

# Budget for Additional Funds 2026/27

Report being considered by: Schools' Forum  
 Date of Meeting: 19<sup>th</sup> January 2026  
 Report Author: Lisa Potts  
 Item for: Decision By: All Forum Members

## 1. Purpose of the Report

- 1.1 To set out the proposed 2026/27 budgets for the Growth Fund and Additional High Needs fund.
- 1.2 To note the updated Growth Funding Criteria 2026/27.

## 2. Recommendations

- 2.1 To note that the 2026/27 Department for Education (DfE) allocation for growth and falling rolls is retained as a surplus balance.
- 2.2 To set the Additional High Needs fund at £272k.

<b>Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?</b>	
Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>

## 3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		

<p><b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		<p>X</p>		
<p><b>Data Impact:</b></p>		<p>X</p>		

#### 4. Executive Summary

- 4.1 The formula for allocating growth funding to each local authority is based on the observed differences between the primary and secondary number on roll between the October 2024 and October 2025 school censuses. The growth is measured within each ‘middle layer super output area’ (MSOA). In West Berkshire there are 21 MSOAs. Changes in pupil numbers between the two censuses are identified for each MSOA, and any areas with a reduction in pupil numbers are discounted. Growth factor values are then applied:
- (1) £1,570 for each primary growth pupil
  - (2) £2,350 for each secondary growth pupil
  - (3) £77,225 for each new school which opened in the previous year.
- 4.2 The growth funding allocation for 2026/27 is £389,155.
- 4.3 Due to there being a deficit on the total Dedicated Schools Grant, the Department for Education have advised that the growth fund should be retained centrally.
- 4.4 2026/27 is the third year the DfE will allocate funding based on growth and falling rolls. LA’s continue to have discretion over whether to operate a falling rolls fund.
- 4.5 In 2026/27 West Berkshire did not meet the criteria to receive any falling rolls funding.
- 4.6 Funding needs to be set aside from the high needs block in order to fund those schools qualifying for additional high needs funding. This is where schools are supporting a disproportionate level of children with high needs.
- 4.7 It is proposed that the additional high needs funding is increased to £272k.

#### 5. Introduction and background

- 5.1 The main formula funding a school receives is retrospective and based on pupil numbers from the previous October census. Growth funding is allocated by the Department for Education (DfE) by formula and forms part of the Schools Block DSG allocation. It is allocated to meet the cost of increases in pre-16 pupil numbers either in new schools or bulge classes set up to meet basic need.
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- 5.2 The formula for allocating growth funding to each local authority is based on the observed differences between the primary and secondary number on roll between the October 2024 and October 2025 school censuses. The growth is measured within each 'middle layer super output area' (MSOA). In West Berkshire there are 21 MSOAs. Changes in pupil numbers between the two censuses are identified for each MSOA, and any areas with a reduction in pupil numbers are discounted. Growth factor values are then applied:
- (1) £1,570 for each primary growth pupil
  - (2) £2,350 for each secondary growth pupil
  - (3) £77,225 for each new school which opened in the previous year.
- 5.3 In 2024/25 the DfE allocated for the first time, funding based on growth and falling rolls. Falling rolls funding is allocated based on the reduction in pupil numbers that MSOAs within each local authority's experience. It is based on the differences between the primary and secondary number on roll in each MSOA in a local authority between the October pupil census (2025) and the census in the previous October (2024).
- 5.4 The growth funding allocation for 2026/27 is £389,155.
- 5.5 In 2026/27 West Berkshire did not meet the criteria to receive any falling rolls funding.
- 5.6 Funding is set aside annually from the high needs block to fund schools with a disproportionate number of high needs pupils that meet the agreed criteria.

## 6. Growth Fund

- 6.1 The Schools Forum must be consulted on the total size of the growth fund and criteria for use. The criteria formed part of the Schools Funding consultation and was supported.
- 6.2 The growth fund balance at 31.03.25 was £685k. Support for Highwood Copse as a new school has now finished, however, some of the allocated growth fund will need to be used annually to support Highwood Copse as a growing school. This is because the funding allocated by the DfE via the Authority Proforma Tool (APT) is based upon lagged pupil numbers and, as such, as an authority we will need to estimate and fund the increase in pupil numbers each year.
- 6.3 The table below shows the estimated draw on the growth fund up to 31.3.27. A contingency has been built in to cover two cases per year. This gives an estimated balance of £1.2m 31.03.27 prior to adding any 2026/27 growth allocation.
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	Growth payments	Growth Funding	Balance
			<b>-817,216</b>
<i>Trinity 2023/24</i>	43,875		-773,341
<i>Highwood Underwriting</i>	33,345		-739,996
<i>Trinity 2024/25</i>	54,833		-685,166
<b>Est Balance 31.03.25</b>			<b>-685,166</b>
<i>Trinity 2025/26</i>	39,167		-645,999
<i>2025/26 DFE allocation</i>		-307,452	-953,451
<b>Est Balance 31.03.26</b>			<b>-953,451</b>
<i>2026/27 DFE allocation</i>		-389,155	-1,342,606
<i>Contingency</i>	150,580		-1,192,026
<b>Est Balance 31.03.27</b>			<b>-1,192,026</b>

6.4 In previous years, it was agreed that the projected balance of the growth fund was sufficient so new balances were added into the school formula and allocated to schools.

6.5 However, since 2025/26 the DFE have advised that as there is a deficit on the total Dedicated Schools Grant, the growth fund should be retained centrally.

6.6 A summary table is shown below:

Growth Fund	Top up £	Spend £	Cumulative Balance £
2019/20	655,800	183,048	665,962
2020/21	904,945	69,836	1,501,071
2021/22	0	217,640	1,283,431
2022/23	0	286,696	996,735
2023/24	0	179,519	817,216
2024/25	0	132,053	685,166
<i>2025/26 to date</i>	307,452	39,167	953,451
<i>2026/27 est</i>	389,155	150,580	1,192,029

## 7. Falling Rolls Fund

7.7 2026/27 is the third year the DfE will allocate funding based on growth and falling rolls. LA's continue to have discretion over whether to operate a falling rolls fund.

7.8 Where LA's operate a fund, they will only be able to provide funding where the most recent school capacity (SCAP) survey shows that school places are expected to be required in 2026/27, or the subsequent 2 years.

7.9 The decision as to whether a Falling Rolls fund should be reinstated formed part of the Schools Funding consultation. Although there was some support, the majority did not want a falling rolls fund. If it were to be reinstated then the Schools Forum would need to agree both the value of the fund and the criteria for allocation.

7.10 In 2026/27 West Berkshire did not meet the criteria to receive any falling rolls funding.

## 8. Additional High Needs Funding

8.1 Funding needs to be set aside from the high needs block in order to fund those schools qualifying for additional high needs funding. It is proposed that be increased to £272k.

<b>Additional High Needs Funding</b>	<b>Budget £</b>	<b>Spend £</b>
2018/19	100,000	87,500
2019/20	100,000	183,048
2020/21	100,000	69,836
2021/22	40,000	217,640
2022/23	42,000	286,696
2023/24	65,000	179,519
2024/25	150,000	230,302
2025/26	200,000	230,000
2024/25	272,000	

## 9. Conclusion

- Retain the 2026/27 Department for Education (DfE) allocation for growth and falling rolls centrally
- To set the Additional High Needs fund at £272k.

## 10. Appendices

10.1 Appendix A – Criteria for Growth Fund 2026/27.

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