

2026/27 DSG Allocations

Report to the Schools Forum 15 January 2026

- 1.1 On 17 December 2025, the government announced Dedicated Schools Grant (DSG) funding allocations for 2026/27. These allocations are based on October 2025 census data and represent the final allocations for the schools and central school services blocks. High needs allocations may be slightly revised later in the year.
- 1.2 Early years block allocations are covered in a separate paper.

2026/27 Schools Block Allocation

- 1.3 The final allocation of schools block DSG was £186.2m, representing an increase of £7.3m compared to 2025/26. However, as discussed at the previous forum, the like-for-like increase is substantially less than this due to previously separate grants being brought into the DSG Schools Block. For 2026/27, we will continue to adopt the principle of mirroring the national funding formula as far as possible, in the context that the government is moving towards a national funding formula at school level.
- 1.4 This approach to the formula was agreed by T&W Council's cabinet member.
- 1.5 The amount of funding distributed to schools via the formula will be dependent upon the Forum decision regarding the proposal to move 0.5% of schools block funding to high needs (see separate Forum paper regarding this).
- 1.6 The allocation for growth, paid as part of the school block, was £0.7m. This allocation has been decreasing in recent years as pupil number growth slows in T&W, the equivalent allocations were £1.1m in 2024/25 and £0.9m in 2025/26.
- 1.7 All joint use funding has now ceased, the final allocations relating to academy schools ending in August 2025.

2026/27 High Needs Block Allocation

- 1.8 The high needs allocation is £42.187m compared to £39.651m in 2025/26, an increase of just over £2.5m.
- 1.9 However, the above increase is a result of bringing previously separate grants within DSG. Like-for-like, there is no increase in high needs block funding. The context of this is the forthcoming white paper, which is to describe how the SEND system is to be managed going forward, including measures intended to make it financially sustainable. Further details are provided in the separate paper covering the proposed transfer of funds from the schools block to the high needs block. There is continuing financial pressure on high needs, in T&W, as in most other local authorities.

2026/27 Central School Services Block Allocation (CSSB)

- 1.10 The amount allocated in the CSSB is slightly lower than the draft figures, at £1.575m compared to £1.586m, a decrease of £9K. We don't yet know what the DfE will be charging us for centrally purchased licences for schools, which is a cost falling to local authorities CSSB.

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