


### Agenda Item 3

	<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>SCHOOLS FORUM</b></p> <p style="text-align: center;"><b>16 December 2025</b></p>
<b>Schools Block Mainstream Budget 2026/27</b>	
<b>Open</b>	
<b>Classification</b> - For scrutiny, review and comment	
<b>Key Decision:</b>	
<b>Wards Affected: (All Wards):</b> All	
<b>Accountable Director:</b> Jacqui McShannon, Executive Director of People	
<b>Report Authors:</b>	
Peter Haylock – Operational Director of Education and SEND	
Tony Burton – Head of Finance Children’s Services and Education	
<p><b>Purpose of the report</b></p> <p>This report sets out the provisional Schools Block allocation of the Dedicated Schools Grant for 2026/27 following the receipt of updated national funding formula guidance and provisional funding allocations.</p> <p>Schools Forum are asked to review and agree the principles to be used for modelling the Schools Block budget. This will determine the final budget allocation for the financial year 2026/27.</p>	

## 1. Introduction

- 1.1. The provisional allocation of the Schools Block of the Dedicated Schools Grant for 2026/27 has been received from the Department for Education (DfE) of £128.476m. This is still based on October 2024 census numbers and excludes any additional funding for growth and falling rolls.
- 1.2. The Council expects to receive the final 2026/27 allocation by the 19th December 2025. This will be based on October 2025 census numbers and should include an additional funding amount for growth and falling rolls.
- 1.3. In 2025/26, mainstream schools received funding through the National Insurance Contributions Grant and the Schools Budget Support Grant in addition to their DSG allocation through the Schools Block. From 2026/27 the funding previously distributed through these grants will be allocated through the Schools Block. The DfE has made a 2025/26 baseline adjustment to ensure schools are not disadvantaged. The value of the adjustment is £3.140m and

has been allocated through the basic per pupil funding factor, Free School Meals Ever 6 factor and the lump sum factor.

- 1.4. Table 1 below details the change in the provisional allocation for 2026/27 compared with the final 2025/26 Schools Block allocation adjusted for the separate grants as described in paragraph 1.3.

**Table 1 Schools Block Funding Allocation Year on Year**

	<b>2025/26</b>	<b>2026/27</b>	
Number of pupils (R to Y11)	15,625	15,625	
	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>Movement between years £m</b>
Schools Block Baseline (excludes growth funding)	121.859	127.045	
Additional Grants:			
NICS	1.945		
SBSG	1.195		
Premises Factor	1.425	1.431	
<b>Sub-total before growth and falling rolls funding</b>	<b>126.424</b>	<b>128.475</b>	<b>2.051</b>
Per pupil funding before growth and falling rolls	8,091	8,223	1.62%
Growth funding	0.228	TBC	
Falling rolls funding	0.840	TBC	
<b>Total Schools Block Funding (including Growth and Falling rolls)</b>	<b>127.492</b>	<b>TBC</b>	

- 1.5. Per pupil funding has provisionally increased by 1.62% for Hammersmith and Fulham mainstream schools. This compares to a 2.48% increase nationally. However, this does not mean that schools will receive a uniform increase in funding year on year.
- The Minimum Funding Guarantee (MFG) must be set between minus 0.5% and 0% within the National Funding Formula (NFF) for 2026/27.

- This protects schools from potentially larger falls in funding year on year, that could occur as a result of the application of the NFF.
  - Some schools could see up to 0.5% year on year reductions in pupil led funding in 2026/27 after the baselining of additional grant funding.
- 1.6. The detailed funding model will be worked on for publication in early January 2026 when the updated authority proforma tool is published with updated October 2025 census figures. To note:
- The NFF will be finely balanced and the ambition is to set the Minimum Funding Guarantee as close to 0% as the funding allocation allows. This will minimise any potential funding losses to individual schools.
  - The H&F per pupil unit of funding allocated through the national funding formula has increased from 2025/26 to 2026/27.
  - The unit of funding informs the overall schools block allocation for H&F and doesn't represent the level of increase that individual schools see in their funding allocations.
  - Final NFF to be released by the DfE week commencing 15<sup>th</sup> December will inform the level of funding allocated to each school.

## **2. The main features of the 2026/27 Schools National Funding Formula**

- 2.1. There are no structural changes to the Schools National Funding Formula (NFF) from 2025 to 2026.
- 2.2. The basic per pupil rate, free school meals Ever 6 values and the lump sum factor have increased to reflect the 'rolling in' of the separate SBSG and NICs grant from 2025 to 2026.
- 2.3. A further overall increase has been applied to school and pupil-led factors.
- 2.4. Through the minimum per pupil funding levels, every primary school will attract at least £5,115 per pupil and every secondary school at least £6,640 per pupil. This increase reflects the rolled in SBSG and NICs grants.

## **3. Local funding formulae**

- 3.1. As in 2025 to 2026, local authorities can only use NFF factors in their local formulae and must use all NFF factors except any locally determined premises factors.
- 3.2. Local authorities will continue to set a minimum funding guarantee in local formulae. For 2026 to 2027, this must be between minus 0.5% and 0%. This mirrors the 2025/26 NFF.

## **4. 2026 to 2027 Final Budget Modelling principles**

- 4.1. The modelling for the 2026/27 school budget will be made once the Department for Education (DfE) issues the updated Authority Proforma Tool (APT) by 19 December 2025.
- 4.2. The final model will be produced consistent with the principles agreed by Schools Forum in November 2025 and in line with requirements of the Schools Block NFF for 2026/27. The principles are:
- National Funding Formula (NFF) factor rates set to the higher of:
    - NFF values after area cost adjustment for inner London
    - Factor rates uplifted by a percentage across all factor rates in so far that this is affordable within each model to ensure all funding is allocated.
  - Minimum Funding Guarantee (MFG) set within the required level by the NFF.
    - This is the minimum increase in funding through pupil led funding factors year on year.
    - MFG must be set between minus 0.5% and 0.0% for 2026/27.
- 4.3. The principles for producing the Schools Block model assumes continuing support to the High Needs Block through a 1% transfer from the Schools Block.
- Continues the level of block transfer agreed by Schools Forum and the Minister of State for the 2025/26 budget.
  - The value of the block transfer is expected to be around £1.28m.
  - A disapplication of above 0.5% level requires Schools Forum approval and a disapplication to the Minister of State. This was approved by Schools Forum in November 2025. The outcome of the request is not expected until January 2026.
  - The continued disapplication is required for the short to medium term sustainability of the High Needs Block.
- 4.4. The modelling will also need to be produced on the assumption of a 0.5% transfer from the Schools Block to support the High Needs Block. This is a requirement of the DfE pending a decision on the disapplication submission. Therefore, two models will be produced.
- 4.5. The modelling will also provide the budget for de-delegated budgets and the Education functions fund. This is applicable for maintained primary schools only.

## **5. Schools Block 2026/27 Budget Consultation**

- 5.1. The consultation will open for a short period and will be based on the budget modelling principles agreed by Schools Forum. A workshop will be held prior to the January 2026 Schools Forum.

## 6. Key dates

Date	Activity
19 <sup>th</sup> December 2025	Final date that the confirmed 2026/27 Dedicated Schools Grants budgets are expected to be received from the DfE
w/c 12 <sup>th</sup> January 2026	<ul style="list-style-type: none"><li>• Release of the proposed 2026/27 Schools Block funding models</li><li>• Briefing workshop and information sharing with key mainstream school partners</li><li>• Request for feedback on budget proposals.</li></ul>
20 <sup>th</sup> January 2026	Schools Forum consideration and decisions on the final budget models
21 <sup>st</sup> January 2026 (TBC)	Completed APTs submitted to the DfE
28 February 2026	Deadline for confirmation of school budget shares to maintained schools.

**Report ends**