



Shropshire Council  
Legal and Democratic Services  
Guildhall,  
Frankwell Quay,  
Shrewsbury  
SY3 8HQ

Date:

**Committee:  
Schools Forum**

**Date: Thursday, 22 January 2026**  
**Time: 9.00 am**  
**Venue: MS Teams**

You are requested to attend the above meeting.  
The Agenda is attached

Tim Collard  
Service Director - Legal and Governance

**Members of Schools Forum**

Mark Rogers  
Marilyn Hunt  
Stephen Matthews  
Reuben Thorley  
Sandra Holloway  
Alison Ashley  
Georgia Moss  
Mark Cooper  
Bill Dowell  
Carla Whelan  
Sue Lovecy  
Sarah North

Sarah Finch  
Lisa Henshall  
Rachel Williams  
Sarah Godden  
James Pearson  
James Staniforth  
John Hitchings  
Shelly Hurdley  
Sian Lines  
Charles Thomas  
Andrew Smith

Your Committee Officer is:

**Samantha Bradley** Performance & Integration Manager, Learning and Skills  
Tel: 01743 256411  
Email: [Samantha.Bradley@shropshire.gov.uk](mailto:Samantha.Bradley@shropshire.gov.uk)

# AGENDA

**1 Apologies**

**2 Minutes and Matters Arising - 11 December 2025 (Pages 1 - 6)**

Paper A attached.

**3 Local Authority update and outcomes of discussions with DfE update (David Shaw)**

A verbal update will be given.

**4 School Funding Arrangements 2026-27 Update (Jo Morris/John Rowe) (Pages 7 - 12)**

Paper B attached.

**5 Dedicated Schools Grant Monitoring 2025-26 (Stephen Waters) (Pages 13 - 18)**

Paper C attached.

**6 Additional funding streams and 'step up to school' funding (John Rowe / Lisa Taylor)**

A presentation will be given.

**7 High Needs Block monitoring next steps (John Rowe)**

A presentation will be given.

**8 Early Years Funding (Dan Steele)**

A presentation will be given.

**9 Schools Forum Work Programme 2025-26 (John Rowe/Jo Morris) (Pages 19 - 20)**

Paper D attached.

**10 Communication**

**11 Future meeting dates**

Thursday 19 March 2026	8.30 - 10.30	Microsoft (MS) Teams
Thursday 18 June 2026	8.30 - 10.30	Microsoft (MS) Teams
Thursday 10 September 2026 (tbc)	8.30 - 10.30	Microsoft (MS) Teams
Thursday 12 November 2026 (tbc)	9.00 – 11.00	Face to Face

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Date: 22 January 2026

Time: 08.00 to 10.30

Venue: MS Teams

A

Public

## MINUTES OF SCHOOLS FORUM HELD ON 11 DECEMBER 2025 – HELD VIA MS TEAMS

NOTES WERE PRODUCED USING AI VIA COPILOT AS AGREED BY FORUM AT THE BEGINNING OF THE MEETING

<b>1</b>	<b>Apologies</b>	
	<p>Apologies received from Stephen Matthews (stepped down), Neil Bentley (at Council). Forum expressed gratitude to Stephen Matthews for his long service.</p> <p>Samantha Bradley to update and circulate vacancies after Stephen Matthew's departure.</p>	
<b>2</b>	<b>Minutes and Matters Arising</b>	
	<p>The minutes from 11 September 2025 were accepted as a true reflection of the meeting.</p>	
<b>3</b>	<b>Opening to Meeting</b>	
	<p><b>Minutes and Matters Arising:</b></p> <p>The draft letter regarding structural change in SEND funding deferred until more detail is available from the DfE and after the next DSG management subgroup meeting in spring.</p> <p>Ongoing appeal for members to join the High Needs Monitoring Group, which will focus on strategies to address the £41 million high needs deficit.</p> <p>Noted that the group is open to all forum members and has been promoted through the Education Partnership Board and SEND/AP Partnership Board.</p>	
<b>4</b>	<b>National Funding Formula (NFF) and School Block Allocations</b>	<b>JR</b>
	<p>John Rowe presented an update on the NFF for 2026-27:</p>	



	<p>DfE delayed publication of the funding formula until autumn 2025; allocations for schools and Central School Services Block announced, but high needs allocations are still pending.</p> <p>Shropshire's primary unit of funding: £5,963 per pupil; secondary: £7,196 per pupil, both increased from previous year.</p> <p>School block allocation will be determined using these units and the 2025 census data; expected to be affordable but subject to confirmation after running the local formula.</p> <p>Forum approved the outlined funding arrangements for NFF, with the caveat that if the formula proves unaffordable, a further meeting will be convened in January.</p> <p>Voting eligibility clarified: all forum members except local authority and observers. Quorum confirmed with 13 eligible voters.</p>	
5	<p><b>Block Transfer to High Needs Block</b></p> <p>John Rowe and Samantha explained the context and options for transferring up to 0.5% of the Schools Block to the High Needs Block:</p> <p>Shropshire faces a £41 million high needs deficit, driven by increased EHCPs, top-up funding, and independent special school placements.</p> <p>Last year, 0.28% (£620k) was transferred after school allocations; this year, the proposal was to consider transferring the full 0.5% (£1.1m) either before or after allocations.</p> <p>Discussion highlighted the complexity of the Authority Pro Forma Tool (APT) and the importance of understanding the impact on individual schools, especially those protected by the Minimum Funding Guarantee (MFG).</p> <p>Concerns raised about the disproportionate impact on smaller schools and the need for transparency before making a decision.</p> <p>Decision: Defer final decision until January, when the APT is available and modelling can be shared. Forum agreed to transfer up to 0.5% of any remaining balance after fully funding schools, as in previous years.</p> <p>If the formula is affordable and a surplus remains, it will be transferred to high needs without the need for another meeting; otherwise, a special meeting will be convened.</p>	JR/SB



6	<p><b>Delegation and Top Slicing of DSG for Maintained Schools</b></p> <p>Samantha presented the results of the maintained schools' consultation on de-delegation and top-slicing:</p> <p>52% response rate, more than double the previous year. 21</p> <p>Mark Rogers (Head Oxon) was the only eligible voter present and voted in line with the majority for each item.</p> <p>Results:</p> <ul style="list-style-type: none"> <li>• Pupil growth contingency: 57% for, 43% against (closest vote).</li> <li>• Maternity: 89% for.</li> <li>• Trade union duties: 86% for.</li> <li>• School improvement: 93% for.</li> <li>• Redundancy: 82% for.</li> <li>• Statutory school finance: 96% for.</li> <li>• HR/Health &amp; Safety: 96% for.</li> <li>• Education access: 82% for.</li> </ul> <p>Approach to consultation deemed successful and to be repeated next year.</p>	SW/JR
7	<p><b>Central School Services Block (CSSB)</b></p> <p>Stephen Waters presented the CSSB allocations and context: CSSB funds central functions for all state-funded schools, including historic commitments (termination of employment, prudential borrowing) and ongoing responsibilities admissions, forum servicing, copyright licences, statutory duties).</p> <p>Historic commitments provisionally reduced by 20% but expected to be protected at previous levels after appeal to ESFA.</p> <p>Ongoing responsibilities increased by 10.9% but offset by rolled-in grants, resulting in no real increase.</p> <p>Forum approved all proposals for both historic and ongoing responsibilities.</p> <p>Noted that if forum did not approve, funds could not be repurposed and would remain in DSG balances; statutory duties would still need to be delivered by the authority</p>	SW
8	<b>Communications and Next Steps</b>	JR



	<p>John Rowe to circulate a date for the next DSG management subgroup and to co-produce a letter to the DfE regarding Shropshire's needs. 29</p> <p>Officers to monitor national developments on high needs and funding, especially in light of possible changes to deficit management. 30</p> <p>Next meeting planned for January (date to be confirmed based on APT release and DfE deadlines) to finalize the block transfer decision. 31</p> <p>Additional detail to be provided at next meeting on other funding streams supporting schools (e.g., GSP, inclusion grants).</p>	
11	<p><b>Follow Up Tasks</b></p> <p><b>Update and Circulate Vacancies</b> –to update the list of forum vacancies (and circulate for expressions of interest after Christmas.</p> <p><b>High Needs Monitoring Group Recruitment</b> – to continue appealing for members to join the High Needs Monitoring Group and add to relevant board agendas.</p> <p><b>Model Block Transfer Scenarios</b> –to model the impact of transferring 0.5% of the Schools Block to High Needs both before and after allocations, using the APT when available.</p> <p><b>Schedule January Meeting</b> – to confirm and circulate the date for a special Schools Forum meeting in January to finalize the block transfer decision, based on APT release and DfE deadlines.</p> <p><b>Notify Forum of APT Receipt</b> – to notify forum members as soon as the APT is received and provide a timeline for modelling and decision-making.</p> <p><b>Provide Additional Funding Details</b> – to prepare a breakdown of additional funding streams (e.g., GSP, inclusion grants) for the next meeting.</p> <p><b>DSG Management Subgroup</b> – John to circulate a date for the next DSG management subgroup meeting and coordinate co-production of a letter to the DfE.</p> <p><b>Monitor National Developments</b> – to keep forum updated on national policy changes regarding high needs and DSG deficits.</p>	<p>SB</p> <p>JR</p> <p>SB</p> <p>SM/JR</p> <p>SB</p> <p>JR</p> <p>JR</p> <p>JR/DS</p>





	<b>Repeat Consultation Approach</b> – to repeat the successful approach to maintained schools’ consultation for de-delegation/top-slicing next year.	JR/SB
<b>13</b>	<b>Future Meeting Dates</b> Thursday 22 January 2026 (tbc) MS Teams Thursday 19 March 2026 (tbc) MS Teams Thursday 18 June 2026 (tbc) MS Teams Thursday 10 September 2026 (tbc) MS Teams Thursday 12 November 2026 (tbc) Face to Face	



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<b>Agenda Item 4</b>	
<b>Schools Forum</b>	Paper
Date: 22 January 2026	<b>B</b>
Time: 8.30 to 10.30	Public
Venue: Via Microsoft (MS) Teams	

## **Update to School Funding Arrangements 2026-27**

### **Responsible Officer**

Jo Morris                      email: [jo.morris@shropshire.gov.uk](mailto:jo.morris@shropshire.gov.uk)

### **Summary**

Details of the Government's recent funding announcements for 2026-27 for schools, including high needs and early years, were provided to Schools Forum in December 2025.

This report details specific local funding arrangements from April 2026 for information and consideration by Schools Forum in relation to the schools national funding formula and potential transfer of funding between blocks.

### **Recommendation**

Schools Forum is recommended to note the specific funding arrangements from April 2026 as detailed within this report and that these will be recommended to the Shropshire Council Cabinet for approval at the meeting on the 11<sup>th</sup> March 2026.

## **REPORT**

### **Background**

In July 2017, the Government announced the introduction of a national funding formula (NFF) for allocating the Schools Block of the Dedicated Schools Grant (DSG) to local authorities from April 2018.

Local authorities, in consultation with their schools and Schools Forum, continue to have some local flexibility on the basis for distributing funding to schools through the National funding formula in 2026-27. It remains the Government's intention to fund all schools nationally via the NFF in the future.

Following consultation with Shropshire schools and Schools Forum, Shropshire's local formula for distributing the Schools Block to individual schools and academies has mirrored the NFF since 2018-19.

Shropshire Schools Forum has a statutory consultative and advisory role in respect of school funding, while the responsibility for determining and approving the funding formula rests with the local authority.

## Update to the DSG schools block for 2026-2027

The dedicated schools grant, DSG, schools block is based on the primary unit of funding (PUF) and the secondary unit of funding (SUF). Shropshire's 2026-27 PUF increased from £5,661 to £5,963 – 5.06% and SUF from £6,829 to £7,196 – 5.10%. These units of funding have been multiplied by the total October 2025 school census numbers on roll in Shropshire and added to Shropshire's historic spend on premises factors to give a total Shropshire Schools Block allocation for distribution to schools through the National Funding Formula NFF. The allocation also includes funding for Growth. Growth has seen an increase of 80% from £381,130 to £679,525. Pupil numbers have reduced by 343 between Oct 24 census and Oct 25 census.

25-26 Total schools block	26-27 Total schools block	Increase to SB from 25-26 to 26-27	% Increase
£224,160,699	£234,352,356	£10,191,657	4.55%
147 funded schools 20 secondary schools 127 primary schools			

## School Funding Arrangements for 2026-27

The latest operational guidance on schools revenue funding arrangements for 2026-27 was published by the DFE in December 2025.

For 2026-27, the following key elements of the schools NFF will apply:

The increase in funding includes an additional allocation to cover the Schools budget support grant and National insurance contribution grants that were previously funded through the separate grants. The value included within the total 2026/27 allocation is £6,652,464 which equates to 2.98% of the year-on-year funding increase.

Each local authority is provided with an Authority Proforma Tool which must be used to calculate school budget shares. Work completed to date on the APT is demonstrating that the NFF is affordable and Shropshire will be able to fund schools in line with the NFF.

Within the NFF there are factor value limits which are applied in order to allow flexibility to model varying total school budgets.

Difference in budgets will also be due to a movement in the NOR, therefore you cannot compare budgets from year to year if the NOR has changed.



The Primary minimum per pupil funding level (MPPL) has increased from £4,955 to £5,115 - 3.13% and the Secondary MPPL has increased from £6,465 to £6,640 – 2.64%. These levels are included within the NFF within the APT.

The minimum per pupil funding levels are not to be confused with the age weighted pupil units (AWPU) funding levels which are within the NFF and included within Schools individual budget shares.

### **Growth funding (within DSG schools block)**

Growth spend has not been matched to funding for 2026/27. As an additional need has not been identified, spend has been aligned to 2025/26 spend. However, for 2027/28 it should be noted that there may be a greater expenditure need for growth and that the funding may not match that need. For 2026/27 the additional allocation of growth has been distributed to schools via the NFF.

### **Transfer of Funding between Blocks**

The Schools Block remains ringfenced in 2026-27 but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block with approval of Schools Forum. To transfer an amount above 0.5%, approval would need to be sought from the Secretary of State for Education by way of a Disapplication request. Disapplication's must be submitted as early as possible and no later than 17 November 2025 (date for 2026 to sought from DFE.)

In previous financial years, Shropshire Schools Forum approved a transfer up to 0.5% of the Schools Block to the High Needs Block HNB to support the growing pressures in this area. Agreement was given to transfer remaining Schools Block budget (up to 0.5%) after fully funding schools in line with the NFF each year, including transitional protections and caps. In 2025/26 £619,599, 0.28% was transferred to the HNB. Balances of £784,000 (0.49%), £397,000 (0.25%), £842,000 (0.5%) and £876,218 (0.5%) and £949,077 were transferred to the High Needs Block in previous years.

Following from 2025-26 into 2026-27 and increased cost pressures within the High Needs funding, as agreed by Schools Forum on the 11<sup>th</sup> December 2025, it is our intention to transfer up to 0.5% of the Schools Block budget into the High Needs Block.

Work completed to date on the APT demonstrates that it will be possible to transfer 0.50% (£1,165,244) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.

The 2026/27 DSG allocation has been applied to the (APT) using a range between the minimum and maximum threshold factor values which has produced the following options for school's forum to consider;



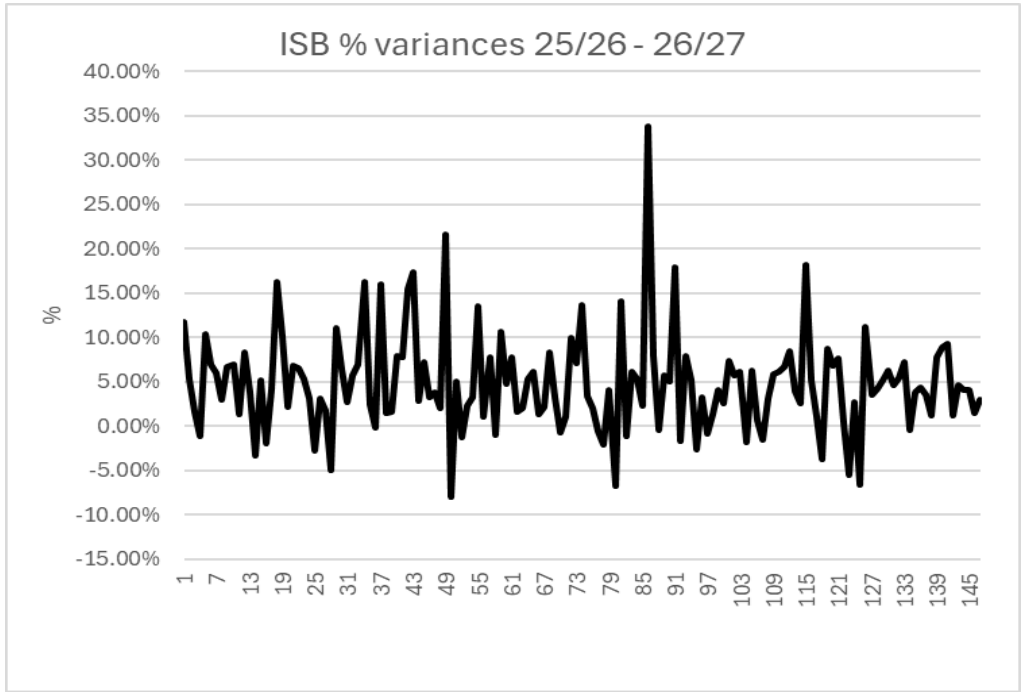
## Transfer to High needs blocks options

<b>Option 1 Transfer 0.5% from schools block to HNB</b>			
Shropshire Schools Block Funding 2026.27	£	234,352,356	
Applying NFF to School Budgets	£	232,813,453	4.32% increase
Additional grants rolled into the DSG allocation. SBSG & NICS	£	6,652,464	2.98% within increase
Growth spend	£	373,660	80% funding increase £679,525
Transfer to High needs block 0.5%	£	1,165,244	£ 33 per pupil
Increase from 25/26 to 26/27 without Additional Grants			1.34% £84 per pupil
<b>Option 2 Transfer 0% from schools block to HNB</b>			
Shropshire Schools Block Funding 2026.27	£	234,352,356	
Applying NFF to School Budgets	£	233,971,806	4.84% increase
Additional grants rolled into the DSG allocation. SBSG & NICS	£	6,652,464	2.98% within increase
Growth spend	£	373,660.00	80% funding increase £679,525
Transfer to High needs block 0%	£	6,891	£ 0 per pupil
Increase from 25/26 to 26/27 without Additional Grants			1.86% £116 per pupil
<b>Option 3 Transfer 1% from schools block to HNB - for demonstration purposes only as Disapplication request deadline has passed</b>			
Shropshire Schools Block Funding 2026.27	£	234,352,356	
Applying NFF to School Budgets	£	231,641,804	3.80% increase
Additional grants rolled into the DSG allocation. SBSG & NICS	£	6,652,464	2.98% within increase
Growth spend	£	373,660.00	80% funding increase £679,525
Transfer to High needs block 1%	£	2,336,893	£ 66 per pupil
Increase from 25/26 to 26/27 without Additional Grants			0.82% £51 per pupil

### Individual school budget Impact of Option 1 - Transfer 0.5% from schools block to HNB

- A sample of 8 schools with no NOR year on year variance have % gains between 2.85% to 10.38% with grants and 0% to 7.59% excluding the additional grants gain.
- 123 schools receive an increase greater than zero. The maximum of 33.74% relates to a new school. The next highest increase of 21.58% relates to a school with increased NOR of 21.
- 24 schools received a reduction of less than or equal to zero. The greatest reduction of 7.93% relates to a school with a loss of 13 NOR.





**Cabinet will be asked to recommend approval of the Shropshire schools funding formula for 2026-27 that delivers funding to Shropshire schools and academies through the application of the NFF formula factors and weightings on 11 March 2026.**







Date: 22 January 2026

Time: 8:30 a.m.

Venue: MS Teams

**C**

Public

## DEDICATED SCHOOLS GRANT MONITORING

**Responsible Officer** Stephen Waters  
e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

### Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of December 2025.

### Recommendation

This report is for information only.

## REPORT

1. The overall 2025-26 outturn against centrally retained DSG is forecast to be £24.524m in deficit as at the end of December 2025. It should be noted that this figure is the in-year deficit and needs to be added to the £17.566m revised deficit carried forward from 2024-25 in order to give an overall cumulative DSG deficit position of £42.089m.

### Centrally Controlled High Needs Budget

2. The centrally controlled High Needs Block for 2025-26 is £35.480m. This budget excludes the place funding element of the High Needs Block totalling £10.867m. The total High Needs Block DSG allocation (before deductions) is £45.872m. It is important to note that Shropshire's 2025-26 High Needs Block DSG allocation has increased by £3.522m compared to the £42.350m allocation in 2024-25. This is an 8.3% increase.
3. In January 2025, Schools Forum members confirmed that the National Funding Formula should be applied to funding factors and agreed that up to a 0.5% transfer from the schools block to the High Needs Block DSG could be applied after fully funding the schools in line with the National Funding Formula. The value available to transfer from the schools block to the High Needs Block DSG was £0.476m. Adding this figure to the £45.872m means that the overall High Needs Block budget for 2025-26 is £46.347m.
4. Due to forecast overall expenditure of £70.956m (including Place Funding), the forecast outturn position for the High Needs Block is an in-year deficit of £24.608m.

### Lines 1.2.1 & Line 1.2.2 - Top Up funding – Mainstream Schools

5. On budget lines 1.2.1 and 1.2.2, shown in the Appendix, there is a forecast overspend of £13.035m.



## Top Up funding - Mainstream Schools

6. Within this £12.256m forecast overspend, an overspend of £6.691m relates to the top-up funding paid to mainstream schools. Continuing on from the 2024-25 financial year, there has been a large increase in top-up funding to mainstream schools reflecting increasing requests for EHC Needs Assessment and issuing of EHC plans.
7. It is important to note that the top-up funding to SEND hubs attached to mainstream settings is coded to this budget so some of the increase will relate to an increase in capacity in SEND hubs.

## Lines 1.2.1 & Line 1.2.2 - Top Up funding – Special Schools

8. There is a £5.565m overspend on top-up funding to special schools.
9. Total expenditure on top-up funding to special schools has increased significantly since 2024-25, due to changes to top-up funding levels payable to 2 Shropshire special schools as reported to Schools Forum in the June 2024 meeting.
10. This review of, and subsequent increase in, banding levels across the Council's special schools aligns with the strategy to build capacity in these settings where appropriate and significantly reduce the numbers of pupils placed in independent special school settings.
11. Another explanation for the increase in expenditure in this budget line is the full-year effect of an increase in numbers at Keystone Special School, to 120 pupils since September 2024.
12. These increases in top-up funding have resulted in forecast expenditure of £11.932m in relation to top-up funding to state-funded, special schools. This represents an increase of £2.133m compared to the 2024-25 financial year or 22%. This increase in expenditure aligns with the strategy to appropriately fund the Council's special schools. However, work now remains to realise the financial benefits to the DSG High Needs Block by being able to transfer pupils from independent special schools to our state funded special schools, from special schools to SEND Hubs and Hubs to mainstream schools. This is a complicated process that involves the view of parent carers, pupils, schools and the Local Authority but does provide the opportunity to deliver a more sustainable financial position for the DSG overall.

## Line 1.2.2 - Post 16 Further Education Colleges

13. There is a budget of £1.859m allocated for Post 16 funding at further education colleges and sixth form colleges. The 2025-26 forecast outturn position is an overspend of £1.470m.
14. For 2025-26, there is a forecast increase in expenditure of £1.712m compared to 2024-25 outturn. This large % increase is due to a combination of factors. Firstly, a few 2024-25 financial year invoices have been accounted for in 2025-26 as no accrual was processed for them in 2024-25. This had had the impact of lowering the 2024-25 expenditure level and increasing the 2025-26 expenditure figure. Secondly, there are 3 relatively new high cost placements at an Independent Special Post 16 provider in 2025-26.
15. It is important to note that Shropshire has seen particularly significant growth in recent years in terms of the number of post 16 EHC Plans.
16. There continues to be a higher proportion of post 16 pupils attending Independent Special Schools or independent alternative providers and the expenditure for these young people is showing in the budget area relating to independent providers instead.

### **Lines 1.2.3 - Top Up funding - Non-Maintained and Independent Providers**

17. The 2025-26 budget of £14.589m for Independent Providers has been increased by £2.287m compared to the 2024-25 budget level of £12.302m. The increase in budget reflects that Shropshire experienced a significant increase in expenditure in this budget area in 2022-23, 2023-24 and 2024-25, highlighted by actual expenditure totalling £18.259m in 2024-25. Increasing the budget to £14.589m, while increasing the budget by £2.287m still results in a budget that is £3.670m less than last year's outturn figure. This emphasises the need to bring down expenditure in this area and not only reduce the increase in expenditure.
18. Expenditure for 2025-26 is forecast to be 27% higher than 2024-25 levels at £23.259m, resulting in a forecast overspend of £8.671m.
19. There are several explanations for this large budget pressure in 2025-26. Firstly, the Council has continued to experience a sharp increase in demand year on year for Independent Special School placements as evidenced by the number of new placements. There also continues to be a more frequent use of independent alternative providers, particularly in relation to children who are post 16. This trend has continued in 2025-26.
20. The £23.259m forecast spend represents a 27% increase in expenditure on Independent Special School placements relative to the 2024-25 financial year. This indicates that increasing funding to Council's special schools and SEND hubs has helped to decrease the acceleration of expenditure in this area where expenditure increased by 64% in 2023-24 and by 31% in 2024-25.
21. The Council has established a SEND Commissioning and Procurement Panel to review requests and make decisions on high needs funding for Independent Special Schools and Mainstream Special Schools. The panel also acts as a forum to ratify and respond to fee uplifts from all settings in conjunction with and accounting for decisions made at the West Midlands Price Review Panel on behalf of the 14 local authorities including Shropshire.

### **Lines 1.2.5 – SEN Support Services**

22. There is a forecast overspend of £1.619m against the SEN Support Service budget of £1.947m. Similarly to 2022-23, 2023-24 and 2024-25, the overspend in 2025-26 relates to staffing where additional staff have been employed, sometimes as agency workers to support the wider increase in demand. Some of these employees are working with the Educational Psychology Service to address increasing demand.

### **Overall position**

23. The Council's DSG financial position of a cumulative deficit of £42.089m as at the end of the 2025-26 financial year reflects a continuing pressure on the total High Needs budget as expenditure continues to increase sharply year on year. This increase has been particularly pronounced over the last 3 financial years; 2023-24, 2024-25 and now 2025-26.
24. As it stands, there is a DSG Deficit statutory override in place. The government announced in June that it has extended the statutory override to keep councils' spending deficits for special educational needs and disabilities (SEND) off their books for another two years until March 2028.
25. Council Officers met with representatives of the Department for Education (DfE) on 7<sup>th</sup> July to focus on addressing the DSG deficit. This meeting focused on progress with the DSG management plan. DfE Officers confirmed that the forecast DSG funding income assumptions that were forecast for 2026-27 and beyond were the correct approach and therefore no increase in funding beyond that level is expected. They also confirmed that the mitigations proposed on the expenditure side including increased capacity in Resourced or SEN Units, a reduction in Independent Special School placement numbers, full occupancy at Council Special Schools, and a planned reduction in Permanent Exclusions were the sorts of areas that

we should be addressing and that they would continue to work alongside the Council to review the plan going forward. The internal review and monitoring of this DSG management plan can form part of the work that the new High Needs Block monitoring group will undertake.

26. The White Paper on SEND is expected to be published this term and it will set out the national direction of travel. The Budget announced that the Government will absorb SEND costs from 2028/29. Dedicated Schools Grant (DSG) deficits, however, represent a substantial ongoing financial risk to councils in the absence of a plan to address them when the statutory override ends in 2027/28.

APPENDIX

**CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2025-26)**

	2025-26 Budget £	2025-26 Spend £	2025-26 Variance £
<b>DEDELEGATED ITEMS</b>			
1.1.1	-	-	-
1.1.2	-	-	-
1.1.3	-	-	-
1.1.4	-	-	-
1.1.5	-	-	-
1.1.6	-	-	-
1.1.7	-	-	-
1.1.8	424,970	281,540	- 143,430
1.1.9	27,980	24,484	- 3,496
1.1.10	113,030	113,030	-
<b>DEDELEGATED ITEMS SUB TOTAL</b>	<b>565,980</b>	<b>419,054</b>	<b>- 146,926</b>
<b>CENTRALLY CONTROLLED EARLY YEARS BUDGET</b>			
1.3.1	595,100	627,644	32,544
1.0.1	42,442,530	42,442,530	-
<b>CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL</b>	<b>43,037,630</b>	<b>43,070,174</b>	<b>32,544</b>
<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET</b>			
1.2.1	4,287,580	4,642,630	355,050
1.2.2	11,211,520	23,112,400	11,900,880
1.2.2	1,859,300	3,329,639	1,470,339
1.2.3	14,588,600	23,259,382	8,670,782
1.2.4	400,000	837,861	437,861
1.2.5	1,947,250	3,566,173	1,618,923
1.2.6	170,190	132,217	- 37,973
1.2.7	153,500	197,834	44,334
1.2.8	862,020	1,010,098	148,078
1.2.9	-	-	-
1.2.10	-	-	-
1.2.11	-	-	-
1.2.12	-	-	-
<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL</b>	<b>35,479,960</b>	<b>60,088,234</b>	<b>24,608,274</b>
<b>CENTRAL SCHOOL SERVICES BLOCK</b>			
1.4.1	-	-	-
1.4.2	322,150	352,780	30,630
1.4.3	10,000	9,000	- 1,000
1.4.4	756,330	756,330	-
1.4.5	-	-	-
1.4.6	-	-	-
1.4.7	295,350	295,350	-
1.4.8	-	-	-
1.4.9	-	-	-
1.4.10	-	-	-
1.4.11	-	-	-
1.4.12	-	-	-
1.4.13	317,980	317,980	-
1.5.	866,200	866,200	-
<b>CENTRAL SCHOOL SERVICES BLOCK BUDGET SUB TOTAL</b>	<b>2,568,010</b>	<b>2,597,640</b>	<b>29,630</b>
<b>TOTAL CENTRAL DSG</b>	<b>81,651,580</b>	<b>106,175,102</b>	<b>24,523,522</b>
<b>SCHOOLS BLOCK GROWTH FUNDING (PART OF ISB)</b>	<b>381,130</b>	<b>381,130</b>	<b>-</b>
<b>TOTAL CENTRAL DSG + SCHOOLS BLOCK GROWTH FUNDING</b>	<b>82,032,710</b>	<b>106,556,232</b>	<b>24,523,522</b>

	£
<b>DSG DEFICIT CARRIED FORWARD FROM PREVIOUS YEARS</b>	<b>17,638,514</b>
2024-25 EARLY YEARS DSG ADJUSTMENT	72,900
<b>REVISED DSG DEFICIT CARRIED FORWARD FROM 2024-25</b>	<b>17,565,614</b>
2025-26 IN YEAR DEFICIT	24,523,522
<b>CUMULATIVE CENTRAL DSG DEFICIT</b>	<b>42,089,137</b>

<b>High Needs Budget - Place Funding</b>	
Post 16 FE Colleges	980,000
Pre and Post 16 SEN Places - Special Academies	5,061,670
Pre-16 Special Free Schools	1,200,000
Pre and Post 16 SEN Places - Resourced Provisions	833,670
<b>Total deduction to 2024-25 High Needs Block for direct funding of places by ESFA</b>	<b>8,075,340</b>
TMBS	1,560,000
Maintained School SEND Hubs	360,000
Additional Commissioned Place Funding at Special Academies	62,500
Additional Commissioned Place Funding at SEND Hub Academies	309,850
Teachers Pay/Pension for Special Academies	499,620
<b>Total deduction to 2024-25 High Needs Block for central funding of places</b>	<b>2,791,970</b>
<b>HIGH NEEDS BUDGET - Place Funding</b>	<b>10,867,310</b>

Early Years Block	43,037,630
High Needs Block	45,871,665
0.5% Transfer from Schools Block	475,600
CSSB	2,568,006
Schools Block less 0.5% transfer from Schools Block	223,685,099
<b>TOTAL DSG Allocation (Updated Dec 2025)</b>	<b>315,638,000</b>

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## Schools Forum Work Programme 2026-27

Indicative programme. Other reports will be added on topical issues and/or commissioned by Schools Forum.

Meeting	Report
22 January 2026	<ul style="list-style-type: none"> <li>• School Funding Arrangements 2026-27 Update</li> <li>• Dedicated Schools Grant Monitoring 2025-26</li> <li>• Early Years Funding 2026-27</li> <li>• Schools Forum Work Programme 2026-27</li> </ul>
19 March 2026	<ul style="list-style-type: none"> <li>• Dedicated Schools Grant Monitoring 2025-26</li> <li>• Shropshire Schools Forum Constitution and Membership</li> <li>• Impact of the AP/Inclusion Development Fund (Jan 25 - Jan 26)</li> <li>• Graduated Support Pathway (GSP) and EHCP Top Up Funding</li> </ul>
18 June 2026	<ul style="list-style-type: none"> <li>• Updated Dedicated Schools Grant 2026-27</li> <li>• School Balances as at March 2026</li> <li>• Growth Fund Allocations 2025-26 and 2026-27</li> <li>• Early Years Block Allocation 2026-27</li> <li>• Dedicated Schools Grant Monitoring 2026-27</li> </ul>
10 September 2026 (tbc)	<ul style="list-style-type: none"> <li>• Final Dedicated Schools Grant 2025-26</li> <li>• Updated Dedicated Schools Grant 2026-27</li> <li>• School Revenue Funding Update 2026-27</li> <li>• Dedicated Schools Grant Monitoring 2026-27</li> </ul>
12 November 2026 (tbc)	<ul style="list-style-type: none"> <li>• Central Retention of Dedicated Schools Grant from April 2027</li> <li>• Dedicated Schools Grant Monitoring 2026-27</li> </ul>
10 December 2026 (tbc)	<ul style="list-style-type: none"> <li>• School Funding Arrangements 2026-27</li> <li>• Consultation on the Central Retention of Dedicated Schools Grant from April 2027</li> <li>• Central School Services Block 2026-27</li> </ul>

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