children presenting with SEND in schools.
- Recurring use of revenue reserves to fund capital projects
- Delays by schools to respond to the adverse financial health at the school.

8.2 Action(s) by the Local Authority:

- The LA has been organising a series of meetings with individual schools facing financial difficulties.
- An extension to submit a 3-year ratified budget was granted to give time for schools to prepare a costed recovery plan.
- The LA will continue to support schools with falling rolls fund in the short term, whilst Schools are advised to take early action to reorganise resources to take account of sustained reductions in pupil numbers as a long-term solution.
- The LA will prioritise schools with future uplifts in High needs funding to help schools with the financial support needed to manage the increasing numbers of children presenting with complex SEND cases.

- In addition, from 2026/27, the LA will consult with schools' forum and apply to the secretary of state for disapplication to top-slice from Schools block to fund falling rolls and high needs pressures if necessary.
- The LA will continue to support schools with loans from "Schools facing financial difficulties fund – SFFD Fund", the loans will be required to pay back within 3 years which will enable schools to embed their recovery plans for a sustained financial health going forward.
- We will continue to engage the services of the DfE's SRMA program to visit schools for an independent review of school's finances and assist schools with financial curriculum planning of resources.
- The LA will continue to lobby central government through members enquiry and consultation responses for a better funding settlement for schools and other services.

Recommendation (viii): School Forum are requested to note:

Local Authority actions to support schools in financial difficulty

9. AOB

10. Financial implications

As presented in this document.

11. Legal implications

The schools' forums (England) regulations 2012 govern the constitution and conduct of meetings of the forum. The schools finance (England) regulations 2012 determine those matters on which the local authority must or may consult the schools' forum and those in respect of which the school's forum can make decisions. These regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed Early Years provision in England.

12. Other implications

a. **Risk management** - None

b. **Contractual issues** - None

c. **Staffing issues** – None

d. **Customer impact** – None

- e. **Safeguarding children** - None
- f. **Health Issues** - None
- g. **Crime and Disorder Issues** – None
- h. **Property / Asset Issues** – None

Background papers used in the preparation of the report:

None.