

School Funding 2026-27:

Consultation document

September 2025

**Closing date for responses Friday 24
October 2025**

EALING COUNCIL



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Introduction

1. The local authority (LA) are required to consult annually with all maintained schools and academies in their area about how the money allocated by the government is shared out locally, including through the local schools funding formula. The consultation responses will inform schools forum and local authority decision making.
2. We are seeking school's views on:
 - the value of the mainstream school minimum funding guarantee (MFG), which protects schools from major reductions in per pupil funding. It is proposed to set this at the minimum allowable value;
 - how much additional funding schools receive through the growth fund for offering additional places in response to basic need (bulge classes and/or expansions);
 - the value of the funding held back to fund services delivered centrally for maintained schools (Education functions);
 - de-delegation (pooling) of funding from maintained schools for a small range of services run by the LA;
 - the distribution of funding from the central school services block for the LA's key duties and historic commitments in relation to maintained schools and academies;
 - maintaining the existing transfer from the schools block to the high needs block of 0.5 per cent, expected to be approximately £1.69m;
 - the principles underpinning elements of the proposed new mainstream high needs funding model
 - potential changes to the balance control mechanism to further promote the effective and planned use of school balances;

3. Please complete the on-line survey by Friday 24 October 2025.

<https://www.research.net/r/schoolfunding2627>

4. We need as many schools as possible to respond to ensure schools forum and local authority decision making reflects the views of the whole school community.
5. If you have any questions, email Kim Price kprice@ealing.gov.uk and/or join one of our MS Teams briefing sessions, where we will summarise the proposals and provide an opportunity for governors and / or school leaders to ask questions or seek clarification. These will be held on the following dates:
 - Wednesday 8 October 2025 11pm – 12pm
 - Thursday 9 October 2025 4pm – 5pm

Schools Block (SB)

6. The government published a [summary policy document](#) in June setting out the structure of the schools National Funding Formula (NFF) for 2026-2027, in advance of confirming the NFF factor values and allocations for 2026-2027 in autumn 2025.
7. The 2026 to 2027 schools NFF will use the same factors as in 2025-2026. These are summarised and described in detail in the [policy document](#). The values assigned to each of these factors in the Ealing formula in 2025-2026 are set out in [Appendix 2 of the January forum report](#).
8. The government have confirmed that the schools budget support grant (SBSG) and the National Insurance Contributions (NIC) grant will be rolled into the NFF for 2026-2027 using a similar approach to previous grants. **Table 1** below shows the amounts that will be added into the core factor values in 2026-27 in respect to the grants. For the SBSG, this represents the full-year equivalent amount.

Table 1: Factor value uplifts from the rolling in of grants

Factor	NICs	SBSG	Total
Primary basic per-pupil	£78	£55	£133
Key stage 3 basic per-pupil	£68	£78	£146
Key stage 4 basic per-pupil	£77	£88	£165
Primary FSM6 per-pupil	£75	£49	£124
Secondary FSM6 per-pupil	£60	£72	£132
Lump sum	£2,400	£2,086	£4,486

9. Ealing's area cost adjustment (ACA) calculation will be applied to the above values, just as it has been to the current grants, to reflect geographical variation in labour market costs. Ealing's area cost adjustment was 1.14507 in 2025-26.
10. There may also be a further small uplift to the core factors in the schools NFF on top of the wrapping in of grant funding to reflect anticipated pay and inflation

pressures in 2026-27. At this stage we do not have an indication of the level of any increase.

11. Local authorities like Ealing, who's funding formula already substantially mirrors the NFF, will continue to be allowed to set their 2026-27 factor values anywhere within +/- 2.5% of the 2026-27 NFF values.

Funding Formula for pupils in R to Year 11 (mainstream schools)

12. The Ealing schools forum continued to support the principle of adopting the structure of the NFF as closely as possible in 2025-26. Due to the minimum funding guarantee (MFG), the high needs block transfer, cohort changes and lagged funding, there continued to be an affordability gap between the funding available and the amount that would be needed to fund schools at the NFF.
13. The deprivation (FSM6 and IDACI) and low prior attainment factor values in the Ealing formula were therefore set at -2.5% below the NFF values (inclusive of the Ealing ACA); and the age weighted pupil unit (AWPU) rates were set at -0.5% below the NFF value (inclusive of the Ealing ACA). These adjustments were a continuation of the previous year's approach, and it is anticipated these adjustments will continue to be required in 2026-27.
14. Should an affordability gap remain, further adjustments may be required either to other formula factors (up to the permitted -2.5%) and/or to cap or scale back on gains.

Minimum Funding Guarantee (MFG)

15. The MFG is a national requirement to protect schools from major real time funding reductions to their per pupil funding between years. It is set by the council following consultation with schools and the schools forum, within a range set by the government. The permitted MFG range for 2026-27 will be published in the autumn term.
16. The funding for the MFG comes from within the overall funding envelope and therefore setting a higher MFG than the minimum means other schools receive less funding to cover the difference.
17. For the current financial year, the forum agreed to set the MFG at -0.5 per cent (the lowest rate permissible within the -0.5 to 0 per cent range) which meant no school saw more than a 0.5% reduction in their per pupil funding. Twelve Ealing schools were protected by the MFG in 2025-26, with adjustments totalling £0.264m.
18. Consistent with our policy of keeping our formula as close to the NFF as possible, it is proposed to continue with the approach supported by forum in previous years and implement the lowest allowable per cent MFG. It is anticipated that this will be a small negative value, in keeping with the government's direction of travel of moving schools closer to the NFF each year.

Question 1:

Do you agree that Ealing should remain as close as possible to the NFF by setting the minimum funding guarantee at the lowest allowable rate in Ealing's funding formula?

Pros
Keeps the Ealing funding formula as close to the NFF as possible and is in line with the government's direction of travel, giving schools the most time to manage resources within NFF levels of funding.
Enables the local authority to direct more funding to schools with growing needs or demographic changes, rather than locking in historic funding levels and further topping up funding for schools whose cohort / circumstances may have changed.
Avoids reducing other schools' budgets to fund the protection, reducing the impact on schools with high levels of deprivation, mobility and/ or falling rolls, who would likely be most affected by adjustments required to fund a higher MFG.
Cons
Provide less protection for schools facing drops in per pupil funding.

Growth Fund

19. The government introduced a formulaic approach to allocating funding for pupil growth five years ago, rather than using levels set by each LA. This methodology was further changed in 2024-25 to allocate funding on the basis of falling rolls as well as growth.

20. The local authority growth allocation in 2025-26 was £1.412m. This was intended to fund:

- Implicit Growth - the regulations require new schools building up their numbers to be funded through the formula for pupils forecasted to join such schools in the September of each financial year; and
- Explicit Growth – expansions of existing schools and bulge classes to meet basic need. This funds schools for additional classes that would not otherwise be funded in that financial year due to the lagged nature of the school funding formula.

21. In 2025-26, the explicit growth fund has funded secondary bulge classes (within PAN) at Ark Acton Academy and Northolt High School, and primary bulge classes (over PAN) at East Acton and Acton Gardens, while the implicit growth fund funded the final new year group at Ark Soane Academy.

22. Ealing's current external growth fund rules fund expansions and bulge classes at a per pupil rate equivalent to the age weighted pupil unit (AWPU), inclusive of Ealing's area cost adjustment. **Table 2** sets out the anticipated minimum growth fund rates for 2026-27 and an illustration of what this would equate to for a full 30 places funded September to March.

Table 2: Illustration of the anticipated minimum 2026-27 growth fund allocations

	Anticipated minimum amount per pupil 2026-27 (Ealing 2025-26 AWPU + uplift for grant values) (£)	Illustration based on 1 additional form of entry (30 places funded Sept-Mar) (£m)
Primary	4,535	0.079
KS3	6,345	0.111
KS4	7,154	0.125

23. Should the funding provided for growth through the formula be insufficient to fund all internal and external growth, our preferred option for external growth would be to maintain the existing rules of the explicit growth fund and continue to fund school bulge classes at a per pupil rate equivalent to the age weighted pupil unit (AWPU). As the dedicated school grant is now in an overall deficit, DSG reserves are no longer available to use to cover any gap and therefore an adjustment to the formula may be required to fully fund anticipated external growth.

Question 2:

Do you agree that, to ensure sufficiency of places, we should maintain the current rules and continue to fund explicit growth at a per place rate equivalent to the AWPU?

Pros
Encourages schools to support borough level place planning needs. Without schools with space putting on additional classes, there would not have been sufficient places for children and the LA would not have been able to meet our statutory duty.
Reducing the growth fund allocation would impact a small number of schools with physical capacity in the phases and areas of the borough where we are experiencing in year growth. The schools with space who currently receive the bulk of growth funding do not have substantial reserves and would not be able to absorb costs, which could disadvantage pupils in these schools.
We do not anticipate a significant funding gap to enable the continuation of existing rules, therefore the impact on other schools of maintaining existing rules is likely to be comparatively small. As an illustration a gap of 100k equates to around £2 per pupil. Per pupil funding would continue to be protected by the MFG and schools will continue to be funded at or around the NFF.
Accurate forecasting is challenging and we need capacity to respond to in year demand. If we scaled back allocations to the minimum allowable value, we would still need to approach schools to put on bulge classes but the growth funding may not cover costs. This could put the financial sustainability and quality of education in these schools at risk.
If we are unable to progress bulge classes and offer sufficient places within a reasonable distance, we would need to use the Fair Access Panel (FAP) to place children over numbers.
Cons
As in year demand is increasing and existing capacity is not in the right areas and/or year groups to enable us to make reasonable offers, it is likely the DfE's growth fund allocation to the LA will continue to be insufficient to maintain current rules, without some adjustment to the formula.

24. We intend to maintain the additional growth fund criteria added last year to support mainstream schools with meeting the revenue costs of repurposing surplus places to create SEN provision. This criteria funds up to £20,000 per year of leadership capacity for up to four terms before opening, plus the cost of the lead teacher a term in advance of opening a resourced provision in a mainstream school.
25. Local authorities continue to have discretion over whether to set aside a small fund from the schools block to support schools with falling rolls but can only use this to

provide funding to schools where the school capacity survey (SCAP) showed that those surplus school places will be required again to meet basic need in the subsequent 3 to 5 years.

26. Our area level forecasts continue to indicate that current surplus capacity in schools with falling rolls won't be required to respond to basic need within the 3 to 5 years; and therefore we will continue with the approach supported by schools and forum last year of not setting aside a falling roll fund.

Education functions in respect of maintained schools

27. [The Schools Operational Guidance Annex 3](#) para 52.2 sets out the responsibilities held by local authorities for maintained schools only that can be funded from maintained schools budgets, with agreement of the maintained school members of schools forum. The agreed amount per pupil is deducted from school budget shares after the formula and MFG have been applied. Local authorities are required to set a single rate per pupil (reception to year 11) across all maintained primary and secondary schools.

28. For the current financial year, the schools forum agreed at their November 2025 meeting to top-slice £38.15 per pupil for functions in respect of maintained schools.

29. **Table 3** below provides the current and proposed breakdown by area. We are proposing an overall increase in the per pupil rate of 3.5% (+£1.34) to £39.49 for 2026-27, with increases to each area to broadly meet the cost of the 25-26 pay inflation pressure for the staff funded from the Education Functions, who are paid at a combination of local government and teacher pay scales. The Education Functions hold back largely funds direct staffing costs and cost of the pay awards cannot be contained without an increase in the per pupil rates.

Table 3: Education Functions in respect of maintained schools agreed for 2025-26 and proposed for 2026-27

Maintained Schools	Full Year Budget 2025-26 (£m)	Per Pupil Rates 2025-26 (£)	Proposed Per Pupil Rates 2026-27 (£)
Statutory and regulatory duties	0.759	22.76	23.52
Education welfare - inspection of attendance registers	0.070	2.11	2.18
Central support services	-	-	-
Asset management (general landlord duties for all maintained schools)	0.168	5.04	5.21
Premature retirement / redundancy costs	-	-	-
Monitoring national curriculum assessments	0.014	0.41	0.43
Core school improvement functions	0.261	7.83	8.15
Total Primary and High	1.272	38.15	39.49

30. As an example, based on the proposed rate of £39.49, a 2FE primary school would contribute in the region of £16,500, while an 6FE secondary school would contribute in the region of £35,000.
31. Multi-academy trusts (MAT) make similar types of deductions for services provided by MATs in respect of schools in their trusts. While public information is limited and we are not able to disaggregate or exclude the functions maintained schools buy as traded services, available evidence suggests that Academy Trust holdbacks are usually in the region of 4 to 5% (around £300 - £400 per pupil). This compares to an average of less than 1% for Ealing maintained schools across all Education Functions and De-Delegations combined in 2025-26.
32. Where academies are provided with support with functions which maintained schools fund through Education Functions, for example core school improvement support such as through health checks and the securing good programme, they are required to fund this separately from their budgets.
33. If a school converts to academy status in year there is a corresponding proportionate reduction in the education functions budget the local authority receive (pro-rata'd for the portion of the financial year remaining at conversion). The local authority propose to work to contain the impact of any reduction in the education functions budget resulting from academisation and / or falling pupil numbers in 2026-27 within the proposed per pupil rates set out above.
34. If the LA and schools forum are unable to reach a consensus on the amount to be retained by the LA, the matter can be referred to the Secretary of State.

Question 3: (Maintained schools only)

Do you support funding the Education Functions at the per pupil rates set out in the table 3, amounting to £39.49 per pupil?

If not, what items or adjustments do you consider should be met from school budgets?

Pros

Responsibilities the LA holds for maintained schools have to be funded and the education functions holdback funds direct staffing. The alternative would be that some of these functions would need to be met separately from school budgets. This may put additional financial pressure on schools already struggling with financial sustainability and lose economies of scale.

Local authority services funded from Education Functions also support schools with meeting their statutory duties.

An increase in the rate in line with staff pay awards maintains service quality and avoids the erosion of local authority support functions.

Cons

Increases the per pupil deduction from maintained schools budgets.

All maintained schools pay the same rate per pupil regardless of the level of service and support they require or use. Differentiation would only be possible if these core services were instead met from school budgets by the schools who require those services.

De-delegated services

35. For maintained primary and secondary schools, the schools forum may agree to de-delegate (pool) funding for a [limited range of services](#) from school budget shares. The amount de-delegated is deducted from school budget shares before these are allocated to schools. In Ealing, a small number of services are currently de-delegated. De-delegation totalled £0.515m for maintained primary schools and £0.082m for maintained high schools in 2025-26. The de-delegated services for the current year are shown in **Table 4** below.

Table 4: De-delegation in 2025-26 – Maintained Schools only

Pupil Numbers	Primary		High		Total (£m)
	24,909		8,425		
	Per Pupil (£)	De-delegation (£m)	Per Pupil (£)	De-delegation (£m)	
Contingencies	3.90	0.097	3.90	0.033	0.130
Behaviour support services	9.55	0.238	-	-	0.238
Support to underperforming ethnic groups and bilingual learners	-	-	-	-	-
Free school meal eligibility	2.32	0.058	2.32	0.20	0.077
Insurance	-	-	-	-	-
Museum and library services	-	-	-	-	-
Licences/subscriptions	-	-	-	-	-
Staff costs supply cover (Trade union facility time)	4.89	0.222	3.51	0.030	0.151
Total De-delegation	20.66	0.515	9.73	0.082	0.597

36. Schools forum members for primary and secondary maintained schools must decide separately for each phase whether the service should continue to be provided centrally, and the decision will apply to all maintained mainstream schools in that phase.

37. De-Delegations fund the budget of the services provided, which are largely staffing costs. We propose that per pupil rates for 2026-27 for these areas (other than 'contingency') are increased to broadly increase the budgets by an amount sufficient to cover the respective pay awards for those employees (including adjusting for any change in pupil numbers), as further described below:

- The **contingency** is a small safety net to be applied in year where a school has exceptional cost pressures that it would be unreasonable to expect it to meet from the school's own budget share or balances brought forward. This includes deficits of closing schools. It is proposed to keep the contingency rate the same at 3.90 per pupil in 2026-27.
- The **primary behaviour support services** are delivered through the **Ealing Primary Centre (EPC)** outreach which works to prevent exclusion of Ealing's primary school children by providing assessment and intervention for children presenting with Social, Emotional and Mental Health (SEMH) difficulties, their families and schools. It is proposed to increase the de-delegation rate by an

amount sufficient to cover the 4% teacher pay award. The number and complexity of children with SEN in mainstream is increasing and the council is investing in outreach and working to find funding for this. The EPC outreach is a fundamental part of the outreach to primary schools and an increase to cover staff pay awards enables the service to be maintained at the current level.

- De-delegation of funding for **free school meals eligibility checking** offers the benefit of managing an on-line application system accessible by schools and parent/carers, that checks and confirms eligibility. The LA's bulk eligibility checking facility helps maximise identification and funding, saves schools time, and reduces the need for parents to directly apply. The de-delegation covers staffing and database costs. The value of the service to schools is demonstrated by the continued 100% buyback from academies and the service will be key to supporting schools to manage the extension of FSM entitlement from September 2026. Each additional child identified attracts around £3,000 in funding to schools via the school funding formula and pupil premium.

It is proposed to increase the 2026-27 de-delegation rate by an amount sufficient to cover the 3.2% local authority staff pay award. Should the government's Household Support Fund (HSF), which currently provides a contribution to the service for school holiday voucher administration, end, a higher rate of de-delegation may need to be considered in future years to enable a continuation of the existing service levels.

- **Trade union (TU) facility time** covers recognised teaching and support staff union representatives in maintained schools. It is proposed to increase the de-delegation rate by an amount sufficient to cover the 4% teacher pay award and 3.2% support staff pay award. TU facility time is funded on the basis of income received from de-delegation and from academies that agree to pay into the fund (at the same rate). If the staff pay awards were not funded sufficiently to continue the current level of service and cover staff costs, there would be a need to scale back the provision of TU support to what is affordable within the allocation to avoid disadvantaging schools where TU representatives are employed. Decisions about the distribution of allocations to the respective trade unions are made by the TUs themselves, with the head of schools HR present, at the annual allocation meeting.

38. Pupil numbers in reception to year 11 are forecast to reduce by 0.75% between the 2024-25 and 2025-26 academic years (although the reduction for maintained secondary schools is anticipated to be higher than in academies). Each 1% reduction in pupil numbers would reduce the total de-delegated budgets by around £5,000 at primary and around £1,000 at secondary. We therefore do not expect reducing pupil numbers to have a significant impact on proposed de-delegation rates for 2026-27.

39. If a school converts to academy status on or before the 1st April no funding is de-delegated for that school, while conversions during the financial year result in a phased transfer of funding. De-delegated services can then be provided on a buy back basis to academies where they wish to opt in, which should mitigate the

impact of any academy conversions on the services currently funded by de-delegation but may need to be considered in future years de-delegation rates.

Question 4: (Maintained Schools only)

Do you support de-delegation of?

- **School contingencies at the current rate**
- **Primary behaviour support services with an increase in the per pupil rate to cover staff pay awards**
- **Free school meals eligibility checking with an increase in the per pupil rate to cover staff pay awards**
- **Trade union facilities time with an increase in the per pupil rate to cover staff pay awards**

Pros

Maintains services that individual schools may not be able to afford on their own and ensures continuity of key support services.

Contingencies: maintaining a consistent contingency rate enables the local authority to continue to respond to exceptional cost pressures in schools.

Primary behaviour support services: SEN in mainstream, in particular related to SEMH needs continues to increase, and the EPC outreach service plays a vital role in supporting primary schools with this. An increase in the per pupil rate to cover staff pay awards enables the continuation of the current level of service.

Free school meals eligibility checking: The bulk eligibility checking facility is an efficient way to maximise identification and funding, which saves schools time, and reduces the need for parents to directly apply. The current capacity in the team is required to manage the volume of individual and bulk checking requests and queries. Associated pupil premium and other deprivation led funding is equivalent to around £3000 per child identified as eligible for FSM. An increase in the per pupil rate to cover staff pay awards enables the continuation of the current level of service.

Trade Union facilities time: As pupil numbers reduce, demand for TU support continues to increase with additional support for staff experiencing restructures and facing redundancies. An increase in the per pupil rate to cover staff pay awards enables the continuation of the current level of service.

Cons

Increasing the de-delegation to cover staff pay awards will require a corresponding increase in the per pupil deduction from maintained schools' budgets.

The central school services block

40. The central school services block (CSSB) was introduced in 2018 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- funding for ongoing central functions, such as admissions, previously top-sliced from the schools' block

- Residual funding for historic commitments, previously top-sliced from the schools' block

41. [The schools operational guidance Annex 3](#) (52.1) provides further information on LA duties in respect of all schools.

42. **Table 5** below shows the proposed 2026-27 allocations for CSSB items. These services relate to all schools and academies.

Table 5: Indicative proposed CSSB allocations, 2026-27

Retained Duties <i>(including S251 statement line)</i>	Indicative Proposed 2026-27 £m	Comments
1.5.1 Education welfare service	0.500	Covers functions in relation to school attendance and, exclusions; and responsibilities regarding restrictions on the employment of children
1.5.2 Asset management	0.120	Covers management of the LA's capital programme and landlord responsibilities
1.5.3 Statutory and regulatory duties	0.590	Covers funding for LA statutory and regulatory duties in respect of all maintained schools and academies (see 52.1 of schools operational guidance for further details of these responsibilities)
Total Retained Duties	1.210	
Other ongoing duties <i>(including S251 statement line)</i>	Indicative Proposed 2026-27 £m	Comments
1.4.2 School admissions	0.705	Includes main round and in-year
1.4.3 Servicing of schools forums	-	
1.4.4 Termination of employment costs	-	
1.4.6 Capital expenditure from revenue (CERA)	-	
1.4.7 Prudential borrowing costs	-	
1.4.8 Fees to independent schools without SEN	-	
1.4.12 Exceptions agreed by Secretary of State	-	
1.4.14 Other Items	0.345	The proposed allocation covers copyright licences paid centrally for all sectors as calculated by DFE. Schools forum approval not required.
Total of other ongoing duties	1.045	
Total CSSB (excluding historic commitments)	2.260	

43. The indicative proposed 2026-27 values set out above are currently based on the 2025-26 CSSB allocation (£2.260m, excluding historic commitments). It is proposed to maintain the same split of funding as in 2025-26. Copyright licences have to be funded in full based on the rate charged by the DfE. In 25-26 the actual cost was £0.337m, therefore £0.345m is anticipated to remain broadly sufficient to cover the cost in 2026-27.
44. It is not yet known whether Ealing will see a further increase in the CSSB per pupil rate, or what the impact on pupil number changes will be. As Ealing has continued to see above average increases in free school meal entitlement, which forms part of the CSSB funding formula, the per pupil rate (currently £49.20 per pupil) could further increase. However, the allocation may also reduce if pupil numbers in 2025-26 academic year are lower than in 2024-25. As an illustration, the CSSB allocation would reduce by around £5,000 per 100 pupil reduction (assuming the per pupil rate remained stable). The forecasted pupil number reduction between 2024-25 and 2025-26 is 0.75% (-343) and therefore we do not anticipate this having a significant impact on the overall CSSB allocation.
45. If the actual CSSB allocation is less than in 2025-26, the funding allocated to the Statutory and Regulatory duties would be reduced accordingly. If the actual CSSB allocation is greater than in 2025-26 we would revert to schools forum for a decision on where to allocate any additional funding.
46. If the line-by-line allocations are not agreed by the schools forum, the LA can appeal to the Secretary of State.

Question 5:

Do you support allocating the funding the LA receives from the government for the Central School Services Block as set out in table 5?

If not, what changes do you think should be made?

Pros

Funds the delivery of essential services and fulfilment of statutory responsibilities.

Agreeing the proposed split enables the local authority to provide stability and continuation of existing services.

Historic Commitments

47. In addition to the funding for ongoing responsibilities, the LA receives lump sum funding from the DfE for historic commitments agreed by the schools forum prior to 2018. In line with previous years, we expect the government to reduce the funding for historic commitments by a further 20 per cent (£0.06m) in 2026-27.
48. It is proposed to follow the same method used in 2025-26 and apply the 20% reduction equally to each area. The figures agreed for the current year and proposed figures for 2026-27 after the proposed 20% reduction has been applied are shown below in **Table 6**.

Table 6: Historic Commitments 2025-26 and proposed 2026-27, based on anticipated allocations

Service	2025-26 £m	Proposed 2026-27 £m based on anticipated allocations
SAFE Supportive Action for Families in Ealing	0.112	0.090
Parenting Service -Interventions in families with children who have challenging behaviour.	0.038	0.030
LAC teaching service	0.018	0.014
Historic Commitment savings transferred to High Needs	0.138	0.110
Total	0.307	0.245

49.Should there be a smaller or larger reduction than 20%, we would propose following a similar methodology to apply the reduction proportionately to each area.

50.Schools forum approval is required on a line-by-line basis. The budget for any one area cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into.

Question 6:

Do you support applying any reduction in the historic commitments funding provided by the government proportionately to each area?

If not, where do you think the reduction should be made?

Pros

The government continue to reduce the historic commitment funding year on year so it is necessary for all services partially funded by this grant to work towards identifying how they can be delivered without this funding.

Applying the reduction proportionately across all areas reduces the impact on the high needs budget at a time when this budget is under significant pressure and overall high needs block funding increases are not keeping pace with increases in demand or complexity.

Cons

SAFE, the parenting service and the LAC teaching service all provide vital support to vulnerable children and therefore any reduction in funding from historic commitments will be a funding pressure at a time when the local authority budget is under significant pressure.

High Needs Block

51.The government publishes its [high needs operational guidance](#) annually. The 2026-27 guidance and allocations will be published in the autumn term.

52. In 2025-26 Ealing received a 6.0% increase in high needs block funding, following the allocation of an additional £1 billion pounds of funding to high needs nationally. This took Ealing's total high needs block allocation to £83.320m. We do not yet have an indication of the level of increase for 2026-27 but would anticipate this being lower than in 2025-26. Each 1% increase is equivalent to an additional £0.833m.
53. It is not yet clear whether the Core School Budget Grant (equivalent to around £4.5m in 2025-26) will continue as a separate grant allocation for special schools and PRUs in 2026-27 or whether this funding will be added to the high needs block. If the grant funding were to be added to the high needs block it is likely there would be a requirement to pass this on in full to special schools and PRUs either through the minimum funding guarantee (MFG) or as an additional funding element.
54. In 2025-26, the high needs block was over-spent by £5.528m. This took the cumulative Dedicated Schools Grant (DSG) deficit position across the four blocks, inclusive of the carried forward £1.854m deficit and in year underspend on the early years block, to £5.641m. Deficits in the DSG are carried forward to the following financial year and the LA is responsible for working with schools and other stakeholders to manage demand and spending pressures.
55. The anticipated funding allocated to High Needs does not adequately consider current pressures or anticipated growth. The number of EHC plans and requests for assessment continue to increase and Ealing now maintains over 4,300 EHC plans (July 2025), which taken together with the increasing complexity, continues to place considerable pressure on the high needs block, with the deficit forecast to further increase in 2025-26.

Schools Block to High Needs Block transfer

56. The schools forum will be asked to continue to agree a transfer from the schools block to the high needs block for 2026-27. The transfer requested is 0.5 per cent, which is the maximum block transfer allowable without a disapplication request to the Secretary of State. This is a continuation of the approach agreed in previous years and therefore is not an additional pressure on school budgets.
57. In 2025-26 the value of this was £1.651m equivalent to £35.87 per pupil. We anticipate the overall increase in schools block funding in 2026-27 (including the wrapping in of grant funding) will increase this to around £1.69m, approximately £37 per pupil.
58. Should the schools forum not approve a transfer, approval can be sought from the Secretary of State via a disapplication request.

Question 7:

Do you support retaining the transfer of 0.5 per cent of the schools' budget into High Needs, equivalent to approximately £37.00 per pupil across schools and academies?

If not, what other actions would you suggest helping manage pressures in 2026-27

Pros

Supports schools and the local authority to manage the increasing number and complexity of EHC plans and increasing spend on high needs placements both within mainstream and specialist provision.
Enables the continuation of outreach services that support high needs pupils in mainstream schools.
Supports the introduction of targeted and early support funding elements in the new mainstream high needs funding model.
If the 0.5% transfer was not agreed, the forecasted deficit in the high needs block would increase significantly. Schools and the LA have worked together to contain the deficit and avoid more severe spend control measures, which work their way through to school budgets, and the block transfer is a key element to this.
Retaining the current position on block transfers until we are clear about the government's plans under a direct NFF may help avoid any loss of funding.
Cons
Moves 0.5% of the funding (approximately £1.69m) from the Schools Block to the High Needs Block, reducing the rate of funding allocated directly to schools by approximately £37 per pupil.

Mainstream high needs funding model

59. The level descriptor project with mainstream schools initiated in summer 2024 and a working group with representation from mainstream and special school headteachers, Parent / Carer reps, SENCOs, resourced provision leads and service leads is meeting monthly to advise on and support the delivery of this.
60. The core aims of the project (in line with the previous phases in special schools and resourced provision) are:
 - to refine and simplify the current banding system and resolve some of the issues raised by schools, within the context of the overall high needs funding pressures.
 - to co-develop a fair, transparent and evidenced based model of SEND funding to support meeting pupils' needs in mainstream schools and settings.
61. The group has been co-producing descriptors of levels of needs, testing them against children and young people and amending them from feedback on their application to ensure they will support the delivery of the core aims of the project. Engagement sessions with SENCOs are planned for the autumn term.
62. The implementation of the new mainstream top up funding model will be phased from April 2026 at the earliest, and the local authority are working to understand the impact and next steps to determine the funding rates and manage the financial risks and the transition from the existing model to the new model.
63. The group have also considered models of targeted and early support funding used by other local authorities to see whether this might be an approach to consider in Ealing. We are therefore seeking the views of the wider school community in informing our approach to this.
64. As set out in section 9.2.1 of the [high needs operational guidance](#), local authorities can provide additional targeted "high incidence" funding from their high needs

budget, and outside the main funding formula for mainstream schools and academies on a consistent and fair basis, where:

- there is a disproportionate number of pupils with SEND, and/or with more complex SEND
- that number cannot be reflected adequately in the funding they receive through the local funding formula

65. They are required to define the circumstances in which additional funding will be provided from their high needs budget, through a formula or other methodology agreed with schools. In all cases, the distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular challenges because of their disproportionate number of pupils with SEN and/or high needs, or their characteristics.

66. The proposed approach would use the proportion of EHC plans in each mainstream school (reception to year 11, excluding resourced provision) as at January of each year, with a threshold set at a level which enables around 10% of schools with the highest proportion of EHC plans to receive additional funding (based on the principle of 6k per child with a plan above that threshold).

67. Where schools already have sufficient funding through their notional budget taking account of numbers at SEND Support and numbers of EHCPs, it is proposed that this additional funding would not be targeted at these schools.

Question 8:

Do you support setting aside a proportion of mainstream school high needs block funding for high incidence funding, with a threshold set at a level which enables around 10% of schools with the highest proportion of EHC plans to receive additional funding?

Pros

Recognises that some schools face disproportionate challenges due to catchment demographics and/or inclusive practice that are not fully recognised or funded through the existing notional SEND funding model.

Supports schools with a disproportionately high number of EHC plans to meet the needs of those pupils without putting the financial sustainability and quality of education in these schools at risk.

Cons

Reduces the amount of funding available to allocate top up funding.

Potentially incentivises schools to progress EHC plans.

68. While the majority of a local authority's high needs budget is spent on place and top up funding, local authorities can also use high needs funding to provide additional or targeted support for children and young people with SEND but without plans. This can take the form of preventative and early support funding to schools and colleges.

69. The aim of an early support fund would be to incentive and encourage behaviours by providing a contribution towards the cost of short term additional support for up to three terms for children without an EHC plan in a small number of defined

circumstances. This would be reviewed annually to ensure it is having the desired impact of reducing the number of requests for plans.

Question 9:

Do you support setting aside a proportion of mainstream school high needs block funding for an early support fund?

Pros

Promotes early intervention, enabling schools to provide targeted early support and potentially preventing escalation to an EHC plan.

Meeting needs earlier may reduce the number of EHC plan applications, reducing pressure on the system, freeing up local authority resources for more complex cases.

Supports and incentivises inclusive practice in mainstream schools.

Give schools autonomy to tailor support to individual pupils and encourages creative flexible use of funding.

Cons

Reduces the amount of funding available to allocate top up funding.

Requires robust systems to ensure funds are allocated and used effectively and appropriately.

70. The early support fund could also incorporate a revised simplified version of the existing short term exceptional (STEP) funding mechanism to provide, in a small number of exceptional circumstances, a contribution towards the provision costs for children with very complex needs who have newly joined a school in deficit for up to two terms while an EHC plan assessment is progressed.

71. We would also welcome feedback from schools about whether we should be considering schools excess balances in the application of any high incidence and / or early support funding.

72. Ealing's excess balance threshold is 5% for secondary schools and 8% for primary schools. Excess balances would be calculated based on revenue reserves as a proportion of income at the end of the previous financial year for maintained schools, and previous academic year for academies. For academies, these figures would be taken from the DfE financial benchmarking and insights tool which includes a share of MAT central finance for academies in a Multi-Academy Trust.

Question 10:

Should we be considering schools excess balances in the application of:

a) **High incidence funding**

b) **Early support funding**

Pros

Reduces the amount of funding required for high incidence and early support, reducing pressure on the high needs block and enabling a greater proportion of funding to be allocated to top ups.

Encourages schools to spend their funding on the children attending their school during the financial year for which it is intended.

Cons
Does not consider schools forecasted use of reserves, which could disadvantage those schools with significant planned expenditure, and/or who have forecasted using their reserves to balance their budget in year.

Balance Control Mechanism

73. A Balance Control Mechanism (BCM) allows an authority to clawback excess surplus balances from maintained schools. Ealing's current balance control mechanism is focused on only those schools which have built up significant excessive uncommitted balances and where a redistribution of the balance would support improved provision within Ealing schools. The mechanism is included within the [Scheme for Financing Schools](#) (section 6.2) and is agreed by schools forum annually.

74. Ealing's current mechanism provides that schools with an increasing excessive surplus (defined as 5% for secondary schools and 8% for primary, nursery and special schools) for two consecutive years will be considered for clawback at the following incremental levels:

Nursery, Primary and Special Schools:

- 5% on surpluses between 9% to 12%
- 10% on surpluses between 12% to 20%
- 15% on surpluses more than 20%

Secondary Schools:

- 5% on surpluses between 6% to 9%
- 10% on surpluses between 9% to 17%
- 15% on surpluses of more than 17%

75. The maintained school balances have reduced year on year over the past three years but continued to total £13.088m at the end of 2024-25. 25 schools had balances above the balance mechanism limits, with these excess balances totalling £4.526m. However, only four of these schools had balances that were excessive and increasing for two consecutive years. These four schools had excess balances totalling £0.741m, but based on current incremental levels the provisional clawback amounts total £0.023m. This is just 0.5% of the total maintained school balances over the balance mechanism limits.

76. Forum members have requested that officers further explore wider school views on whether they would support a mechanism that clawed back a greater proportion of excess balances. This could be achieved in two ways by either:

- increasing the incremental levels: this would retain the focus on the small number of schools who have remained consistently above the balance control limit and whose balances have continued to increase; but it would claw back a larger proportion of their excess balances; and/or
- removing the condition for balances to be excessive and increasing for two consecutive years: this would mean the mechanism applied to a much larger group of schools (a third of maintained schools (25/75) based on 2024-25 balances).

77.If schools were minded to make changes to mechanism we would propose that these are implemented in April 2027. This would mean they would apply to 2026-27 excess balances (with any clawback implemented during 2027-28), which would give schools a full financial year to respond appropriately to any change.

78.The decision about whether to implement the mechanism in any given year would continue to be made by the schools forum at their summer meeting.

Question 11:

Would you support a change in Ealing's balance control mechanism from April 2027, to enable a greater proportion of maintained school excess balances to be clawed back?

If yes, what changes would you like to see to the mechanism?

- Increase in incremental levels so a greater proportion of the excess balance is clawed back from schools with excessive increasing balances
- Removal of the condition for balances to be increasing and excessive for 2 consecutive years so a greater number of schools are in scope for clawback.
- Other – please specify

Pros

Would act as a greater deterrent and encourage more schools to spend their funding on the children attending their school during the financial year for which it is intended.

Would enable a greater redistribution of balances to support improved provision across all maintained schools, including those currently in or forecasting deficits. Maintained school balances at the end of 2024-25, while reducing by £1.2m in year, continued to total more than £13 million.

Cons

There is no mechanism to clawback excess surplus balances from academies and therefore a mechanism that claws back a higher proportion of maintained school excess balances may be perceived to be inequitable.

Maintaining the current focus on schools with increasing and excessive surpluses over 2 years protects those schools where excessive surplus have unexpectedly arisen in a single year and enables them to respond to reduce balances without being subject to clawback.

Maintaining the current incremental levels ensures the amount of surplus clawed back is small as a proportion of the overall school balances, therefore acting as a deterrent while enabling those schools to still retain most of their allocated funding to spend on their children.

Glossary of terms

National Funding Formula (NFF): The system used by the government to allocate funding to local authorities to distribute to schools in a fair, consistent, and transparent way based on various factors such as pupil numbers, characteristics and school-specific factors.

Minimum Funding Guarantee (MFG): A statutory protection mechanism that ensures a school's per-pupil funding does not change by more than a specified percentage from one year to the next, even if changes in the local funding formula or pupil characteristics would otherwise reduce its budget. This protects schools from significant year on year funding decreases.

Area Cost Adjustment (ACA): An adjustment made to school funding to reflect the varying costs of providing education in different geographical areas.

Age Weighted Pupil Unit (AWPU): The basic amount of funding allocated per pupil, which varies depending on the age of the pupil, with different rates for primary, key stage 3 and key stage 4.

Growth fund: A fund allocated to support schools experiencing significant growth in pupil numbers due to basic need where that growth is not yet reflected in the school's budget due to the lagged funding system.

Education Functions: a set of responsibilities and services that local authorities carry out to support maintained schools that are essential to the system's operation. These services can be funded through a top slice of maintained school budgets with the agreement of maintained school members of the schools forum.

De-delegation: The process by which maintained schools can collectively agree to return certain funding to the local authority so this funding can be pooled to provide a limited range of services on their behalf.

Central School Services Block: A block of funding allocated to local authorities to support ongoing responsibilities and statutory duties that the local authority hold for both maintained schools and academies. Also includes historic commitments funding which is allocated to cover ongoing costs from previous decisions, and is being gradually phased out.

Block Transfer: The movement of funding between different blocks of the Dedicated Schools Grant (DSG), such as from the schools block to the high needs block. Up to 0.5% of the schools block can be transferred with schools forum approval.

Balance Control Mechanism (BCM): A mechanism used by local authorities to manage the surplus revenue balances held by maintained schools and encourage schools to use the funding they receive effectively and promptly. Part of the local scheme for financing schools.