

Report to: **East Sussex Schools Forum**

Date of meeting: **16 January 2026**

Report By: **Carolyn Fair**

Title: **DSG Budget 2026/27**

Purpose: **To provide an update on the DSG budget for 2026/27**

RECOMMENDATIONS

1) Schools Forum are asked to note the DSG allocations for the Schools, Central School Services, High Needs and Early Years Blocks

1 Background

1.1 The Dedicated Schools Grant (DSG) for 2026/27 is, like last year, allocated by the DfE into four blocks. Each block is subject to separate regulations as to eligible expenditure and the use of the four blocks is outlined below:

- **The Schools Block** comprises the funding which must be delegated to schools and academies through the Funding Formula. Maintained schools can agree to de-delegate budgets and these are spent on their behalf by the local authority. Subject to Schools Forum approval, there are a limited number of exceptions, the Growth Fund and Falling Rolls Fund, which enable local authorities to hold this funding centrally. The funding for these funds goes to eligible schools and academies.
- **The Central School Services Block (CSSB)** is a block of funding that provides funding for Local Authorities to carry out central functions on behalf of pupils in maintained schools and academies. LAs' CSSB is split into funding for historic commitments and funding for ongoing responsibilities.
- **The High Needs Block** provides funding to support the provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. This includes provision in maintained schools, academies, alternative provision, FE colleges and independent providers, as well as supporting central spending on pupils with special educational needs and disabilities from their early years to age 25.
- The **Early Years Block** funds payments to early years providers in settings and schools and supports central spending on early years pupils.

2. Appendices

2.1 The appendices below provide a breakdown of the DSG allocations:

Appendix A - DSG Summary
Appendix B - Schools Block DSG
Appendix C – Central School Services Block DSG
Appendix D - High Needs Block DSG
Appendix E – Early Years Block DSG

3. Schools Block Funding

3.1 The Schools Block for 2026/27 is based on the October 2025 pupil census data and equates to £404.6m.

3.2 The DfE have allocated £12.0m more to the Schools Block compared to 2025/26. The reasons for this are:

- 1 £10.4m relates to previously separate mainstream grants now being added into the Schools Block. These are the 'Schools Budget Support Grant' (SBSG), and the 'National Insurance Contributions Grant' (NICs).
- 2 Additional funding of £6.9m, due to an increase in the National Funding Formula rates, offset by a reduction in overall Numbers on Roll (NOR) resulting in £5.3m less funding. (Overall net increase of £1.6m).

4. Central School Services Block (CSSB) Funding

4.1 The DfE have confirmed that £4.3m has been allocated to the local authority. (£1.3m to Historic Commitments and £3.0m to on-going responsibilities)

4.2 See Agenda Item 6 for more information on this block of funding and the LA's proposed use for this funding.

5. High Needs Block (HNB)

5.1 Normally, the DfE calculate the LA's High Needs Block using a National Funding Formula (NFF). However, for 2026/27, the DfE have temporarily suspended using the NFF to calculate the funding. Instead, the 2026/27 allocation has been based on the 2025/26 allocations with some adjustments.

5.2 The DfE intend to review the methodology, for allocating high needs funding, to support the SEND reforms due to be set out in early 2026. The suspension means that the allocations will not include an update to the basic entitlement funding for pupil numbers in special schools.

5.3 For 2026/27, the DfE have allocated £99.9m which is an increase of £6.0m compared to the DfE's allocation for 2025/26. The £6.0m increase is due to the inclusion of the Core Schools Budget Grant (CSBG) that was previously paid out to Special Schools/Academies.

5.4 This means that, on a like for like basis, there has been no increase to the DfE's High Needs DSG funding allocation compared to 2025/26.

- 5.5 The DfE have stated that Special Schools/ academies and Alternative Providers will continue to receive place funding at £10,000 per agreed place. They will also continue to receive the additional 3.4% place funding uplift that was introduced in 2023/24.
- 5.6 Special Schools / Academies will also continue to receive funding for the historic teachers' pay and pensions grants (introduced from 2021/22) and the previously separate CSBG funding.
- 5.7 For specialist facilities, attached to mainstream schools, as per DfE regulations the place funding will continue to be £6,000 for every occupied place and £10,000 for an unoccupied place. (Funding for occupied places is £6,000 per place because these pupils are also funded via the school's budget share.)
- 5.8 Specialist Facilities are also to receive the additional funding equivalent to the funding allocated to mainstream schools for the elements of the 2025 to 2026 National Insurance Contributions (NICs) Grant and Schools Budget Support Grant (SBSG) paid in respect of special units and resourced (£539 Per Place).

6 Early Years Block

- 6.1 Appendix E is a summary of the funding allocations, for 2026/27. However, more detailed explanations are provided in Agenda Item 7.

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Appendix A

DSG Summary 2026/27	Schools	Central School Services	High Needs	Early Years	Total
Total DSG including Academies	£404,561,200	£4,290,600	£99,901,800	£0	£508,753,600
3 Year Olds / 4 Year Olds Funding Entitlement	£0	£0	£0	£31,005,900	£31,005,900
2 Year Old / Under 2's Funding Entitlement	£0	£0	£0	£47,372,200	£47,372,200
Total Funding Available	£404,561,200	£4,290,600	£99,901,800	£78,378,100	£587,131,700

Appendix B

Schools Block 2026/27	£	£	Comments
Schools Block DfE notification		404,561,200	
InterBlock Transfer		0	
Adjusted Schools Block Total 2026/27		404,561,200	
Distribution of Funding at LA Level			
Growth Fund			
Key Stage 1 top up	814,400		
Additional Classes	143,700		See Agenda Item 6
		958,100	
Funds allocated to Schools & Academies		403,603,100	
Total		404,561,200	

Schools Block 2025/26	£	£
Schools Block DfE notification		392,583,300
		-1,000,000
Adjusted Schools Block Total 2025/26		391,583,300
Distribution of Funding at LA Level		
Growth Fund		
Key Stage 1 top up	760,500	
Additional Classes	251,800	
Less Funds B/fwd from 2024/25	-144,200	
		868,100
Funds allocated to Schools & Academies		390,715,200
Total		391,583,300

Appendix C

Central School Services Block 2026/27	£
Central Schools Services Block notification	4,290,600
Central School Services Block Total 2026/27	4,290,600
Historic Commitments (HC)	1,290,800
On-going Responsibilities	2,999,800
Total	4,290,600

Central School Services Block 2025/26	£
Central School Services Block notification	4,331,300
Central School Services Block Total 2025/26	4,331,300
Historic Commitments (HC)	1,613,500
On-going Responsibilities	2,717,800
	4,331,300

Appendix D

HIGH NEEDS BLOCK 2026/2027		<u>£</u>	<u>£</u>
Block total (From DfE)		99,901,800	
Inter Block Transfer		0	
Distribution of Funding at LA Level		99,901,800	
Funding for Commissioned Places			
Special Academy place funding (Pre 16)	14,783,300		
Maintained Special School place funding (Pre 16)	0		
Academy Special Facilities place funding (Pre 16)	928,100		
Maintained Special Facilities place funding (Pre 16)	625,700		
Maintained Special Schools place funding (Post 16)	0		
Special Academy place funding (Post 16)	860,000		
Post 16 FE Places	1,942,000		
Alternative Provision	2,200,000	21,339,100	
Other High Needs Budgets			
Top up funding Pre 16	32,580,600		
Top up funding Post 16	2,654,800		
Fees for pupils at independent schools	25,500,000		
Education out of School	3,113,900		
SEN support	14,713,400	78,562,700	
Total		99,901,800	

HIGH NEEDS BLOCK 2025/2026		<u>£</u>	<u>£</u>
Block total (From DfE)		93,941,900	
Inter Block Transfer		1,000,000	
Distribution of Funding at LA Level		94,941,900	
Funding for Commissioned Places			
Special Academy place funding (Pre 16)	13,823,300		
Maintained Special School place funding (Pre 16)	300,000		
Academy Special Facilities place funding (Pre 16)	823,000		
Maintained Special Facilities place funding (Pre 16)	604,500		
Maintained Special Schools place funding (Post 16)	52,500		
Special Academy place funding (Post 16)	807,500		
Post 16 FE Places	1,724,000		
Alternative Provision	1,866,700	20,001,500	
Other High Needs Budgets			
Top up funding Pre 16	28,958,300		
Top up funding Post 16	2,654,800		
Fees for pupils at independent schools	25,500,000		
Education out of School	3,113,900		
SEN support	14,713,400	74,940,400	
Total		94,941,900	

Appendix E

Early Years Block 2026/27	£	£
3/4 Year Old Entitlement	29,776,200	
2 Year old funding entitlement	23,125,700	
Under 2 Funding Entitlement	24,246,500	
Pupil Premium funding	829,000	
Disability Access Fund	400,700	
Early Years block total 2026/27		78,378,100
LA Central Budgets		
Early Years Formula Funding (Payments to PVI's and Schools)	76,063,600	
Early Years Team (Which includes training & moderation)	2,314,500	
Total		78,378,100

Early Years Block 2025/26	£	£
3/4 Year Old Entitlement	28,377,600	
2 Year old funding	17,492,700	
Under 2 Funding Entitlement	20,095,500	
Pupil Premium funding	722,300	
Disability Access Fund	362,100	
Early Years block total 2025/26		67,050,200
LA Central Budgets		
Early Years Formula Funding (Payments to PVI's and Schools)	64,411,600	
Early Years Team (Which includes training & moderation)	2,638,600	
Total		67,050,200