

(BARKING AND DAGENHAM SCHOOLS FORUM)

23 June 2026

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: ▪ DSG Outturn for 2025/26 ▪ Local Management of Schools (LMS) ▪ High Needs Block (HNB) Outturn for 2025/26 ▪ High Needs Budget 2026/27 ▪ Arrangements for Mainstream Top-up & Provision funding 26/27 ▪ Early Years (EY) Outturn for 2025/26 ▪ Growth Funding for 2026/27 ▪ Falling Rolls for 2026/27 ▪ Inclusive Mainstream Fund (New) ▪ AOB	

Recommendation(s)

The Schools' Forum is requested to:

1. Note the DSG outturn position for 2025/26
2. Note LMS Reserves balances for Schools.
3. Note the 2025/26 High Needs outturn position.
4. Note High Needs Budget Forecast for 2026/27.
5. Note and comment on the arrangements for mainstream top-up & Provision funding for 2026/27
6. Early Years Outturn position for 2025/26
7. Note, comment and approve the Growth Fund for 2026/27
8. Note, comment and approve the Falling Rolls for 2026/27
9. Inclusive Mainstream Fund (New) -2026/27
- 10.AOB

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. DSG Outturn for 2025/26

- 1.1 The Dedicated Schools Grant (DSG) funding for 2025/26, after DfE deductions

for academy recoupments, high needs commissioned places & schools NNDR was **£310.504m** Actual expenditure is **£314.520m**, resulting in a net overspend of **£4.016m** which is due to pressures within the High Needs Block.

- 1.2 High needs outturn is **£5.520m** overspend which is due to mainstream top up payments, post16 top ups, home tuition outreach service, SEND commissioned services for new arrivals and support bases.
- 1.3 Early years block ended the year with a net underspend of, £1,504m. This is net of early years provision funding to support children with SEND in early years in line with other year groups including nurseries and reception. The underspend is subject to clawback which will only be confirmed by the DfE in July.
- 1.4 The DSG overspend will be transferred to reserves as an unusable reserve via the “**Dedicated Schools Grant Adjustment Account**” As the DSG is a ring fenced grant the deficit cannot be met by the general fund. The deficit remains as an unusable reserve to be offset against future year surpluses.

Refer to the table below for the summary position.

Dedicated schools Grant (DSG Budget)	2025/26 Budget £'000	2025/26 Outturn £'000	(Deficit) Surplus £'000
Schools Block (ISB)	212,714	212,714	0
Central Services Block	2,237	2,237	0
High Needs Block	56,995	62,515	(5,520)
Early Years Block	38,560	37,055	1,504
	310,505	314,521	(4,016)
DSG reserves B/F			1,467
DSG Reserve C/F to 25-26 - (Deficit)			(2,549)

Table: DSG 2025/26 Outturn

Recommendation (i): Schools Forum is requested to:

(a) Note the DSG outturn position for 2025/26

2. Local Management of Schools (LMS Reserves)

- 2.1 The 2025/26 Schools reserves opening balance of **£5.208m** has been reduced by the combined deficit across all LBBB maintained schools, resulting in an overall **deficit** position of **£1.144m**. The in-year closing position across maintained schools for 2025/26 is an overspend of **£6.352m**, this includes capital expenditure funded from revenue of **£0.743m**.

The table below summarises the % share of schools' reserves in 2025/26 as compared to 2024/25.

Schools Reserve Analysis	Total	Primary	Secondary	Special
% Share of Reserve (2024/25)	100%	4%	50%	46%
Closing Reserve 24/25 (deficit)/surplus	5,207,988	191,774	2,588,420	2,427,794
25/26 Outturn	(5,608,772)	(3,788,610)	(2,121,057)	300,894
Capital projects	(743,178)	(247,575)	(495,603)	0
Closing Reserve 25/26 (deficit)/surplus	(1,143,962)	(3,844,411)	(28,241)	2,728,688

- 2.2 The table below summarises the in-year position for maintained schools by phase. 27 schools ended the year with a deficit compared to 29 in 2024/25. The number of schools with an in-year surplus increased from 12 in 2024/25 to 14 in 2025/26.

Phase	No of Schools with In- year surplus		No of Schools with in- year Deficit	
	24/25	25/26	24/25	25/26
Primary	10	11	22	21
Secondary	1	1	3	3
All through	0	0	3	3
Special School	1	2	1	0
	12	14	29	27
Percentages (%)	29%	34%	71%	66%
In year position	£3,450,993	£1,676,113	-£7,854,469	-£7,284,885

- 2.3 The impact of the 2025/26 in year deficit has been compounded by the year-on-year reduction in schools reserve and the overall schools' reserves is now in a deficit position.
- 2.4 The current financial situation in schools is due to multiple reasons including the following:
- Long term impact of falling rolls below schools PAN
 - Increase and complexity of children presenting with SEND in schools.
 - Other cost pressures including less than inflationary increases in schools budget over the past years and high cost of goods & services
 - Use of Agency staff for long & short-term cover
 - Unfunded pay awards
 - The benefits of having experienced personnel in schools
 - Recurring use of revenue reserves to fund capital projects
 - Delays in responding to changes in adverse schools' financial health.

- 2.5 The LA is committed to supporting schools in the following ways:

- Supporting schools to prepare costed recovery plans
- Organising series of meetings with schools facing financial difficulties. (Financial Monitoring Group).
- Liaising with the DfE to identify schools that can benefit from the Schools Resources Management Advisor (SRMA)
- Providing financial support for short term cash flow issues
- Helping schools using schools facing financial difficulty fund (SFFD)
- Providing a policy on schools facing financial difficulties.

- 2.6 Schools with surplus exceeding 5% for Secondary schools & 8% for primary schools will also be expected to submit plan of usage for reserves with their ratified budget.

Recommendation (ii): Schools Forum is requested to note:

(a) LMS Reserves overall position for Schools for 2025/26

3. High Needs Block (HNB) Outturn for 2025/26

- 3.1 The HN budget for 2025/26 was **£56.995m** (after recoupment). The table below shows the detailed position for High Needs for 2024/25 & 2025/26. The outturn position for the year **was £5.519m** overspend.

High Needs Budget and Outturn	2024/25 Outturn	2025/26 Budget	2025/26 Outturn	Variance + Surplus (Deficit)
Alternative Provision(excl PRU)	4,145,018	4,083,002	4,194,181	-111,179
ARP Funding	10,001,189	10,276,640	10,478,006	-201,366
Education Inclusion	1,866,872	2,392,321	2,332,272	60,049
Out of Borough & Non Maintained	10,276,126	9,410,670	9,966,208	-555,538
HN Top Ups - Post 16	3,977,999	4,055,150	5,945,039	-1,889,889
Mainstream Top Ups	8,235,066	5,750,000	10,184,062	-4,434,062
SEND LAC & Language Support	377,667	382,324	490,267	-107,943
Initiatives (Rapid Response)	817,251	791,917	804,776	-12,859
Special School Funding	16,930,529	18,175,947	16,869,155	1,306,792
EY Portage & Youth Inclusion	404,597	395,049	459,033	-63,984
Speech , Language & Communication Support	1,130,509	1,281,651	791,554	490,097
	58,162,823	56,994,671	62,514,553	-5,519,882

Table – High Needs Outturn

- 3.2 The High Needs overspend were driven by:

- Increased payments for mainstream top-up funding
- SEND Commissioned Services for New Arrivals.
- Post 16 costs.

- Outreach & Home tuition Service Costs
 - Additional Resource Provision, support bases (ARPS)
- 3.3. The **mainstream top-up** budget overspends by £4.4m due to the increasing number of pupils presenting with complex SEND needs in mainstream schools for both EHCP and non-EHCP pupils. This also include Provision funding to support schools manage the financial burden of SEND pupils.
- 3.4 **SEND Commissioned Services for New Arrivals:** Barking and Dagenham continue to face significant financial pressures in meeting the needs of pupils with SEND, particularly due to a sharp increase in demand from families newly arriving in the borough.
- 3.5 The requirement to secure interim placements—often at short notice—has led to a substantial rise in expenditure. This is driven by unprecedented levels of demand and the high number of children and young people moving into the area who require specialist provision.
- 3.6 The SEND Code of Practice 2015 sets out a clear statutory duty for local authorities to secure suitable education for all children and young people with SEND, ensuring their needs are met without delay. When a child or young person with an Education, Health and Care (EHC) plan moves into Barking and Dagenham from another authority, the previous authority must transfer the EHC plan to the new authority on the day of the move, or within 15 working days if prior notice was not given. Upon transfer, Barking and Dagenham becomes responsible for maintaining the plan and securing the special educational provision specified within it, as well as arranging interim tuition if a suitable placement is not immediately available. This statutory duty, combined with lagged funding mechanisms and a shortage of local specialist places, means the borough must often resort to costly interim solutions to uphold its legal obligations, further stretching already limited resources.
- 3.7 **Additional Resourced Provision (ARPs)** ended the year with an overspend of £201k this is mainly due additional ARP places and growth in schools.
- 3.8 **Post16** top up payments in support of continued growth for 16-25 cohort reported an overspend of £1.8m primarily due to increase placements Post16 continues to be a `demand driven area`. The transition from pre-16 to post 16 is putting pressure on the budget.

Recommendation (iii): Schools forum is requested to:

(a) Note the 2025/26 High Needs outturn position.

4. **2026/27 Top-up rates for Additional Resource Provisions (ARPS) Special Schools & Mainstream schools**

4.1 The High Needs working group met on 10th June and the following were discussed:

- The top-up rates for 2026/27 for ARPS and Special schools will be increased by 3.4% starting from April 2026.
- Place funding will remain at £10,000.
- Introduction of Level 2 top-up rate of £16,180 for the most complex ASD/ASC pupils in mainstream Schools.
- We will continue to make EHCP payments for Targeted & Specialist pupils (Band G & H) in 2026/27
- The remaining budget for mainstream top-up will be apportioned using one of the following options:
- **Option 1:** Apportion by formula to allocate £30k lumpsum to both primary & secondary, and additional £20k to all-thru schools, and apportion the balance proportionately to Band F and non-EHCP as provision funding.
- **Option 2:** Apportion the remaining budget as per option 1 but weighting the formula towards schools with Band F EHCP pupils.
- **Option 3:** Allocate funding to EHCP pupils with Band F, G, H, in the first instance and apportion the remaining balance for non-EHCP pupils and provision funding.

The local authority recommends option 3 as the preferred option following consultation with High Needs working group.

Recommendation (iv): Schools forum is requested to:

(a) Note & comment on the proposed top-up rates and payment options for 2026/27

5 **High Needs Budget 2026/27**

- 5.1 The High Needs block increased by **£2.580m**, from **£56.995m** to **£59.575m**, representing 4.2% increase from previous year. The DfE have suspended the High Needs National Funding Formula, which was used to calculate the prior year's allocation. Instead, the allocation is based on the 2025/26 allocations with some adjustment. The government will review the funding allocation, so the HN funding supports the SEND reforms.
- 5.2 The table below shows the budget pressures for 26/27, we are estimating £9.9m pressures for the year if the various activities listed below happens.

Budget Pressures for 2026/27	
Special schools - Level 2 (90 places)	£1,802,850
Intervention ARPS (60places)	£749,350
OOB Commissioned Services - New Arrivals	£875,777
Post 16 demand	£1,533,868
Pressures - Top-up, growth, demand etc	£1,100,000
2026/27 Estimated Pressure	£6,061,845
Provision funding & Other pressures	£3,877,740
2026/27 Revised Pressure	9,939,585

Recommendation (v): Schools forum is requested to:

- a) Note and comment on the High Needs forecast for 2026/27.

6. Early Years (EY) Outturn for 2025/26

- 6.1 Early years block ended the year with a net underspend of, £1,504m. This is net of early years provision funding to support children with SEND in early years including nurseries and reception, this is in line with provision funding allocations for other year groups. The underspend will be subject to clawback which will only be confirmed by the DfE in July.
- 6.2 The underspend is due to lower pupil numbers during the year compared to the census figures. Although the early years census now measures actual attendance on census day, fluctuations in take up over the academic year mean that not all funding are spent. In addition, settings continue to find it difficult to recruit staff and are therefore not operating at full capacity. However, attendance continues to rise from an all-time low during the pandemic and with actual 2-year-old and universal 3-and-4-year-old numbers now matching pre-pandemic figures. Take up of the extended entitlement has risen significantly from 2022.

Recommendation (vi): Schools forum is requested to:

- a) Note the Early Years outturn position for 2025/26

7. Growth Funding for 2026/27

- 7.1 Growth funding is allocated to Schools to manage an increase in pupil numbers in 2026/27 before the lagged funding catches up. The allocation is based on differences between the primary and secondary numbers on roll in each LA

between the October 2024 and October 2025 school censuses. The methodology captures growth at the level of Middle Layer Super Output Areas (MSOAs). Only positive MSOA growth is used to calculate the number of pupils to be funded.

- 7.2 The 2026/27 DfE growth fund allocation is **£0.654m** and the growth requirement is £0.345m. The under allocation of growth fund of £0.309m will be put towards supporting schools with falling rolls.
- 7.3 The criteria set by LBBD to qualify for growth funding is set out 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 LA to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).

Please Note:

Growth funding should not be used to support schools in financial difficulty or general growth due to popularity.

- 7.4 The table below shows the **provisional** growth allocation for 2026/27 based on forecasts of pupil numbers that will be admitted to the Boroughs schools in September 2026. The growth fund has been calculated using the DfE set allocation rates for 2026/27; **£1,570** per new primary pupil and **£2,350** per new secondary pupil. The area cost adjustment for LBBD, **1.13** has been applied to these rates.

School	Pri Nos	Sec Nos	Prim. Growth £1,768.07	Sec. Growth £2,646.48	Growth Allocation 2026/27
Growth Fund (Sep 26 - Mar 27)					
Riverside Primary (Free School)	60		£106,084.27		£106,084.27
Robert Clack School of Science	60		£106,084.27		£106,084.27
Payment to Academy (Apr 26 to Aug 26)					
Riverside Primary (Free School)	60		£75,774.48		£75,774.48
Greatfields Secondary school		30		£56,807.14	£56,807.14
Total					£344,750.16
DfE Growth Fund Allocation 2026/27					£654,384.00
(Shortfall)/ Surplus Growth Allocation to support Falling Rolls					£309,633.84

Table: Provisional Growth Fund allocation based on planned Sept. 26 Expansions

Recommendation (vii): Schools Forum is requested to:

- Note the provisional growth fund allocations for 2026/27
- Approve the use of the unallocated growth fund to support schools with falling rolls

8. Falling Rolls Fund for 2026/27

- 8.1 Details of the falling rolls was shared at the January 2026 Schools Forum. The table below is a summary of changes in numbers on roll (NOR) by phase. Overall, pupil numbers have decreased by 377 between October 24 and October 25 census. All-Through schools have a net increase of 28 and secondaries have a net increase of 29 pupils. The primary phase is reporting a net reduction of 434 pupils.

Phase	Oct 2024 Primary NOR	Oct 2024 Secondary NOR	Oct 2025 Primary NOR	Oct 2025 Secondary NOR	Primary Movement	Secondary Movement	Net
Primary	22,399	0	21,965	0	-434	0	-434
Secondary	0	9,235	0	9,264	0	29	29
All-Through	1,775	7,233	1,829	7,207	54	-26	28
	24,174	16,468	23,794	16,471	-380	3	-377

Table: change in pupil numbers between October 24 & October 25 census.

- 8.2 The previous criteria that a school had to be judged outstanding or good by OFSTED has now been removed.
- Reduction of 2% or more in pupil numbers.
 - Only pay falling rolls above the 2% drop in pupil numbers.
 - Review rate annually to ensure affordability within cash envelope
 - There must be a year-on-year reduction in delegated budget.
 - The school's reserves do not exceed 8% for primary schools and 5% for secondary schools delegated budget.
- 8.3 The table below identifies the schools that meet the eligibility criteria, along with the allocated budget to support reductions in pupil numbers. The Falling Rolls Fund will be funded using **£0.310m** from the unallocated Growth Fund for 2026/27.

School Name	NOR TOTAL	Rate per Pupil
		£ 512
William Bellamy Primary School	-81	£ 41,455
Roding Primary School	-79	£ 40,431
Eastbury Community School	-71	£ 36,337
Valence Primary School	-53	£ 27,125
Manor Primary School	-46	£ 23,542
Rose Lane Primary School	-41	£ 20,983
Dorothy Barley Infants' School	-31	£ 15,865
The Leys Primary School	-28	£ 14,330
Ripple Primary School	-28	£ 14,330
Beam Primary School	-27	£ 13,818
Dagenham Park CofE School	-20	£ 10,236
George Carey C of E Primary School	-15	£ 7,677
Godwin Primary School	-14	£ 7,165
Richard Alibon Primary School	-14	£ 7,165
William Ford CofE Junior School	-13	£ 6,653
Marsh Green Primary School	-13	£ 6,653
Hunters Hall Primary School	-12	£ 6,141
Monteagle Primary School	-12	£ 6,141
Furze Infant School	-7	£ 3,583
	-605	£ 309,633

Table: Falling Rolls Allocations 2026/27

Recommendation (viii): Schools Forum is requested to:

- (a) agree to fund falling rolls allocation from the surplus of growth budget (£0.310m)

9. Inclusive Mainstream Fund (New)

- 9.1 The Department for Education (DfE) has announced the Inclusive Mainstream Fund (IMF) for 2026/27. This fund is designed to provide early support directly to children without the need for diagnosis or statutory process. It aims to strengthen mainstream settings by improving the inclusivity of their universal provision. As part of this initiative, schools will be expected to publish an inclusion strategy
- 9.2 The funding will be provided over a 3-year spending period.
- 9.3 The IMF allocations will be paid to mainstream school providers for pupils aged 5 to 16, as well as to post-16 providers. Please refer to **Appendix A** for the estimation of the funding schools will receive, these have been derived using the calculator tool provided by the DfE. Funding will be paid to local authorities at the end of June and directly to academy trusts in July.
- 9.4 The base funding rates for 2026/27 financial year are:
- Lump sum of £3,000 per school
 - Primary school pupil (including pupils in reception - £16 per pupil
 - Secondary school pupil - £14 per pupil
 - Low Prior Attainment rate of £88 per eligible pupil

The Area Cost Adjustment for LBBD schools of 1.12616 will be applied to the above rates

- 9.5 Based on current pupil numbers, the total funding allocated to LBBD maintained schools is approximately **£1.579m**. The DfE has not indicated that any additional funding will be made available beyond this allocation. Schools should note that grants previously paid separately – namely:

- Teachers' Pay Additional Grant - **TPAG**
- Teachers' Pension Employer Contribution Grant - **TPECG**
- Core Schools Budget Grant - **CSBG**
- National Insurance Contributions grant - **NICs**
- Schools Business Support Grant - **SBSG**

- 9.6 The above grants have now been incorporated into the baseline budgets and will not be paid as separate grants for 2026/27.

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

The total Inclusive Mainstream Fund at school level

10. AOB

11. Financial implications

As presented in this document.

12. 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 school's forum and those in respect of which the schools' 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.

13. 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.

List of appendices:

Appendix A – Illustrative School Level Inclusive Mainstream Fund