



Schools Funding Formula 2026-2027 – Schools Block

Report to:	Schools Forum
Date of Meeting(s):	15 January 2026
Report of:	Colette Dutton: Director Children and Families
Contact Officer:	Mark Rotheram – Strategic Finance Manager Kirsten Reid – Group Finance
Summary:	To provide details of the updated DSG allocations for 2026/27, including allocations per school
Recommendation(s):	For Schools Forum members to <ol style="list-style-type: none">1 Sign off the formula and school level allocations for 2026-272 Agree the total growth fund for 2026-273 Agree the allocation of the Central School Service Block funding
Implications: What are the financial implications? What are the staffing implications?	Contained within the report. There are no currently identified staffing implications resulting from this report.
Risks	Contained within the report.

Please list any appendices:

Appendix 1 NFF rates for 2026-27 schools budget

Appendix 2 Schools allocations for 2026/27 and 2025/26

1. School funding formula 2026-27

- 1.1 The LA will remain responsible for determining the local schools funding formula model to be used to distribute final delegated budget allocations to individual schools (referred to by the DfE as the National Funding Formula “soft” approach). Each authority’s process must ensure that there is sufficient time to submit the APT (authority proforma tool) prior to the deadline of the 22/01/2026.
- 1.2 The school funding formula for 2026/27 ultimately needs political ratification on behalf of Wigan Council. This means approval in line with the authority’s local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council. At the meeting of the Wigan Council Cabinet on the 20/01/2022 Cabinet approved the delegation of future decisions to approve the School Funding formula model to the Portfolio Holder for Children and Families.
- 1.3 The Government is committed to implementing the direct National Funding Formula (NFF) and has published specific factor values for those LA’s using the NFF. It was agreed by Forum in 2018/19 that Wigan Council’s local formula should mirror the NFF factors and rates, and this has continued since.

2. Schools block

- 2.1 The schools block allocation is expressed as separate per pupil primary and secondary rates for each LA and includes funding for premises based on historic spend and growth on a formulaic basis. Estimated NNDR values per school are also included. Wigan Council uses the direct payment method whereby the NNDR values are submitted to DFE via a portal. The DFE then directly pays Wigan Council. Schools receive notification of their NNDR amount to be included within their benchmarking.
- 2.2 The published allocation for 2026/27 is shown in the tables below. The first table shows the allocations before deductions and the second table after deductions. Please note that the Early Years Block and the High Needs Block allocations are explained in separate reports.
- 2.3 The 2025/26 comparative figures are taken from the 2025/26 final baselines prepared by the ESFA and included in the APT for 2026/27. This includes an adjustment for £8,696,254 for funding paid as additional grants in 2025/26 now rolled into the 2026/27 DSG allocation.

Allocations before deductions	2025/26	2026/27
Schools Block	£284,482,748	£298,841,572
Central School Services Block	£1,082,314	£1,328,073
High Needs Block	£58,448,169	£62,555,433
Early Years Block	£56,369,716	£71,156,577
Total DSG Allocation	£400,382,947	£433,881,655

Allocations after deductions	2025/26	2026/27
Schools Block	£282,645,860	£297,004,684
Central School Services Block	£1,082,314	£1,328,073
High Needs Block	£55,128,169	£59,107,433
Early Years Block	£56,369,716	£71,156,577
Total DSG Allocation	£395,226,059	£428,596,767

2.4 The schools block allocation can be analysed as set out in the table below.

Analysis of schools block	Pupils	2025/26	Pupils	2026/27
Primary schools	25,841	£143,462,048	25,692	£150,732,281
Secondary schools	19,543	£138,792,628	19,467	£145,903,245
Growth		£391,184		£369,158
Total Schools Block after deductions		£282,645,860		£297,004,684
NNDR		£1,836,888		£1,836,888
Total	45,384	£284,482,748	45,159	£298,841,572

2.5 The number of pupils in primary and secondary schools has reduced from 2025/26 and this will have an impact on the funding of schools with fewer pupils. For the purposes of calculating Wigan's school

block allocation there are 149 fewer primary pupils, and 76 fewer secondary pupils based on the October 2025 census. Funding based on the October 2024 census numbers would have resulted in an additional allocation of £1.401m at the funding rates used to calculate the 26/27 allocations. This reduction in pupil numbers is distorting the impact of the year-on-year increase in funding rates.

- 2.6 The minimum funding guarantee (MFG) for schools will continue to provide protection and stability to school budgets, but local authorities will have the flexibility to set a local MFG rate between +0% and +0.5% per pupil. The mandatory minimum funding levels also will continue to apply to ensure that all schools receive a minimum amount of funding per pupil and any funding arrangement agreed by the Local Authority must ensure that this is protected.
- 2.7 The schools block is ring-fenced, but the LA is permitted to transfer up to 0.5% of the schools block funding allocated to other blocks (ie high needs) with the agreement of their Schools Forum. This position is reviewed year on year, the maximum amount of the Schools Block that can be transferred from the 2026/27 allocation, without need for a disapplication is £1.499M. At the Schools Forum meeting on the 11/12/2025 it was agreed that **£1,500,000** should be transferred to the high needs block. This equates to 0.50% of the schools block

3. Budget allocations

- 3.1 At the December 2025 Forum meeting, members were presented with proposals setting out the key principles to be applied in setting the 2026/27 funding formula, together with indicative school level allocations.
- 3.2 Provided below is a summary of the key principles agreed at the meeting:
 - The NFF factors and associated values (including the Area Cost Adjustment) should be adopted.
 - The Minimum Funding Guarantee (MFG) should be set at 0%.
 - No capping and scaling should be applied.
- 3.3 The formula factors used in the allocations is attached at Appendix 1. Appendix 2 shows the agreed allocations revised for updated pupil numbers and built in growth factors.
- 3.4 Following the Chancellor's Autumn Budget there are significant changes to the Business Rates charge due to take effect from 1 April

2026. Schools ratable values have been updated, and new values are due to be confirmed from Monday 12 January 2026. The NFF model will be updated with the revised NNDR values for schools. A verbal update will be provided at the meeting on 15 January 2026.

- 3.5 To eliminate the variability in the estimated NNDR values, the schools' allocations in Appendix 2 have been compared after eliminating the NNDR impact.

4. Growth fund

- 4.1 Growth funding is allocated to local authorities using a formulaic method based on lagged growth data. The allocations are based on pupil data from the October 2025 census. In 2026/27 the growth funding is **£369,158**.

- 4.2 In October 2019 a report was presented to Schools Forum on Growth Funding and it was agreed that our local method of allocation should be maintained until any changes are directed by the DfE. To summarise, Wigan Council's methodology is as follows:

'A school or academy can submit a business case where it has agreed with the authority to provide an extra class in order to meet basic need or where a school has increased its PAN in agreement with the authority. The business case will detail the additional costs to the school for this extra provision, and this will be cross referenced against an amount based on an additional per pupil AWPUP increase reflecting the proportion of the year which is not funded within the school's budget share. (The amount paid includes not just the AWPUP but all funding factors less the fixed sum)'

- 4.3 As the growth allocation is within the Schools Block, the establishment of the growth fund is not treated as a transfer between blocks. The Schools Forum are required to agree the total value of the growth fund. The growth fund methodology is based on observed differences in each local authority between the October 2024 and October 2025 school censuses. Population data is also captured in small geographical areas. The fund is calculated at £1,570 per new primary pupil and £2,350 per new secondary pupil. A lump sum of £77,225 is applied for each new school.
- 4.4 In previous years Wigan's growth funding allocation has been higher which has allowed growth funding to be consistently set around £500,000. In the 2025/26 funding formula, to maximise the schools block funding allocated directly to schools the growth funding was

aligned with the calculated allocation from DFE. In line with the calculated APT, a figure of **£369,158** has been used for 2026/27 in the attached calculations. (2025/26 £391,670).

- 4.5 Known growth requests already agreed between Wigan Council and 4 schools have been built into the funding allocations to be included in the schools 2026/27 allocations. This used £171,581 of the growth funding allocation leaving £197,577 for additional growth that may be agreed for 2026/27 year.
- 4.6 Any unspent growth funding remaining at year end will be reported to Schools Forum. Any such underspends will be carried forward to the following funding period and Forum will be consulted on the use of the funding. Any overspends on the growth fund will form part of the overall DSG surplus or deficit balance.

5. Central schools services block

- 5.1 The central school services block (CSSB) is the fourth block of funding within the DSG framework.
- 5.2 This block funds local authorities for the statutory duties that they hold for both maintained schools and academies and brings together 3 former funding streams as detailed below:
 - Funding previously allocated through the retained duties element of the Education Services Grant (ESG) functions including education welfare and asset management.
 - Funding previously top-sliced from the schools block for ongoing responsibilities (i.e. Admissions/Schools Forum); and
 - Residual funding for historic commitments, previously top-sliced from the schools block
- 5.3 The CSSB also incorporates an element of funding for the teacher's pension grant for centrally employed teachers, which was previously allocated through a separate grant payment and covers the cost of copyright licences.
- 5.4 Wigan Council's calculated allocation for the CSSB block for 2026/27 is **£1,328,073**.
- 5.5 Schools Forum approval is required each year to confirm the amounts for activities within the CSSB and when using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

6.Actions

- 6.1 To agree the funding formula and school block allocations having considered the revised growth fund allocation set out above.
- 6.2 To agree the total growth fund for 2026/27.
- 6.3. To agree to the Central Schools Services Block (CSSB) specified allocation for Local Authority statutory duties.