

**Meeting title:** Nottinghamshire Early Years and Schools Forum  
**Date and time:** 12<sup>th</sup> February 2026, 2pm to 4pm  
**Location:** Microsoft Teams

## Membership

*'A' denotes absence*

	Alison Prodger	Maintained Primary Head Teacher
	Steve Border	Maintained Primary Head Teacher
	Ben Trenowden	Maintained Primary Head Teacher
A	Karl Hopkinson	Maintained Primary Head Teacher
	Kirsty Lowde	Maintained Secondary Head Teacher
	Anne Hall	Academy Representative – (Vice Chair)
	Neil Holmes	Academy Representative
	James Macdonald	Academy Representative - (Chair)
	Neil Robinson	Academy Representative
	Daniel Moore	Academy Representative
A	Ella Tuxford	Academy Representative
A	Katie Thackery	Academy Representative
	Matt Rooney	Maintained Special School Head Teacher
	Jamie Hutchinson	Academy Special School Head Teacher
	Colin Barnard	Governor Maintained School Representative
	Andy Palmer	Governor Maintained School Representative
	Penny Richardson	Governor Academy Representative
	Laura Gapski	PVI - Early Years Group Member
	Karen Richards	PVI - Early Years Group Member
A	Nigel Frith	Church of England Diocese Representative
A	Louise Knott	14-19 Partnership Representative
	Joe Jefferies	Trade Union Representative - NASUWT
A	Jo Myers	Trade Union Representative - UNISON

## ***In attendance:***

Anne Coyle	Executive Director Children and Families Services
Orlaith Green	Temporary Director of Education, Learning and Inclusion
Claire Sampson	Head of Statutory SEND 0-25 Service & Disability Family Support Service
Karen Hughman	Head of Education Quality, Provision, Learning & Inclusion
Steve Hawkins	Senior Finance Business Partner, Children and Families Finance
Jason Gooch	Finance Business Partner, Children and Families Finance
Mandy Stratford	Early Years Strategic Manager
Rachel Livesey	Finance Business Partner, Children and Families Finance



- It was agreed that if full mirroring of the NFF was unaffordable within the Schools Block of the DSG, a negative Minimum Funding Guarantee (MFG) of –0.5% would be applied, with corresponding reductions to pupil-led factors and lump sum values to achieve balance.
- When modelling the full NFF, the formula was found to be unaffordable by approximately £2.5 million. Almost all of this pressure was attributed to the continuing increase in the proportion of pupils with deprivation in Nottinghamshire.
- Schools Forum also agreed to transfer 0.5% of the Schools Block to the High Needs Block, equivalent to £3.7 million. This meant the total funding gap between fully mirroring the National Funding Formula and the funding available for schools was around £6 million.
- To address this, a –0.5% Minimum Funding Guarantee (MFG) was applied, and funding factors were reduced to the levels shown in Appendix A of the paper. Overall, most pupil-led factors were reduced by just under 1% to make the formula affordable while accommodating the transfer to the High Needs Block.
- Distribution table, top of page three has been revised from the version previously circulated. In the earlier papers, the transfer to the High Needs Block was included within the amounts distributed through the local funding formula (via the APT), but this was not clearly shown in the table. To address this lack of clarity, the table has now been amended to explicitly reflect the transfer. This updated version will be the final paper published on the Schools Forum website.
- For 2026/27, growth funding through the Schools Block totals £1.16 million, compared with £2 million received in 2025/26. Through the APT, £649,000 has been allocated to support new and growing schools. This includes three primary academies/free schools opened within the last four years, whose pupil numbers continue to be agreed and guaranteed as they grow, and Carlton le Willows Academy undergoing a permanent PAN increase. This covers the lag in funding while pupil numbers rise. An overfunding of £218,000 from 2025/26, caused by expected pupil numbers not materialising, has been clawed back through the established mechanism.
- After the allocations and adjustments mentioned, £724,000 remains as the unallocated growth fund for this year. Discussions will begin with secondary schools in the coming months, where temporary PAN increases may be needed to manage primary-to-secondary transfers for September 2026. A further paper will be brought to the Schools Forum to update members on how the remaining £724,000 will be used.
- The 2026/27 local funding formula and individual school budgets were submitted to the DfE on 22 January 2026, and confirmation received that they have been approved and are fully within DfE regulations and tolerances. In addition, the report on the schools' local funding formula was approved by NCC's elected members on 2 February.

## **RECOMMENDATION**

### **That the Forum:**

1. Notes the content of the report - report noted.

	<p>2. Approves the amount of growth funding centrally retained for 2026-27, £0.724m. No objections unanimously approved.</p>	
	<p><b>3b Central Services Block 2026-27</b> Steve Hawkins presented the paper:</p> <ul style="list-style-type: none"> <li>• This annual report updates on the size of the Central School Services Block (CSSB) and seeks approval for how parts of the block will be used for 2026/27.</li> <li>• The CSSB allocation is £7.659 million, an increase from £5.919 million in 2025/26.</li> <li>• Per-pupil funding for ongoing responsibilities has risen from £43.26 to £61.00. However, £19.30 of the 2026/27 figure relates to funding rolled in for the National Insurance Grant and the Schools Business Services Grant. Excluding these, the underlying per-pupil funding for ongoing responsibilities is actually lower than in 2025/26. Therefore while the increase appears significant at first glance, it is less generous once these factors are considered.</li> <li>• To be noted school's operational guidance - local authorities receive protection against their historic commitments relating to the termination of employment costs prior to April 2013</li> <li>• Nottinghamshire's historic commitments relating to the termination of employment costs for 2025/26 was £1,000,000 this has been reduced by 20% to £800,000 in 2026/27. As Nottinghamshire is still incurring a cost of £1,000,000 a query has been sent into the DfE asking for that reduction of £200,000 reinstated. Currently awaiting a decision.</li> <li>• Forum members were taken through Appendix A.</li> </ul> <p><b>RECOMMENDATION/S</b></p> <p><b>That the Forum:</b></p> <ol style="list-style-type: none"> <li>1. Approve the Local Authority's application to centrally retain funding within the Central School Services Block for the services set out at Appendix A. No objections unanimously approved.</li> </ol>	
	<p><b>3c Early Years Rates 2026/27</b> Mandy Stratford presented the paper:</p> <ul style="list-style-type: none"> <li>• Approval is sought to publish the hourly funding rates for early years providers for delivering funded childcare entitlements in the coming financial year 2026/27. The proposal also includes retaining 1.35% of the Early Years Block allocation to support statutory central functions, within the permitted 3% retention. Funding is distributed according to the national Early Years Funding Formula, with at least 97% passed directly to providers through base rates and supplements. This year, Nottinghamshire will also retain just over £1 million as a contingency due to changes in how government funding will be paid.</li> <li>• Early years funding is allocated to the local authority based on a termly census count, meaning funding is only received for children who are attending a setting on the census date. However, when children join a nursery after the</li> </ul>	

census, the local authority is still required to fund their entitlement, even though no additional funding is received for those children until the following census. This creates a risk of overspend within the Early Years funding block.

- To manage this risk, the authority proposes to retain a contingency element of the funding for the coming year, which will be monitored on a termly basis. Any contingency funding that remains unspent will be returned to providers each term, ensuring transparency and preventing the accumulation of unused funds over the year. The report sets out how funding will be distributed back to the sector, including payment of the universal base rates and a range of supplementary funding streams.
- Other options, including not retaining the contingency, were considered but rejected due to the high risk of overspend. An appendix to the report provides a breakdown of how funding is allocated between payments to providers and central early years services, noting that all funding remains indicative and subject to in-year fluctuations based on census data and take-up.
- Jason Gooch added - The paper explains how Nottinghamshire County Council will fund the early years sector under the new termly census funding model. The Department for Education has acknowledged that moving from an annual to a termly count will leave local authorities nationally around 2.94% worse off, while still requiring them to pay providers the full entitlement. To address this, the DfE has applied a 2.94% uplift to the three- and four-year-old base rate for Nottinghamshire, enabling a higher hourly rate for providers this year. However, this uplift is only confirmed for 2026/27 and may not be permanent in future years, creating uncertainty about longer-term funding stability.
- Penny Richardson making the link between the 2–2½ year old assessment carried out by health visitors how does that work its way through for the children that aren't quite where they should be to trigger enhanced support for the settings?

Mandy Stratford explained that the assessment does contribute indirectly through the deprivation funding mechanism. Where children aged 2 to 2½ are identified—either through integrated reviews or setting-led assessments—as needing additional support in communication and language, settings can receive an additional £50 per term per child from deprivation funding. This approach particularly supports vulnerable groups, including supported two-year-olds, and has been in place for some time as part of targeted early intervention.

- Karen Richards, providers welcome the fact that the LA is only retaining 1.35% which is still a huge amount of money, £2.1 million, as long as the unspent contingency is guaranteed to come back to the sector, then providers are happy. In 25/26 the sector lost £800,000 to the High Needs Budget for the DSG, sector does not want this to happen to any unspent contingency.

## **RECOMMENDATION/S**

That the Forum:

1. Approves the proposal to retain £2,021,685 (up to 1.35%) of early years funding to be used for sufficiency and assessment functions within the Early Childhood Services and Schools and Families Specialist Service.

No objections unanimously approved.

### 3d DSG Budget Monitoring Pd9

Jason Gooch presented the paper

- As at Period 9 of 2025/26, the Dedicated Schools Grant (DSG) is forecasting a net overspend of £37.667 million. This is driven almost entirely by a £38.153 million overspend in the High Needs Block, partially offset by a £486,000 underspend in the Early Years Block.
- The ongoing pressures in the High Needs Block are due to rising demand for EHCPs, increased complexity of need, and continued reliance on independent and alternative provision, where there are currently 684 children in independent non-maintained provision, 537 in alternative provision, and 227 in therapy placements.
- Since Forum in December, the forecast overspend on independent specialist provision has reduced by over £1 million following a detailed review of placements, including the removal of 48 ended or uncommitted packages.
- However, a significant new pressure has emerged in the High Level Needs budget line, now forecasting a £2.3 million overspend, supporting 975 pupils, compared to 753 at the same point last year—representing a 30% year-on-year increase, consistent with the sustained growth in EHCP demand.
- James Macdonald asked for an update on the government's proposed SEND reforms, specifically the Safety Valve arrangements and the proposal to write off up to 90% of local authority DSG deficits, and what this might mean for Nottinghamshire.

Anne Coyle explained that the implications of the announcement are still being worked through, both locally and nationally. While the proposed 90% write-off is welcome, the remaining 10% deficit remains a significant financial challenge and cannot be absorbed without robust recovery planning. The authority is working closely with the DfE, supported by a DfE consultant, to refine its DSG recovery plan, focusing on more detailed and accurate forecasting of demand and costs. It was emphasised that the reforms do not reduce accountability for expenditure, and the Council must continue to tightly manage SEND spending.

Steve Hawkins added that Nottinghamshire is currently forecasting a DSG deficit of approximately £36 million, of which the Council would remain liable for around £3.6 million, subject to the Department for Education approving the authority's DSG management plan. Further work is required to secure this support, and the government's position on future years remains uncertain, with no clarity yet on whether the 10% contribution will remain the same for 2026/27. As a result, there remains a significant financial risk, and the authority must continue to tightly manage high needs spending going forward.

- Daniel Moore questioned whether the previous decision to transfer funding into the High Needs Block, agreed following consultation, was still the right choice in light of the recent government announcement on covering part of the DSG deficit. He asked whether the authority might have been better not making that.

Anne Coyle stated that it is still very early days following the recent government announcement and that nothing has yet been formally agreed with the DfE. The announcement only applies to the current year and

provides no certainty about future arrangements, so continued financial responsibility and strong leadership are still expected from local authorities.

The decision to transfer funding into the High Needs Block was reasonable and defensible, as it demonstrates that Schools Forum and the Council are taking the DSG pressures seriously rather than assuming government support will resolve the issue. The DfE is closely scrutinising local authorities' recovery plans and leadership capacity, and responsible decision-making is likely to be viewed positively. While some authorities with very large DSG deficits may appear less affected in the short term, this is not expected to be an easy position nationally, reinforcing the need for continued discipline and proactive management.

- Penny Richardson highlights the dual challenge facing local authorities: the Schools Forum's role in holding systems to account for planning and funding, and the wider statutory and judicial framework that often undermines strategic, long-term financial control of high needs spending.

Explained that demand is driven by financial incentives and individual decisions, leading to rising costs—particularly once children are placed, as removing placements frequently triggers legal challenges.

Penny Richardson stressed the need for better planning now, enhanced shared intelligence, and a stronger partnership between school leaders and the local authority to bring both schools and high needs budgets under control. Notes that while statutory overrides provide short-term relief, they do not solve the underlying problem.

Drawing on national examples (e.g. Hertfordshire, Manchester), learning from practice elsewhere and aligning schools more closely with local authority planning.

Anne Coyle agreed, expressing concern about tribunal decisions, partnership needs to be more robust, and possibly braver challenging decisions, focusing on long-term outcomes for children rather than short-term fixes.

- Jason Gooch - Early Years Block shows an underspend of £486k, mainly due to two factors:

Funding vs. actual take-up: an underspend on entitlements as funding is based on annual census count, which typically overestimates actual take-up during the year, creating a surplus, this is expected to reduce from next year when termly funding arrangements are introduced.

Disability Access Fund (DAF): There is a £300k underspend as the LA is funded for all eligible children, but payments are only made where providers claim the entitlement.

A £48k underspend across other areas, including a marginal underspend related to deprivation funding.

## **RECOMMENDATION/S**

That the Forum:

1. Notes the content of the report - report noted.

### 3e – High Needs Block

- Steve Hawkins introduces the paper which covers the High Needs Block allocation for 2026/27. Apologised for the late circulation of the paper, explaining that the meeting was brought forward to before half term, whereas in previous years it took place after half term.

The earlier timing created a very tight turnaround, particularly with indicative special school budgets, these being a significant part of the High Needs Block which had to be calculated quickly following January pupil moderation.

The group may want to reconsider the timing of this meeting for next year, potentially moving it back to after half term.

Report is lengthy; therefore there's a summary presentation to support the discussion, that will be referenced alongside the full report throughout, paper sets out growing demand, limited funding flexibility, and significant future risk..

Key points: -

- National Funding Context

For 2026/27, the DfE has temporarily suspended the High Needs National Funding Formula, which has been in place since 2019. Instead, allocations are based on 2025/26 funding levels, with limited adjustments.

Nottinghamshire County Council's published High Needs Block (HNB) allocation is £135m, representing a £4.9m increase on 2025/26. However, this increase largely reflects other grants previously paid outside the HNB and does not represent a real funding uplift.

- Impact of Funding Formula Pause

Suspending the formula is detrimental for Nottinghamshire because:

Formula normally provides funding increases linked to growing numbers of pupils, particularly in special schools and academies.

Nottinghamshire has a rising special school population, including a new special school, but due to suspension of formula is not receiving additional funding for this growth.

- Financial Pressures and Overspend

Based on current overspends and the projected growth in EHCP numbers, the council is expected to overspend again in 2026/27.

Internal modelling for the Medium-Term Financial Plan suggests that, without further funding increases, the High Needs overspend could reach around £59m in 2026/27. Spending pressures continue to rise year on year.

- Funding Decisions for 2026/27

Due to the scale of the projected overspend Nottinghamshire is unable to offer discretionary inflationary increases. Special school top-up banding rates, HLN per-pupil rates, and partnership funding will all remain at 2025/26 levels.

These decisions are taken pending the publication of the SEND White Paper and future funding reforms.

- Growth in Special School Provision

Moderation numbers for special schools and academies have increased to over 1,500 pupils, up from 1,330 in the previous year.

This has required an additional £10m to be allocated to special schools. The additional funding has been offset by reducing budgets for the independent

sector, with the intention that expanded special school capacity will help contain future pressures.

There is also an increase in the complexity of need, with more pupils in higher-cost bands (HN3 to HN5).

- Use of the Schools Block Transfer

The 0.5% transfer from the Schools Block, agreed by Schools Forum, provides £3.7m, and to be allocated as follows:

£200k increase to the AFN budget

£3.3m added to the High Level Needs quantum to support increased demand (rates unchanged, more pupils funded)

£200k for the Inclusion Service, to fund new cognition and learning specialist teachers and teaching assistants (subject to NCC approval)

- Future Deficit Support

Central government announced on 9 February its intention to cover 90% of High Needs deficits at the end of 2025/26 through a High Needs Stability Grant, subject to agreement of a DfE management plan with each local authority.

If agreed Nottinghamshire would still need to fund the remaining 10%, estimated at £3.6m.

How deficits will be treated in 2026/27 and 2027/28 is not yet confirmed.

- James Macdonald reflected on the decision to transfer 0.5% of the Schools Block (£3.7m) into the High Needs Block, demonstrates that the authority has done the maximum permitted under regulations, which he believes strengthens Nottinghamshire's position in discussions with the DfE, showing clear commitment to addressing the deficit.

- Matthew Rooney - the LA is doing all it reasonably can, but highlights concerns within the special school sector and lack of funding increases. Larger special schools are better placed to absorb financial pressures than small special schools, who will face greater challenges.

Pressures are compounded by a reduction in the special schools equipment and health grant, estimated at around £100k.

Continued collaboration is important and encourages the LA to:

Maintain engagement with providers, commissioners, and the NHS Integrated Care Board (ICB) exploring opportunities for health-related funding contributions to support activity delivered in special and mainstream schools.

- Anne Coyle confirmed that concerns about the ICB have been clearly heard and shared. Explained the LA is increasingly worried about the extent to which the ICB appears to be pulling back support across services, and the potential implications this has for children and young people. In response, the executive leadership team is planning to hold a round-table, high-level discussion with the ICB to address these concerns and explore the wider impacts, will also raise issues around equipment provision.

Anne thanked Matthew Rooney for the recent visit, noting that seeing the issues firsthand had a strong impact and brought the challenges to life, concluded that she will continue to pursue these matters.

## **RECOMMENDATION/S**

	<p>That the Forum:</p> <p>1. Notes the content of the report and gives its views on the proposed budget allocations for 2026/27 - report noted and views given as noted above.</p>				
4.	<p><b>Any Other Business</b></p> <ul style="list-style-type: none"> <li>No other business.</li> </ul>				
5.	<p><b>Confidentiality</b></p> <ul style="list-style-type: none"> <li>No confidential items.</li> </ul>				
	<p><b>Date and time of next meeting</b></p> <table border="1" data-bbox="146 607 1337 645"> <tr> <td data-bbox="146 607 683 645">Thursday 11 June 2026</td> <td data-bbox="683 607 837 645">2-4pm</td> <td data-bbox="837 607 1337 645">Microsoft Teams</td> </tr> </table>	Thursday 11 June 2026	2-4pm	Microsoft Teams	
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