

ROTHERHAM SCHOOLS' FORUM

Date and Time:- Friday 16 January 2026 at 8.30 a.m.

Venue:- Rockingham Professional Development Centre, Roughwood Road, Rotherham. S61 4H

The items which will be discussed are described on the agenda below and there are reports attached which give more details.

AGENDA

1. Welcome and Introductions

Welcome by the Chair and introductions by all Forum Members present.

2. Apologies for Absence

To receive apologies from any Forum Member who are unable to attend the meeting.

3. Declarations of Interest

To invite Forum Members to declare any interests they may have on agenda items to be considered at this meeting, to confirm the nature of those interests and whether they intend to leave the meeting for the consideration of the item.

4. Minutes of the Previous Meeting (Pages 5 - 14)

To receive and approve the minutes of the previous meeting held on 5th December 2025.

5. Matters Arising from Previous Minutes

To consider and report on any matters arising from the previous minutes.

6. Membership and Constitution of the Rotherham Schools Forum (Standing Item)

To consider any updates or amendments to the membership of the Schools Forum.

7. Dedicated Schools Grant / Schools Budget Update 2025/26 (Pages 15 - 19)

Report from the Principal Finance Officer (CYPS).

Recommendations:

That Schools Forum:

1. Notes the latest DSG funding for schools for the 2025/26 financial year.
2. Notes the forecast positions of Rotherham's maintained schools and the centrally retained DSG budgets for the year.

8. Schools Funding Settlement (2026/27) (Pages 21 - 25)

Report from the Head of Finance (CYPS).

Recommendation:

That Members of Schools Forum note the contents of this report.

9. Schools Block DSG Budget (2026/27) (Pages 27 - 36)

Principal Finance Officer (CYPS) to report.

Recommendations:

That Schools Forum:

1. Notes the Schools Block DSG allocation for 2026/27 and the implemented changes to the local schools funding formula as outlined in paragraphs 7 to 19 of this report;
2. Notes that the proposed 2026/27 schools funding formula incorporates a funding transfer of 0.5% to the high needs block (as approved by the Forum on 5th December 2025).
3. For maintained schools reps only – Approves the funding for maintained primary & secondary schools outlined in paragraph 22 to be de-delegated and retained by the Council to fund schools related expenditure.

10. Early Years Block DSG Budget (2026/27) (Pages 37 - 53)

Head of Finance (CYPS) to report.

Recommendations:

That Schools Forum:

1. Notes the provisional DSG funding settlement for the early years block for Rotherham for 2026/27;
2. Notes the proposed arrangements for allocating the early years funding to providers for 3 & 4 year olds, 2 year olds and under 2's.

3. Endorses the proposed early years funding rates to providers for the 2026/27 financial year.

11. Central School Services Block DSG Budget (2026/27) (Pages 55 - 59)

Head of Finance (CYPS) to report.

Recommendations:

That Schools Forum:

1. Notes the DSG allocation for Central Schools Services Block for 2026-27.
2. Approves the proposed 2026-27 budget allocation as outlined in the table in paragraph 16.

12. SEND Sufficiency Strategy Mid Year Update (Pages 61 - 72)

Transformation Lead (CYPS) to report.

Recommendation:

That Members of Schools Forum receive and note the update.

13. Schools Forum Forward Plan (Page 73)

To consider the attached Forward Plan of agenda items and receive any updates.

14. Any Other Business

To receive any other items of urgent business.

15. Dates and Times of Future Meetings

Recommendations:

To consider and amend where necessary the dates/times proposed for future meetings scheduled:-

Friday, 12th June, 2026
Friday, 18th September, 2026
Friday, 4th December, 2026
Friday, 22nd January, 2027
Friday 19th March, 2027

The next meeting of the Rotherham Schools Forum will be held on Friday 27 March 2026 commencing at 8.30 a.m. in Rockingham Professional Development Centre.



John Edwards, Chief Executive.

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**ROTHERHAM SCHOOLS' FORUM
FRIDAY 5 DECEMBER 2025**

Present:-

Mark Windle – Badsley Primary (Primary Maintained) (in the Chair)
 John Barnett – Thorogate Junior and Infant (Primary Maintained)
 Kate Blythe – Rawmarsh Ryecroft Infant (Primary Maintained)
 Simon Currie – School Governor Representative (Primary Maintained)
 Lynsey Hadfield - Executive Head, Arnold Nursery (Maintained)
 Paul Higginbottom – Swinton Queen Primary (Primary Academy)
 David Horrigan – Maltby Learning Trust (Primary Academy)
 Lee Morritt – Rotherham Aspire (PRU)
 Mark Ryan – RNN Group
 Steve Scott – Happy Kids (PVI Nursery)
 Karen Smith - Nexus MAT (Special Academy)
 Nathan Williams – Roughwood Primary (Primary Academy)
 Paula Williams – Special School Governor Representative (Special Academy)
 Joel Wirth – Principal TRC and Deputy CEO Inspire Trust (Secondary Academy)

Joshua Amahwe – Head of Finance (CYPS)
 Niall Devlin – Assistant Director, Education and Inclusion
 Kerry Hurst - Service Lead – Early Years and Childcare Funding, Sufficiency and Information
 Louise Keith – Principal Finance Officer (CYPS)
 Liz Nicholson – Early Years & Childcare Sufficiency & Information Co-ordinator
 Lindsay Wootton-Ashforth – Education Safeguarding Lead
 Pam Ward – Head of Service, Education

Apologies were received from:-

Councillor Victoria Cusworth – Cabinet Member for Children and Young People
 Dr Sipra Deb – Wickesley Nursery (PVI Nursery)
 Mehdi Najefi - School Governor Representative (Primary Maintained)
 Sarah Philips – School Governor Representative (Primary Maintained)
 Colin Price – NEU Representative
 Nevine Towers - Head of Business and Operations (Primary Academy)

24. WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to today's meetings and introductions were made.

25. DECLARATIONS OF INTEREST

No declarations of interest were made.

26. MINUTES OF THE PREVIOUS MEETING

Consideration was given to the minutes of the previous meeting held on

Friday 12th September 2025.

Resolved: That the minutes of the meeting held on 12th September 2025 be approved as a correct record for signature by the Chair.

27. MATTERS ARISING FROM PREVIOUS MINUTES

No matters arising arose during the consideration of the previous meeting minutes.

28. MEMBERSHIP AND CONSTITUTION OF THE ROTHERHAM SCHOOLS FORUM (STANDING ITEM)

Consideration was given to the membership and constitution of the Schools' Forum and suggested changes were put forward for the Forum's approval.

Resolved:

- 1. That the resignation of Sacha Schofield, representing Special Academy Governors be received.**
- 2. That the appointment of Paula Williams as a Special Academy Governor, replacing Sacha Schofield, be agreed.**

29. SCHOOL FUNDING FORMULA CONSULTATION 2026/27 - PART A

The Principal Finance Officer (Schools Finance) presented a report informing Schools Forum of the outcomes from Part A of the consultation on Rotherham's local schools funding formula for 2026/27 and outlined proposed changes prior to submission to the Department for Education (DfE) by January 2026.

The consultation was conducted in November 2025, with 55 responses received (43 primary schools, 11 secondary schools, and 1 all-through school), representing an overall response rate of 49%.

The key proposals consulted on were:

- The continued inclusion of existing funding factors aligned to the National Funding Formula (NFF).
- Setting the Minimum Funding Guarantee (MFG) at 0%.
- The continued use of capping and scaling to ensure affordability.
- Deducting £100,000 from the Schools Block to establish a Pupil Growth Fund.
- Deducting £50,000 from the Schools Block to maintain a Falling Rolls Fund.

It was noted that Rotherham's existing local funding formula already closely mirrored the NFF.

Details of the responses of the school's consultation was outlined in the report provided and summarised as follows:

Formula Funding Factors

Question 1 : Do you support the continued inclusion of the above funding factors in Rotherham's 2026/27 schools funding formula and the intention to mirror, or align as closely as possible, to the National Funding Formula (NFF) values?

Consultation Response:

Of the total responses representing 55 schools, 100% supported the proposal.

Minimum Funding Guarantee (MFG)

Question 2 : Do you support the proposal to set the Minimum Funding Guarantee (MFG) within the local funding formula at 0% for 2026-27?

Consultation Response:

Of the total responses representing 55 schools, 100% supported the proposal.

It was also noted that since the consultation had closed, the Department for Education (DfE) had confirmed that the allowable range for the Minimum Funding Guarantee would remain the same

Capping and Scaling

Question 3 : Do you support the continued use of capping and scaling in Rotherham's 2026/27 schools funding formula to ensure fairness in resource and distribution and overall affordability of the funding formula?

Consultation Response:

Of the total responses representing 55 schools, 46 schools (84%) supported the proposal, whilst 9 schools (16%) were opposed. No additional comments were provided to explain the reasons for opposition.

Pupil Growth

Question 4 : Do you support the proposal to deduct £100,000 from the 2026/27 Schools Block to establish a Growth Fund, which will be used to support schools providing additional places to meet basic need? This represents a £50,000 reduction compared to 2025/26.

Consultation Response:

Of the total responses representing 55 schools, 46 schools (84%) supported the proposal, whilst 9 schools (16%) were opposed.

Falling Pupil Rolls Fund

Question 5 : Do you agree that the Local Authority should continue to provide for falling rolls fund of £50,000 to schools with surplus capacity from falling pupil numbers – to be deducted from the schools block funding?

Consultation Response:

Of the total responses representing 5 schools, 46 schools (84%) supported the proposal, whilst 9 schools (16%) were opposed.

It was noted that the Local Authority was awaiting confirmation of the Dedicated Schools Grant (DSG) allocations and would report back to the Schools Forum on this early in the new year.

Discussions focused on understanding why nine schools opposed certain proposals and whether these were the same schools across different questions or varied by maintained or academy status. It was noted that no reasons were provided in their responses, and that responses from Multi Academy Trusts were recorded for each individual school rather than as a single combined response.

It was highlighted that there was concern within the sector that deprivation related factors continue to increase whilst the minimum funding per-pupil level remained unchanged, leaving some schools at the Minimum Funding Guarantee (MFG) level. The Head of Finance explained there was little flexibility to redirect funding due to DfE rules, but efforts continue to be made to try to reduce the number of schools at MFG level where possible.

Discussion continued to focus on demographic trends, birth rates, and new housing developments impacting pupil numbers and place planning, including how housing growth was reflected in current modelling. It was confirmed that the Access to Education Team would be able to provide more detailed analysis on school capacity and place planning for discussion at a future Forum meeting.

Forum Members raised concerns about pressures on Growth and Falling Rolls Funds and asked whether eligibility criteria considers if a school or trust had reserves and how prioritisation to access funding was managed. The Head of Finance confirmed that policies set out criteria for accessing funding and required schools to demonstrate strategic planning before requesting support. Financial position and use of reserves would be considered as part of the assessment.

Only one request for Falling Rolls funding had been received so far and

was still being assessed. It was confirmed that any unused funding would be recycled back into the DSG reserves and would form part of the following year's Schools Block budget.

Resolved:

- 1. That Schools Forum note the contents of the report.**
- 2. That a detailed analysis of School Capacity and Place Planning be presented at a future Schools Forum meeting.**

30. SCHOOL FUNDING FORMULA CONSULTATION 2026/27 - PART B

The Head of Finance presented a report which focused on Part B of the Schools Funding Formula consultation outcome and specifically the proposed percentage transfer of funding from the school's block to the high needs block of the Dedicated Schools Grant for 2026/27.

Consultation was undertaken in November 2025, and 62 responses were received, representing a 49% response rate. Of those responses, 53% of schools supported the transfer, while 47% opposed it. No contextual comments were provided by schools to explain the reasons for opposing the proposal.

It was acknowledged that the consultation outcome reflected an improvement compared to last year's 38% support. The increased support was considered a positive reflection of the work undertaken over the past year to raise awareness of SEND challenges through discussions at the Rotherham Schools Forum.

The rationale for the transfer was based on significant High Needs funding pressures caused by rising SEND demand, an increase in Education, Health and Care Plans (EHCPs), and costly out-of-authority placements.

The impact on schools was expected to be minimal as the transfer represented a small proportion of the £270m Schools Block. A Minimum Funding Guarantee of 0% would ensure that no school experiences a reduction in per-pupil funding compared to 2025/26. The local funding formula would also align with the National Funding Formula to provide transparency and stability.

It was noted that 2025/26 was the final year of DfE Safety Valve support, with no further government funding expected.

The SEND Sufficiency Strategy continued to address challenges through actions such as expanding specialist provision and resource bases, reducing reliance on independent placements, improving governance, and collaborating with schools to maintain pupils in mainstream settings wherever possible.

Concerns about pressures on SEND and SENCO funding in particularly for smaller primary schools were discussed and clarification was sought on whether the 0.5% transfer would offset existing challenges or impact current school operations. The Head of Finance explained that the transfer had been applied for several years and was embedded within the funding formula, representing a deduction from the overall DSG position rather than an additional burden.

The Forum noted that a number of primary schools had responded opposing the proposal, which prompted discussion on whether this was due to budgetary concerns or other underlying issues. The Assistant Director for Education and Inclusion confirmed that they had written to the CEO of one Multi-Academy Trust in an attempt to understand their position.

Forum Members highlighted pressures across the system, including assessment demands, Ofsted frameworks, and the increasing complexity of SEND needs.

The Head of Finance explained that the proposed transfer represented a contribution towards managing High Needs funding pressures rather than a solution to the cumulative DSG deficit. Uncertainty remained around central government plans post-2028, reinforcing the need for a prudent approach to continue mitigating deficits locally.

Discussions also acknowledged wider societal challenges, including the impact of child poverty and the central government plans to address these issues. It was highlighted that increasing levels of need in Reception and Key Stage 1 reflected broader social challenges and the importance of early support for young children.

Having considered the outcome of Part B of the consultation the Schools Forum were required to undertake a vote to establish whether the Forum supported the proposal to transfer 0.5% of schools block funding to the high needs budget.

Of the school members eligible to vote on this matter, 13 voted in favour of the proposal, one voted against the proposal and there were no abstentions. Therefore, the proposal was agreed.

Resolved:

- 1. That Schools Forum note the outcomes of the recent consultation with schools regarding the proposed transfer of funding to the High Needs Block.**
- 2. That Schools Forum approve the Council's proposal to transfer 0.5% of the schools block funding in 2026/27 to the High Needs Budget to help address ongoing cost pressures.**

31. **FALLING ROLLS FUND POLICY**

The Principal Finance Officer presented a report outlining the Department for Education (DfE) guidance on Falling Rolls and the adoption of a proposed local policy for Rotherham.

The Falling Rolls Policy has been developed in response to a decline in birth rates in Rotherham, which had led to surplus places in primary schools. This trend was expected to continue for several years, and the policy aimed to ensure the viability of schools until numbers recovered.

The Forum noted the proposed policy eligibility criteria for funding, as outlined in the report, which was:

- **Minimum Reduction Threshold:** Schools must show a reduction of at least 10% in pupil numbers between two consecutive October census dates.
- **Demographic Justification:** The reduction must be due to demographic or structural changes, supported by SCAP projections showing recovery within 3 to 5 years.
- **Surplus Capacity:** The school must have surplus capacity that exceeds a minimum number of pupils or a percentage of its Published Admission Number (PAN) e.g. minimum 15% of PAN.
- **Exclusions:** The reduction cannot result from bulge classes or planned PAN reductions agreed with the local authority.
- **Curriculum Impact:** Funding must address risks to curriculum delivery caused by reduced funding.

Resolved:

1. **That Schools Forum note the DfE guidance on Falling Rolls.**
2. **That Schools Forum approve the adoption of the proposed Falling Rolls Policy for Rotherham.**

32. **EARLY YEARS AND WRAPAROUND EXPANSION UPDATE**

The Forum received an update on developments over the past 12 months relating to the DfE Early Years Expansion, Wraparound Childcare Programme, and the School-Based Nurseries Programme with particular reference made to the following:-

Early Years Expansion

- Following the Spring Budget 2023 announcement, the 30 hours childcare entitlement was to be extended to children aged nine

months and above by September 2025.

- A total of £538k in capital funding supported the expansion, resulting in 963 new places being created against a projected need of 1,031.
- Recruitment of qualified staff continues to be challenging, with initiatives such as an Early Years Job Shop and targeted campaigns underway to address this.

School-Based Nurseries Programme

- Four Rotherham schools secured funding to create nursery places: Todwick (80 places), Greasbrough (32), Rockingham (60), and Thorpe Hesley (54).
- Additional Foundation 1 classes commenced in September 2025 at Aston All Saints (50 places) and Sitwell Infant (52 places).
- Phase 2 applications would close on 11 December 2025, focusing on provision for two-year-olds and under-tuos.

Wraparound Childcare Programme

- The programme aimed to provide universal access to childcare from 8am to 6pm by September 2026.
- £2.3m in funding had been allocated, creating 1,575 new places across 59 schools, with 76 schools now offering a full 10-hour wraparound service.
- All schools now provide breakfast clubs, and 18 schools offer after-school activities.

Breakfast Clubs Early Adopter Programme

- Two Rotherham schools, (Coleridge and East Dene), were participating in the national test phase.
- An additional £80m in funding was announced for the national rollout from April 2026.

It was noted that strong progress had been made in expanding provision, whilst recruitment and sufficiency remained priority areas of work with partners.

Forum Members welcomed the report and the ongoing positive developments in the Early Years sector. Officers confirmed that a spending and delivery plan would be submitted to the Department for Education in February and assured the Forum that all allocated funding would be utilised.

Resolved:

That Schools Forum note the content of the report.

33. SAFEGUARDING IN SCHOOLS

The Forum received a briefing from the Head of Service – Education and the Education Safeguarding Lead (ESL) on recent safeguarding developments and the role of the ESL. The ESL, who was appointed in January 2023 and jointly funded by RSCP and DSG, had provided both strategic and operational leadership on safeguarding. Key responsibilities included delivering audits, supporting Ofsted preparation, coordinating termly Education Safeguarding Forum meetings, developing training for DSLs and governors, and ensuring compliance with national and local guidance.

The ESL also represented education on key panels and responded to safeguarding complaints and Ofsted concerns.

The Education Safeguarding Forum held termly meetings with over 95% school attendance and involved multi-agency partners. Focus areas included statutory guidance, child exploitation, vaping and illicit substances, contextual safeguarding, online risks, hate crime, knife crime, modern slavery, Prevent updates, and emerging threats.

The Forum welcomed the update and recorded their appreciation to the Education Safeguarding Lead for their positive impact.

Resolved:

That Schools Forum receive and note the content of the report.

34. SCHOOLS FORUM FORWARD PLAN

The current version of the Forward Plan was reviewed by the Forum. Members were invited to suggest any relevant issues they felt should form the basis of a future report.

Resolved:

- **That School Capacity and Place Planning Analysis be included as a future item on the Forward Plan.**
- **That any additions to the Forward Plan be submitted to the Secretary of the Forum for consideration and inclusion.**

35. ANY OTHER BUSINESS

A Forum Member raised that very little information was currently shared on exam access arrangements for students transitioning into post-16

provision, primarily due to GDPR issues. A suggestion was made that this matter could initially be addressed through the NEET Reduction Group.

The Chair of the Forum concluded business and thanked everyone for their attendance and contributions.

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| REPORT FOR SCHOOLS FORUM |
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| 1. | Date of meeting: | 16th September 2026 |
| 2. | Title: | Schools Budgets 2025-26 – Update (Dec 2025) |
| 3. | Directorate: | Corporate Services |

1. PURPOSE OF REPORT

- 1.1 To provide an update on the schools funding for 2025/26 and the latest monitoring position for the Local Authority maintained schools budgets and centrally retained Dedicated Schools Grants (DSG) budgets.

2. RECOMMENDATION(S)

- 2.1 **Note the latest DSG funding for schools for the 2025/26 financial year.**
- 2.2 **Note the forecast positions of Rotherham's maintained schools and the centrally retained DSG budgets for the year.**

3. LATEST DEDICATED SCHOOLS GRANT 2025/26

- 3.1 The latest confirmed DSG funding allocation for Rotherham for 2025-26 is £118.098m, which includes a total of £25.758m in Schools Block funding for the LA maintained schools.

| | Jul 2025 Allocation (£m) | Nov 2025 Allocation (£m) | Change (£m) |
|--------------------------------|--------------------------------|--------------------------------|----------------|
| Schools Block | 28.744 | 25.758 | -2.986 |
| Central Schools Services Block | 1.794 | 1.794 | - |
| Early Years Block | 42.387 | 42.395 | 0.008 |
| High Needs Block | 48.151 | 48.151 | - |
| Total DSG | 121.076 | 118.098 | -2.978 |

- 3.2 The latest allocation includes the following changes since the last position reported to School Forum in Sep 2025:

- **Schools Block** – A reduction of £2.986 due to the academisation of a maintained secondary school. There is no impact on existing maintained schools overall funding position.

- **Early Years Block** – An increase of £8k attributable to an increase in pupil premium funding for 2-year-olds and under 2 year olds (£56.4k) plus an increase in 2 year old working parent entitlement (£3.3k). These are partially offset by a decrease in total indicative funding for under 2's (£52k).

4. UPDATE ON CENTRALLY RETAINED DSG BUDGETS

- 4.1 These relate to budgets for schools' expenditure that are retained centrally and where it is cost effective to be managed by the council. It comprises in the main, elements of the schools' block, early years, and the high needs DSG blocks. The table below summarises the latest forecast position across all the centrally retained DSG budgets.

| | Budget 2025/26 (£m) | Dec 2025 Forecast (£m) | Forecast Variance (£m) |
|--------------------------------|---------------------------|------------------------------|------------------------------|
| Schools Block | 0.36 | 0.38 | 0.02 |
| Central Schools Services Block | 1.79 | 1.79 | - |
| Early Years Block | 42.39 | 42.39 | - |
| High Needs Block | 49.45 | 52.73 | 3.28 |
| Total DSG | 93.99 | 97.29 | 3.30 |

Schools Block

- 4.2 The centrally retained schools block budget of £355k represents the amount de-delegated from maintained schools' funding and managed centrally by the council. Overall, the de-delegated budgets are showing an overall forecast overspend of £0.02m for 2025-26. This is driven by a higher commitment to supporting growth of £0.09m which is partially offset by a reduction in commitments required for Falling Rolls of £0.05m, School Improvement of £0.01m Schools in Financial Difficulty of £0.010m.

| | Budget 2025/26 (£m) | Dec 2025 Forecast (£m) | Forecast Variance (£m) |
|---------------------------------|---------------------------|------------------------------|------------------------------|
| School Improvement | 0.15 | 0.14 | -0.01 |
| Growth Funding | 0.10 | 0.19 | 0.09 |
| Schools in Financial Difficulty | 0.04 | 0.03 | -0.01 |
| Falling Rolls | 0.05 | - | -0.05 |
| Trade Union Facility Time | 0.02 | 0.02 | - |
| Total | 0.36 | 0.38 | 0.02 |

Central Schools Services Block (CSSB)

- 4.3 The DSG allocation for CSSB remains unchanged at £1.794m for the year. The CSSB DSG funding is used to support ongoing commitments such as SACRE, Teachers Pensions costs, Schools Forum admin costs, Schools Admissions and Copyright Licensing. A balanced budget position is currently forecast for the year across the CSSB budgets.

Early Years Block

- 4.4 A balanced position is currently forecast across the early years block, with the brought forward balance from 2024/25 to be utilised to fund the Inclusion Support Grant (Tier 3) funding commitments. Work is ongoing to firm the spend forecast based on headcount data for the 3 & 4 year olds, 2-year-olds and under 2s childcare entitlement (including the expansion) for the year to date and assumed numbers for January 2026. Updated forecast position will be reported to future meetings.

High Needs Block

- 4.5 A cost pressure of £3.28m is currently forecast for the High Needs block and mainly relates to SEND provision and support. The latest forecast is an increase compared to the planned approved deficit for 2025/26 of £2.5m. The forecast deficit is mainly due to the following; inflationary costs; increase in EHCP pupils in mainstream and special schools; and continuing placements in out of authority independent settings (although it should be noted that placements in out of borough schools have stabilised). Work is ongoing through the SEND sufficiency programme to create more local places and provision aimed at further reducing expensive out of authority specialist placements.
- 4.6 It should be noted that DSG deficits would need to be managed within allocated DSG funds, as LAs are not allowed to cover DSG deficits using their General Fund resources. The Safety Valve Programme (inclusive of the SEND Sufficiency Strategy) is the framework for managing the demand challenges and cost pressures in the high needs block. It details the actions / measures to be implemented in 2025/26 and beyond to achieve the planned deficit.

Overall DSG Reserves position

- 4.7 An overall deficit is currently anticipated in the DSG reserves (£3.8m) in 2025/26 compared to a balanced position assumed in the signed Safety Valve Agreement. It should be noted that 2025/26 represents the last year of the Safety Valve Agreement / programme. The forecast deficit in the DSG reserves in 2025/26 is due to the cumulative impact of demand challenges and cost pressures facing the SEND system over recent years.

- 4.8 The current statutory deficit protections has been extended by the Government for another 2 years to 31 March 2028 (originally planned to cease by the end of the current year). This would now provide flexibility for the Council to carry forward the 2025/26 year end DSG reserve deficit of £3.8m. DfE has asked the council to put forward a DSG plan covering the next 5 years. This will show the financial trajectory (costs and funding) beyond the SV agreement and whether financial sustainability can be achieved in the medium term.

5. UPDATE ON DELEGATED SCHOOLS BUDGETS

- 5.1 The forecast net balances as reported by 19 LA maintained primary, secondary and special schools and nurseries in their December budget monitoring statements are shown below.

| | 2024/25 Outturn (£m) | 2025/26 Original Budget (£m) | 2025/26 Latest forecast (£m) | Variance (£m) |
|-----------|----------------------------|---------------------------------------|---------------------------------------|------------------|
| Nursery | 0.806 | 0.666 | 0.866 | 0.200 |
| Primary | 1.223 | 0.790 | 0.714 | -0.076 |
| Secondary | 0.509 | 0.126 | - | -0.126 |
| PRU | -0.182 | -0.358 | -0.215 | 0.143 |
| | 2.356 | 1.224 | 1.365 | 0.141 |

- 5.2 Main highlights from the above:

- The Dec forecast positions indicate a decrease in surplus balances of £991k compared to the 2024/25 final outturn position. Of this, £537k is attributable to schools that have converted since 1st April 2025 and the remaining £454k is mainly due to the increased financial pressures faced by schools.
- When compared to the original budget, the Dec monitoring position shows a net increase in reported balances of £141k. Nursery schools balances have increased by £200k and the PRU by £143k. This is partially offset by a decrease in primary school balances of £76k and the conversion of a secondary school of £126k.
- The latest position includes a total of 3 schools operating under a licensed deficit for 2025/26, of which 2 schools will receive funding through the Schools in Financial Difficulty (DSG) fund. All schools in deficit have budget recovery plans in place to return their budgets to a sustainable position with an agreed timeframe. The following detailed the latest position for those schools with deficit balances:

| | Original budget | Dec 2025 position | Comments |
|-------------------|-----------------|-------------------|-------------------|
| Aston Fence J&I | -£0.034 | -£0.023 | |
| Wales Primary | -£0.045 | -£0.017 | £20k SIFD funding |
| Rawmarsh Ryecroft | -£0.026 | -£0.006 | £12k SIFD funding |

- Local Authority maintained schools will submit their 2025/26 February monitoring statements to the council on 6th February 2026.

NAMES & CONTACT DETAILS

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| REPORT FOR ROTHERHAM SCHOOLS FORUM |
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| 1. | Date of meeting: | 16th January 2026 |
| 2. | Title: | 2026/27 DSG & Schools Funding Settlement |
| 3. | Directorate: | Corporate Services |

PURPOSE OF THE REPORT

1. The purpose of this report is to update Schools Forum members on the 2026/27 schools funding settlement for Rotherham, as announced by the Department for Education (DfE) on 17 December 2025.

RECOMMENDATION(S)

2. That members of Schools Forum note the content of the report.

BACKGROUND

3. The Dedicated Schools Grant (DSG) allocated to local authorities is made up of four funding blocks – schools, high needs, early years and central school services.
4. In November 2025, the local authority consulted with schools, academies, and the Schools Forum on the local funding formula, as required by regulations. This consultation was based on estimated funding levels, as the Department for Education (DfE) had not yet released indicative allocations.

SCHOOLS DSG FUNDING ALLOCATIONS

5. On 17 December 2025, the DfE published the DSG allocations for the 2026/27 financial year. The provisional allocations for Rotherham are as follows.

| DSG Allocations | 2025/26 Latest | 2026/27 Provisional | Change |
|--------------------------------|-------------------|------------------------|---------------|
| Pupil Numbers | 39,798 | 39,331 | -467 |
| | £'000 | £'000 | £'000 |
| Schools block | 260,995 | 271,959 | 10,964 |
| High needs block | 62,459 | 66,989 | 4,530 |
| Early years block | 42,395 | 49,712 | 7,317 |
| Central schools services block | 1,794 | 2,488 | 694 |
| Total DSG | 367,643 | 391,148 | 23,505 |

SCHOOLS BLOCK

6. The 2026/27 Schools Block funding allocation is £271.959m. This funding is distributed to mainstream schools and academies in the borough based on pupil numbers recorded in the October 2025 census. The allocation is determined using the national funding formula, which applies separate primary and secondary units of funding, along with additional amounts reflecting historic growth, premises costs, and mobility.
7. The October 2025 census recorded 39,331 pupils across the borough, representing a decrease of 467 pupils compared with the October 2024 census.
8. The 2026/27 Schools Block allocation of £271.959m for Rotherham reflects a net increase of £10.964m compared with the current year. This change is driven by the following factors:
 - Increase in baseline funding: £7.187m
 - School Budget Support Grant and National Insurance Contributions Grants rolled into baseline funding: £6.587m
 - Reduction in pupil numbers: -£2.942m

HIGH NEEDS BLOCK

9. The High Needs Block allocation for 2026/27 is £66.989m, which funds education for pupils with special educational needs and disabilities (SEND) requiring specialist provision. This represents an increase of £4.53m compared with 2025/26 and reflects additional national funding to help local authorities manage rising SEND-related cost pressures.

10. High Needs Block funding is normally calculated using a national funding formula based on several factors. However, for 2026/27, the DfE has temporarily suspended the High Needs National Funding Formula (NFF). Instead, allocations has been based on each local authority's 2025/26 funding levels, with some adjustments. The government intends to introduce wider SEND system reforms in early 2026, after which the methodology for allocating high needs funding will be reviewed to align with the new arrangements.
11. For 2026/27, each local authority's High Needs Block allocation is based on its 2025/26 DSG High Needs Block, plus the following:
 - Grant funding for independent special schools, SPI, ILPs and hospital education: £0.350m
 - Grant funding for special units and resource provision: £0.052m
12. Due to the suspension of the High Needs NFF, allocations will not include updates to basic entitlement pupil numbers in special schools or any special free school adjustment. However, the import/export adjustment—which reflects changes in the number of pupils educated inside or outside the local authority area—will continue to apply.
13. The HN funding allocation for 2026/27 need to be considered in the context of rising demand for EHCP and for specialist provision, resulting in significant financial pressures on the High Needs Block. Financial deficits are projected for 2026/27 and for future years.
14. In 2026/27, financial support from the DfE through the Safety Valve Programme will cease. As a result, the Council will be required to manage high needs expenditure within its overall DSG allocation and ensure long-term financial sustainability without additional government funding.

EARLY YEARS BLOCK

15. The 2026/27 Early Years Block allocation is £49.712m and represents an increase of £7.317m compared to 2025/26 (largely due to the expansion of the 2 years old and under 2's entitlements). The funding allocation includes funding for free childcare entitlement for eligible children and working parents of 3&4 years olds (£18.818m); 2-year-olds (£14.391m) and under 2's (£14.024m) in schools, private, voluntary, and independent early years settings.
16. The early years funding rate per pupil has increased to £6.20 for 3&4-year-olds, £8.50 for 2-year-olds and £11.59 for under 2's.

| | 2025/26 (£) | 2026/27 (£) | Change (£) |
|--|----------------|----------------|---------------|
| Hourly rate for 3 and 4 year old entitlements (£ / hr) | 5.71 | 6.20 | 0.49 |
| Hourly rate for 2 year old entitlement (£ / hr) | 8.15 | 8.50 | 0.35 |
| Hourly rate for under 2s entitlement (£ / hr) | 11.12 | 11.59 | 0.47 |

17. In addition, the Early Years Block includes and Maintained School Nursery Supplementary funding allocation of £1.241m, Early Years Pupil premium of £0.919m and Disability Access Fund (DAF) £0.319m to provide additional support to vulnerable pupils.

| | 2025/26 (£m) | 2026/27 (£m) | Change (£m) |
|--|-----------------|-----------------|----------------|
| Maintained Nursery Supplementary Funding | 1.230 | 1.241 | 0.011 |
| Early Years Pupil Premium Allocation | 0.579 | 0.919 | 0.340 |
| Disability Access Fund | 0.238 | 0.319 | 0.081 |

CENTRAL SCHOOLS SERVICES BLOCK (CSSB)

18. The Central Schools Services Block allocation for 2026/27 is £2.488m. This funding supports the local authority's ongoing statutory responsibilities in relation to schools. The allocation represents an increase of £0.694m compared with the current year, primarily due to rolled-in grants.

OTHER SCHOOLS GRANT FUNDING

Pupil Premium Grant (PPG)

19. The Schools Pupil Premium is additional funding provided to schools to improve educational outcomes for disadvantaged pupils. The Pupil Premium amounts for 2026/27 are yet to be confirmed, however it would be comprised of the following:
- Disadvantaged Pupil Premium - paid for all pupils who claim free school meals or have claimed free school meals in the last six years.
 - Pupil Premium Plus - paid for every pupil who has left Local Authority care through adoption, a special guardianship order or a child arrangement order.
 - Service Premium – paid for every pupil with a parent serving in the forces or who is retired on a Ministry of Defense pension.

Universal Free Schools Meals Grant

20. For the 2026/27 year the automatic eligibility for all children in Reception, Year 1, and Year 2 at state-funded schools remain entitled to a free lunch every school day, regardless of household income. From September 2026, the government is implementing significant changes to the wider free school meal system that affect children beyond the infant years:
- Universal Credit Expansion: Every child in a household receiving Universal Credit (UC) will become eligible for free school meals.
 - Removal of Income Cap: The previous earnings threshold (typically £7,400 per year) will be removed, allowing an estimated 500,000 additional children to qualify.
 - End of Transitional Protections: "Transitional protections" (which kept children eligible even if their family income rose) are scheduled to end at the close of the 2025/26 school year.
 - Rechecking Eligibility: From the start of 2026/27, schools and local authorities will resume annual eligibility checks to ensure families meet the new criteria

PE and Sport Premium Grant

21. The PE & Sport premium grant for the 2026-27 academic year is anticipated to continue at a similar level to 2025-26. This grant is allocated to schools to make additional and sustainable improvements to the provision of PE and sport for the benefit of all primary aged pupils to encourage the development of healthy, active lifestyles.
22. Allocations for the academic year 2026-27 are calculated using the number of pupils in years 1 to 6 as recorded in their January 2025 census and are likely to be made in two equal installments in Autumn and Spring.

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| REPORT FOR SCHOOLS FORUM |
|---------------------------------|

| | | |
|----|-------------------------|---|
| 1. | Date of meeting: | 16th January 2026 |
| 2. | Title: | 2026/2027 DSG Schools Block Budget |
| 3. | Directorate: | Corporate Services |

PURPOSE OF THE REPORT

1. The purpose of this report is to update Schools Forum members on the 2026/27 Dedicated Schools Grant allocation for Rotherham. It also confirms the proposed changes to the schools funding formula, which will be used to determine individual school budgets. The finalised funding formula must be submitted to the DfE by 22 January 2026.
2. For 2026/27, the Dedicated Schools Grant is allocated across four funding blocks: Schools, Early Years, High Needs, and Central School Services. This report focuses specifically on the distribution of funding within the Schools Block.

RECOMMENDATION(S)

3. It is recommended that the Forum:
 - **Note the Schools Block DSG allocation for 2026/27 and the implemented changes to the local schools funding formula as outlined in paragraphs 7 to 19 of this report;**
 - **Note that the proposed 2026/27 schools funding formula incorporates a funding transfer of 0.5% to the high needs block (as approved by the Forum on 5th December 2025).**
 - **For maintained schools reps only - approve the funding for maintained primary & secondary schools outlined in paragraph 22 to be de-delegated and retained by the Council to fund schools related expenditure.**

SCHOOLS BLOCK FUNDING 2026-27

4. Details of the Dedicated Schools Grant (DSG) for 2026/27 were released on 17 December 2025. Under the National Funding Formula, Rotherham's Schools Block allocation for 2026/27 is £271.959m. This represents a net increase of £10.964m compared with the current year, driven by the following factors:

- Increase in funding (£7.187m)
 - School Budget Support Grant and National Insurance Contributions Grants rolled into baseline funding (£6.587m)
 - Decrease in pupil numbers (-£2.942)
5. For 2026/27, the National Funding Formula (NFF) sets Rotherham's schools block unit of funding at £5,115 per primary pupil and £6,640 per secondary pupil. The overall level of Schools Block funding aligns with the national settlement; however, total funding has reduced slightly due to a fall in pupil numbers.
6. The Schools Block represents the full amount of funding expected to be allocated directly to schools through *Rotherham's local funding formula*. Any funding retained centrally by the local authority is provided separately through the Central Schools Services Block.

CHANGES TO THE SCHOOLS FUNDING FORMULA 2026/27

7. Key changes to the school's 2026/27 National Funding Formula (NFF) are:
- Rolling in the Schools Budget Support Grant (SBSG) and National Insurance Contributions Grant (NICS). Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
8. Although the National Funding Formula (NFF) determines allocations to local authorities, individual school budgets for 2026/27 will continue to be set through each authority's local funding formula. The expectation is that local authorities will move their formulae closer to the NFF. Specifically:
- Local authorities may only use NFF factors in their local formulae, and must include all NFF factors, except for any locally determined premises factors.
 - Local formula factor values must move at least 10% closer to the NFF values compared with their 2025/26 positions, unless they are already considered to be mirroring the NFF. For this purpose, factor values within 2.5% of the corresponding NFF value are deemed to be "mirroring." As part of this tightening requirement, authorities must not exceed ("overshoot") the NFF value by more than the 2.5% mirroring threshold.
9. A consultation exercise was carried out in November 2025 to gather views on proposed changes to Rotherham's local funding formula and on the potential transfer of funding from the Schools Block to the High Needs Block. The findings were presented to the Schools Forum in December 2025, where the overall consensus supported further aligning Rotherham's formula with the National Funding Formula wherever possible.

10. The following section outlines the changes implemented in Rotherham's local schools funding formula for 2026/27. These adjustments reflect both the outcomes of the consultation with schools and the updates introduced by the DfE to the National Funding Formula.

Minimum Funding Factor

11. To ensure schools continue to receive an appropriate level of funding, the mandatory minimum per-pupil funding factor rates will increase in line with the Government's recommended uplift. For 2026/27, the rates are set at £5,115 for primary pupils and £6,640 for secondary pupils.

Basic entitlement factor

12. In line with the National Funding Formula (NFF), the majority of funding (71.25%) will continue to be allocated through the basic entitlement factor, known as the Age-Weighted Pupil Unit (AWPU). The following changes to AWPU rates have been implemented for 2026/27:
- Secondary schools: Per-pupil rates have increased by 4.9%, resulting in allocations of £5,668 for Key Stage 3 and £6,373 for Key Stage 4.
 - Primary schools: The per-pupil rate has increased by 5.6%, with the 2026/27 rate set at £4,043.
13. Although the AWPU rates do not yet fully match the NFF values, both the primary and secondary rates have been uplifted in line with the increase in the NFF rates. As they fall within 2.5% of the corresponding NFF values, they are considered to be mirroring the NFF.

| Basic Entitlement | 2025-26 NFF | 2025-26 RMBC | 2026-27 NFF | 2026-27 RMBC | NFF % change | RMBC % change |
|-------------------|-------------|--------------|-------------|--------------|--------------|---------------|
| Primary | 3,847 | 3,751 | 4,064 | 4,043 | 5.6% | 5.6% |
| Secondary KS3 | 5,422 | 5,286 | 5,686 | 5,658 | 4.9% | 4.9% |
| Secondary KS4 | 6,113 | 5,960 | 6,410 | 6,372 | 4.9% | 4.9% |

Additional Education Needs Factors

14. The funding rates for the additional education needs factors—Deprivation, Low Prior Attainment, and English as an Additional Language (EAL)—have been uplifted and aligned with the National Funding Formula (NFF) wherever possible. Rotherham's local funding formula is now fully aligned with the NFF for all deprivation measures except the FSM6 proxy indicator.

15. For 2026/27, the FSM6 rate has been set at the minimum level permitted, however it has been uplifted by 14.15% for primary and 10.93% for secondary compared with 2025/26. These uplifts reflect the corresponding changes in the NFF factor values for 2026/27.

Split Site Factor

16. The split-site factor ensures that schools operating across more than one site receive funding on a consistent and equitable basis. In Rotherham, only one school will be affected by this factor in 2026/27.

Lump Sum

17. The Lump Sum unit value has risen by 5.24% to £148,883, which aligns with the lower limit of the NFF values for 2026/27 and therefore classified as mirroring the NFF. This approach is consistent with the position adopted in 2025/26.

Minimum Funding Guarantee (MFG)

18. For the 2026/27 budget, current guidance permits Councils to set the MFG between 0% and -0.5%. The MFG for 2026/27 has been set at 0%, ensuring that no school experiences a reduction in per-pupil funding. In 2026/27, 7 schools will receive protection through MFG funding, totalling £0.111m. This represents a substantial improvement compared with 2025/26, when 42 schools required MFG support at a cost of £0.390m.

Capping and Scaling

19. To balance the overall schools' budget with the available grant and ensure a fair distribution of resources, school-level gains have been capped at 1.04% and scaled back by 13.78%. This approach is broadly consistent with the methodology used in 2025/26.

Pupil Growth / Falling Rolls Fund

20. Growth funding is included within local authorities' Schools Block DSG allocations. For 2026/27, it has been calculated using the same methodology as in previous years, reflecting the increase in pupil numbers between the October 2024 and October 2025 censuses.

- 21 For 2026/27, the Council will continue to allocate growth and falling pupil rolls funding outside the formula, in line with its established Pupil Growth criteria and policy. There was overwhelming support through the consultation for this approach. A total of £0.250m will be deducted from the Schools Block in 2026/27 to support pupil growth and falling rolls. This figure is based on an assessment of existing commitments and anticipated growth.

Funding transfer to the high needs block

22. Rotherham continues to experience rising cost pressures within the SEND/High Needs Block for 2026/27. Current regulations permit the transfer of funding from the Schools Block to the High Needs Block, subject to Schools Forum approval (and DfE for approval for transfers above 0.5%).
23. Following consultation with schools and the Schools Forum, the Council proposed a 0.5% transfer (£1.352m) to support the High Needs Block. This proposal was approved by the Schools Forum on 5 December 2025 and has been deducted from the schools block allocation.

OUTLINE OF THE 2025-26 LOCAL SCHOOLS FUNDING FORMULA

24. The following table shows an outline of 2026/27 Rotherham's local schools funding formula and the level of funding to be allocated under each of the funding factors.

| | 2025/26 £'000 | 2026/27 £'000 | Change £'000 |
|---|------------------|------------------|-----------------|
| Schools block funding | 260,995 | 271,959 | 10,964 |
| NNDR adjustments | -1,425 | -1,467 | -42 |
| Transfer to high needs block | -1,298 | -1,352 | -54 |
| Growth & Falling Rolls | -150 | -250 | -100 |
| Funding available for distribution | 258,122 | 268,890 | 10,768 |
| Age Weighted Pupil Unit | 184,510 | 191,910 | 7,400 |
| Deprivation | 33,296 | 35,992 | 2,696 |
| English as an Additional Language | 1,852 | 1,795 | -57 |
| Mobility | 352 | 354 | 2 |
| Prior Attainment | 15,699 | 16,211 | 512 |
| Lump Sum | 15,845 | 16,675 | 830 |
| Sparsity | 10 | 15 | 5 |
| Split Site | 54 | 55 | 1 |
| Minimum Pupil led Funding | 624 | 347 | -277 |
| Minimum Funding Guarantee | 390 | 111 | -279 |
| Capping & Scaling | -337 | -551 | -214 |
| PFI factor | 5,827 | 5,977 | 150 |
| Total distributed funding to schools | 258,122 | 268,890 | 10,768 |

De-delegated Funding

25. Under the schools funding framework, the authority may de-delegate certain funding through the local funding formula, allowing specified amounts to be retained centrally and managed by the Local Authority. The DfE's operational guidance sets out which funding areas are eligible for de-delegation. The table below outlines the de-delegated items and the corresponding amounts to be deducted from maintained schools' formula allocations:

| De-delegation funding | 2025-26 £'000 | 2026-27 £'000 | Variance £'000 |
|------------------------------|--------------------------|--------------------------|---------------------------|
| Trade Union | 17 | 15 | -2 |
| Contingency* | 37 | 50 | 13 |
| School Improvement* | 137 | 124 | -13 |
| Total | 191 | 189 | -2 |

* budgets in 2025/26 have been adjusted to account for schools that have converted to academies during the year

26. For each de-delegated funding element in 2026/27, the method for removing funding from the formula remains unchanged from 2025/26. The basis for each element is as follows:
- Trade Union – calculated using pupil number units for the relevant school phase
 - Contingency (SIFD) – calculated using pupil number units for the relevant school phase
 - School Improvement – calculated at £33 per pupil for the relevant school phase (similar to 2025/26)
27. For each of the above budgets, it would be for the schools forum members for the relevant maintained schools to:
- (1) agree the delegated amount; and**
(2) decide whether that service should be provided centrally.
28. The decision(s) will apply to all maintained schools. Funding for these services will then be removed from the formula before school budgets are issued.

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Comparison of the National Funding Formula and Rotherham Local Funding Formula 2025-26 to 2026-27

Aligned
Mirroring
Requires Moving closer

| 2025/26 | | | | | 2026/27 | | | | 2025-26 v 2026-27 | |
|---------------------------|---------------|-----------------------------|----------|--------------|---------------|-----------------------------|----------|--------------|-----------------------|------------------------|
| Factor | 25-26 NFF (£) | Rotherham Local Formula (£) | Variance | Variance (%) | 26-27 NFF (£) | Rotherham Local Formula (£) | Variance | Variance (%) | National Increase (£) | Rotherham increase (£) |
| Primary basic entitlement | 3,847 | 3,827 | -20 | -0.5% | 4,064 | 4,043 | -21 | -0.5% | 5.6% | 5.6% |
| KS3 basic entitlement | 5,422 | 5,395 | -27 | -0.5% | 5,686 | 5,658 | -28 | -0.5% | 4.9% | 4.9% |
| KS4 basic entitlement | 6,113 | 6,077 | -36 | -0.6% | 6,410 | 6,372 | -38 | -0.6% | 4.9% | 4.9% |
| Primary FSM | 495 | 495 | 0 | 0.0% | 505 | 505 | 0 | 0.0% | 2.0% | 2.0% |
| Secondary FSM | 495 | 495 | 0 | 0.0% | 505 | 505 | 0 | 0.0% | 2.0% | 2.0% |
| Primary FSM6 | 1,060 | 1,034 | -26 | -2.5% | 1,210 | 1,180 | -30 | -2.5% | 14.1% | 14.1% |
| Secondary FSM6 | 1,555 | 1,516 | -39 | -2.5% | 1,725 | 1,682 | -43 | -2.5% | 10.9% | 10.9% |
| Primary IDACI F | 235 | 235 | 0 | 0.0% | 240 | 240 | 0 | 0.0% | 2.1% | 2.1% |
| Primary IDACI E | 285 | 285 | 0 | 0.0% | 290 | 290 | 0 | 0.0% | 1.8% | 1.8% |
| Primary IDACI D | 445 | 445 | 0 | 0.0% | 455 | 455 | 0 | 0.0% | 2.2% | 2.2% |
| Primary IDACI C | 490 | 485 | -5 | -1.0% | 500 | 500 | 0 | 0.0% | 2.0% | 3.1% |
| Primary IDACI B | 520 | 515 | -5 | -1.0% | 530 | 530 | 0 | 0.0% | 1.9% | 2.9% |
| Primary IDACI A | 685 | 680 | -5 | -0.7% | 700 | 700 | 0 | 0.0% | 2.2% | 2.9% |
| Secondary IDACI F | 340 | 340 | 0 | 0.0% | 345 | 345 | 0 | 0.0% | 1.5% | 1.5% |
| Secondary IDACI E | 450 | 450 | 0 | 0.0% | 460 | 460 | 0 | 0.0% | 2.2% | 2.2% |
| Secondary IDACI D | 635 | 630 | -5 | -0.8% | 650 | 650 | 0 | 0.0% | 2.4% | 3.2% |
| Secondary IDACI C | 695 | 690 | -5 | -0.7% | 710 | 710 | 0 | 0.0% | 2.2% | 2.9% |
| Secondary IDACI B | 745 | 740 | -5 | -0.7% | 760 | 760 | 0 | 0.0% | 2.0% | 2.7% |
| Secondary IDACI A | 950 | 945 | -5 | -0.5% | 970 | 970 | 0 | 0.0% | 2.1% | 2.6% |
| Primary EAL | 595 | 595 | 0 | 0.0% | 610 | 610 | 0 | 0.0% | 2.5% | 2.5% |
| Secondary EAL | 1,595 | 1,595 | 0 | 0.0% | 1,630 | 1,630 | 0 | 0.0% | 2.2% | 2.2% |
| Primary LPA | 1,175 | 1,175 | 0 | 0.0% | 1,200 | 1,200 | 0 | 0.0% | 2.1% | 2.1% |
| Secondary LPA | 1,785 | 1,785 | 0 | 0.0% | 1,825 | 1,825 | 0 | 0.0% | 2.2% | 2.2% |

Comparison of the National Funding Formula and Rotherham Local Funding Formula 2025-26 to 2026-27

| | | | | |
|---------------------------------------|---------|---------|--------|-------|
| Primary mobility | 965 | 965 | 0 | 0.0% |
| Secondary mobility | 1,385 | 1,385 | 0 | 0.0% |
| Primary lump sum | 145,100 | 141,473 | -3,628 | -2.5% |
| Secondary lump sum | 145,100 | 141,473 | -3,628 | -2.5% |
| Primary sparsity | 57,400 | 57,400 | 0 | 0.0% |
| Secondary sparsity | 83,400 | 83,400 | 0 | 0.0% |
| Middle-school sparsity | 83,400 | 83,400 | 0 | 0.0% |
| All-through sparsity | 83,400 | 83,400 | 0 | 0.0% |
| Split sites basic eligibility funding | 54,000 | 54,000 | 0 | 0.0% |
| Split sites distance funding | 27,000 | 27,000 | | 0.0% |

| | | | |
|---------|---------|--------|-------|
| 985 | 985 | 0 | 0.0% |
| 1,415 | 1,415 | 0 | 0.0% |
| 152,700 | 148,883 | -3,818 | -2.5% |
| 152,700 | 148,883 | -3,818 | -2.5% |
| 58,600 | 58,600 | 0 | 0.0% |
| 85,200 | 85,200 | 0 | 0.0% |
| 85,200 | 85,200 | 0 | 0.0% |
| 85,200 | 85,200 | 0 | 0.0% |
| | | | |
| 55,100 | 55,100 | 0 | 0.0% |
| 27,600 | 27,600 | 0 | 0.0% |

| | |
|------|------|
| 2.1% | 2.1% |
| 2.2% | 2.2% |
| 5.2% | 5.2% |
| 5.2% | 5.2% |
| 2.1% | 2.1% |
| 2.2% | 2.2% |
| 2.2% | 2.2% |
| 2.2% | 2.2% |
| | |
| 2.0% | 2.0% |
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| REPORT FOR ROTHERHAM SCHOOLS FORUM |
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|----|-------------------------|---|
| 1. | Date of meeting: | 16th January 2025 |
| 2. | Title: | Early Years Block – 2026/27 Budget |
| 3. | Directorate: | Corporate Services |

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform the Forum of the proposed funding arrangements for Rotherham's early years block for 2026/27. The report deals specifically with the distribution of Dedicated Schools Grant (DSG) funding within the early years block (3 & 4 year old, 2 year old and under 2's) and the SEN Inclusion Fund.

2. RECOMMENDATION(S)

- 2.1 **Note the provisional DSG funding settlement for the early years block for Rotherham for 2026/27;**
- 2.2 **Note the proposed arrangements for allocating the early years funding to providers for 3 & 4 year olds, 2 year olds and under 2's.**
- 2.3 **To endorse the proposed early years funding rates to providers for the 2026/27 financial year.**

3. EARLY YEARS FUNDING SETTLEMENT 2026/27

- 3.1 The Dedicated Schools Grant (DSG) settlement announced on 17 December 2025 confirmed Rotherham's provisional early years block allocation for 2026/27 at **£49.7 million**. This represents an increase of **£7.3 million** compared to the updated 2025/26 early years DSG allocation (as of November 2025). The table overleaf provides a comparison of the 2026/27 allocations across the various early years provisions against the previous year.

| Funding entitlement | 2025/26 £M | 2026/27 £m | Change £M |
|--------------------------------------|---------------|---------------|--------------|
| 3&4 year old – entitlement funding* | 18.0 | 18.8 | 0.8 |
| 2-year-olds - disadvantaged families | 3.7 | 4.3 | 0.6 |
| 2 year old - working parents | 7.4 | 10.0 | 2.6 |
| Under 2's - entitlement funding | 11.0 | 14.0 | 3.0 |
| Early years pupil premium | 0.7 | 0.9 | 0.2 |
| Disability Access Fund | 0.3 | 0.3 | - |
| Maintained nursery schools funding | 1.2 | 1.2 | - |
| TOTAL EARLY YEARS FUNDING | 42.4 | 49.7 | 7.3 |

* includes funding for additional 15 hours for working parents

- 3.2 Early years funding allocations are determined by two key factors: the projected number of children expected to take up their entitlements (participation numbers) and the hourly funding rate for each entitlement.
- 3.3 The increase in funding for 2026/27 partly reflects expected increase in participation—particularly among two-year-olds and children under 2's. The final phase of the expansion of the entitlement (introduced in 2024) was implemented in Autumn 2025, which provides eligible under 2's and 2-year-old with 30 hours a week for 38 weeks a year of early education.

Hourly Funding Rates

- 3.4 Early years funding rates are the amounts paid by the Department for Education (DfE) to local authorities to deliver early years entitlements. These rates are determined through the Early Years National Funding Formula (EYNFF), which considers regional variations in early years provision. The table below sets out the confirmed funding rates for Rotherham for 2026/27 compared with those for the current year.

| Funding Rates per hour | 2025/26 | 2026/27 | % |
|---|---------|---------|-------|
| 3&4 year old funding | £5.71 | £6.01* | 5.3%* |
| 2-year-old funding – Additional Support | £8.15 | £8.50 | 4.3% |
| 2-year-old funding - working parents | £8.15 | £8.50 | 4.3% |
| Under 2's | £11.12 | £11.59 | 4.2% |

* 26/27 3&4 year old funding rate **excludes £0.19** 'termly funding adjustment' amount to offset the impact of moving to a termly funding model.

- 3.5 The funding rates have been nationally uplifted to reflect wider workforce cost pressures across the sector. Additionally, for 3- and 4-year-olds, 2-year-olds, and under-2s, a further increase has been applied to incorporate funding for the 2025/26 early years National Insurance contributions and the teachers' pay grant provided to settings.

- 3.6 While these rates are used by the Government to calculate allocations to local authorities, final provider rates are determined locally through each authority's early years funding formula. These often differ from the DfE hourly rate for the following reasons:
- Local authorities can apply supplements—such as deprivation, quality, or sparsity—up to 12% of the total planned formula funding for each entitlement. This allows authorities to adjust part of the hourly rate to reflect varying needs and circumstances at provider level;
 - Government guidance allows local authorities to target part of the allocation at providers with children with lower level or emerging special educational needs;
 - Local authorities can retain up to 3% of total funding to cover administration costs, such as the central early years team.

4. EARLY YEARS FUNDING ARRANGEMENTS 2026/27

- 4.1 For 2026/27, there are no changes to the Early Years National Funding Formula (EYNFF) for 3&4 year-olds or the formula for 2-year-olds and under, other than updates to reflect the latest available data for formula factors. However, the Department for Education (DfE) has implemented several technical adjustments in relation to funding allocations for 2026/27:
1. **Rolling in of Grants:** The national insurance contributions and teachers' pay grant (EYNTPG), previously provided as a separate grant in 2025/26, has been rolled into the national average funding rates for 3&4 year-olds, 2-year-olds, and children aged 9 months to 2 years.
 2. **Termly Funding System:** All early years entitlements will now be funded based on termly census headcounts (see details in para 4.3 below).
 3. **Revised Allocation Profile:** The DfE has adjusted the allocation profile to better reflect the number of funded weeks that local authorities pay providers each term. This change improves the accuracy of funding allocations.
 4. **Adjusted Funding Rates:** To support local authorities in planning for 2026/27, the DfE has adjusted the 3&4 year-olds funding rates and the methodology for determining indicative allocations for established entitlements.
- 4.2 In addition to the above, a small number of changes have been made by DfE to the operational guidance for 2026/27. The updates that have been made are intended to ensure the funding system supports the delivery of the early years entitlements. The main changes to the guidance are as follows:
-

1. confirmation of an increased minimum pass-through requirement for local authorities in 2026/27 – the minimum pass-through rate will increase from 96% to 97%.
2. confirmation that the 28 February deadline, by which local authorities must announce their funding rates to childcare providers, is now a statutory requirement.
3. information on changes to the eligibility criteria for the special educational needs inclusion fund (SENIF)

Change to Termly Funding Approach

- 4.3 From April 2026, the Department for Education (DfE) will adopt a termly funding approach for all early years entitlements. Currently, the new working parents' entitlements for two-year-olds and under are funded termly, based on counts of places taken up in the spring, summer, and autumn terms
- 4.4 From 2026/27, this termly approach will also apply to the 3- and 4-year-old entitlements and the 15-hour entitlement for families of two-year-olds receiving additional support. This change aims to make funding allocations to local authorities more accurate and better aligned with actual participation throughout the year. The 2026/27 budget will be adjusted as follows
- **December 2025:** Indicative allocations published based on Spring 2025 adjusted PTEs and forecast PTEs for core entitlements
 - **November 2026:** Update to early years block allocations reflecting Summer 2026 participation numbers
 - **July 2027:** Final early years block allocations based on this methodology



- 4.5 The transition to termly funding for 3&4 year-olds will reduce the annual nationally reported funded hours. Without adjustment, this would lower local authority budgets despite unchanged delivery requirements. To address this, funding rates for 3&4 year-olds have been uplifted to reflect termly variations, ensuring provider rates remain stable. For Rotherham, the termly adjustment within the funding rate is £0.19 per funded PTE.

5. CONSULTATION ON RMBC'S 2026/27 EY FUNDING FORMULA

- 5.1 Local authorities must consult Early Years funded providers on proposed Early Years Funding Formula (EYFF) arrangements. A consultation on the 2026/27 EYFF ran from 21 November to 7 December 2025, supported by four online information sessions on 27 November and 4 December.
- 5.2 Due to delays in publishing funding rates and provisional DSG allocations, indicative rates were unavailable during the consultation. Instead, feedback was sought from PVI, childminders, school-based nurseries, and maintained nursery schools on the principles and planned changes to Rotherham's EYFF for 2026/27:
- Increase in pass-through rate – from 96% to 97% for the 3–4-year-old funding stream. Other entitlement funding streams will remain at 97%, in line with guidance.
 - Deprivation supplement – to continue for 3–4-year-olds as per DfE guidance, with two options proposed: (1) Retain the current 1% of the base rate for deprivation; and (2) Reduce the deprivation budget to 0.5% of the base rate.
 - Contingency retention – a percentage of the base rate from each entitlement funding to cover the impact of termly counts and stretched offers. Any contingency retained will count toward the 97% pass-through rate.
 - Inclusion Support Grant – continue providing an hourly supplement for EEF-funded hours to enhance staffing ratios above minimum requirements through a whole-setting model, without requiring 1:2 staffing levels.
- 5.3 Details of the consultation and the analysis of responses are provided in Appendix 1. The consultation outcomes have informed the 2026/27 budget proposals outlined in the following sections.

6. PROPOSED EARLY YEARS BUDGET 2026/27

- 6.1 A summary of the proposed 2026/27 Early Years DSG planned expenditure is detailed in the table overleaf:
-

| Early Years Budget 2026/27 | Budget (£'000) |
|---|-----------------------|
| 3&4 year old – universal entitlement (including supplement) | 11,658 |
| 3&4 year old – extended entitlement (including supplement) | 5,615 |
| 2-year-olds - disadvantaged families | 3,207 |
| 2 year old - working parents | 9,473 |
| Under 2's - entitlement funding | 12,983 |
| Contingency – termly adjustment / stretched offer | 568 |
| Inclusion Support Fund (tier 2) | 270 |
| Early years pupil premium | 660 |
| Disability Access Fund | 298 |
| Maintained Nursery Schools – supplementary funding | 1,279 |
| RMBC Early Years central team costs | 1,354 |
| TOTAL PLANNED EXPENDITURE | 47,364 |

Rotherham Early Years Funding Formula 2026/27

6.2 The entitlement funding allocations are primarily determined by the local funding formula. For 2026/27, the formula structure remains largely unchanged from last year, except for retaining a contingency to address the impact of termly counts and payments for stretched entitlements. The main components of the formula are:

- Basic core funding – calculated by applying an average hourly rate to forecast participation numbers.
- Deprivation supplement – additional funding to support settings with children from deprived backgrounds.
- Inclusion Support retention – maintaining the current rate of £2 per hour for children meeting Inclusion Support Fund criteria.
- Contingency – ensuring sufficient funds for children who join after the headcount/census date.

Part Time Equivalent (PTEs)

6.3 The proposed budget for 3&4 year olds, 2 year olds, and under-2s is based on the Council's forecast termly headcount for each early years entitlement, rather than the part-time equivalent figures used by the DfE. This accounts for the difference between the planned expenditure of £47.3m and the provisional early years DSG allocation of £49.7m. It should be noted that RMBC funding will be adjusted by the DfE to reflect actual PTE numbers.

Minimum Pass-through Requirements

- 6.4 There is a mandatory level of 3&4 year old, 2 year old and under 2 entitlement funding that the council must pass through to providers/settings. The minimum pass-through rate has been set by the Government at 97% across all entitlement funding. The proposed planned spend for 2026/27 reflects the 97% minimum pass through requirement. See table below:

| | 3&4 yr old £'000 | 2 yr olds £'000 | 2 yr olds (working parents) | Under 2s £'000 | Maintained Nurseries £'000 |
|------------------------------|------------------------|-----------------------|-----------------------------------|-------------------|----------------------------------|
| Total Entitlement | 18,039 | 3,367 | 9,945 | 13,775 | 1,279 |
| <i>Planned spend:</i> | | | | | |
| Base funding | -17,100 | -3,207 | -9,473 | -12,983 | -1,279 |
| Deprivation supplement | -173 | - | - | - | - |
| SENIF (early years) | -135 | -25 | -74 | -34 | - |
| Contingency | -90 | -34 | -99 | -344 | - |
| Total planned spend | -17,498 | -3,266 | -9,647 | -13,362 | -1,279 |
| Pass Through rate (%) | 97.0% | 97.0% | 97.0% | 97.0% | 100.0% |

Deprivation Funding Supplement

- 6.5 The DfE requires local authorities to include a deprivation supplement in their early years funding formula for 3&4 year olds to reflect the additional costs of supporting disadvantaged children. Following consultation, 1% of the base rate (after retentions) will continue to be allocated for this purpose (which equates to approximately 10p per hour – same as in 2025/26), with £173k distributed to providers in 2026/27.
- 6.6 It should be noted that the deprivation supplement has not been applied to other entitlement funding, such as for 2-year-olds or children under 2. DfE guidance confirms that including a deprivation supplement in the local funding formula for children aged two and under is discretionary.

Proposed Providers' Base Rates

- 6.7 The base rates, when applied to headcount numbers, determine the core entitlement funding passed directly to early years providers. The calculation is based on proposed allocations after accounting for:
- Local authority retention for central early years team costs (3% across all funded entitlements);
 - Funding retained for the SEN Inclusion Fund (0.75% for 3&4 year-olds and 2-year-olds, and 0.25% for under-2s);

- Funding passed through to providers via the deprivation supplement and contingency (to cover adjustments after termly headcounts and stretched entitlements).

6.8 The following provider base funding rates are proposed and calculated for the 2026/27 financial year:

| Entitlement | 2025/26 Base Rates per hour | 2026/27 Proposed Base Rates per hour | Increase in Base Rates per hour | Percentage change (%) |
|---|--------------------------------------|---|--|-----------------------------|
| 3&4 Year Olds - Universal & Working Parent Entitlements | £5.37 | £5.88 | £0.51 | 9.5% |
| 2 Year-Olds – disadvantage families & Working Parent | £7.78 | £8.10 | £0.32 | 4.1% |
| Under 2-Year-Olds – Working Parent Entitlement | £10.68 | £10.92 | £0.24 | 2.2% |

6.9 The increase in base rates for both the 3&4 year olds (9.5%) and 2 year olds (4.1%) is consistent with the increase in the national funding rate for Rotherham for 2026/27 of 8.6% and 4.3% respectively for both entitlements. The base rate increase of 2.2% for the Under 2s entitlement is significantly less than the national funding rate increase of 4.2% due to the level of adjustment funding retained for the impact of the termly count and stretched offer.

SEN Inclusion Fund (SENIF)

6.10 There is a requirement for LAs to have a SEN Inclusion fund (SENIF) in their local funding systems in order to recognise and support the low level and emerging needs of individual children with SEN who are taking up entitlements. The following outline the proposed arrangements for 2026/27, which reflects the response to the consultation from providers:

- Tier 1 – Advice and guidance from the council’s early years team and wider children’s services.
 - Tier 2 – Additional funding to support enhanced staffing across the setting, ensuring all Tier 2 children receive some sessions with staffing above legal ratios. Applicable to children with two areas of developmental delay and involvement from two relevant external agencies.
 - Tier 3 – Additional funding for 1:1 staffing for children with high-level medical, physical, or complex needs requiring intensive support. Assessed through panel applications and funded outside the early years local funding formula. The distribution methodology is currently under review.
-

- 6.11 The proportion of the entitlement funding retained for the SEN Inclusion Fund in 2026/27 is as follows: 0.75% for 3&4 year-olds and 2-year-olds; and 0.25% for under-2s. This is in contrast to the proposal of 0.5% retention in the consultation with providers.

Maintained Nursery Schools (MNS)

- 6.12 Local authorities with MNS receive supplementary funding (as part of the early years funding allocation) for universal 3 and 4-year-old entitlement hours only. In 2026/27, the minimum hourly rate provided by the DfE is £5.47 and the cap has been set at £10 per hour. Transitional arrangements have now come to an end. The methodology for distributing the funding allocation to the maintained nurseries remains unchanged from previous years.

7. CENTRALLY RETAINED EARLY YEARS FUNDING

- 7.1 The local authority is allowed to retain no more than 3% of the funded entitlements Early Years DSG funding allocation for the LA central early years team and running costs.
- 7.2 In respect of the 2026/27 financial year, the local authority is proposing to retain 3% (which equates to £1.3m) of the funded entitlements Early Years DSG funding for the provision of centrally managed early years services. The following are key considerations in determining the level of retention for central LA costs:
- Minimum requirement allowed under the DfE guidance. The retention amount (£1.3m) is not too dissimilar to that for 2025/26
 - Ensure provider base rate funding is maximised as far as possible.
 - Ensure that the required capacity within the LA to manage the expansion of the early years entitlement and funding is properly funded.
 - Recognise the increased overall funding quantum of the Early Years DSG entitlement funding.

8. KEY ACTIONS

- 8.1 The following are the key actions in respect of determining the budget allocations to schools / settings for 2026/27:
- a) Local authorities are required to consult with providers around annual changes to their local formula. As detailed above, a consultation on the principles to be applied to the local funding formula was carried out between 21/11/25 and 7/12/25 the results have been used to inform the determination of the funding formula.
 - b) Schools Forum must be consulted on changes to local early years funding formulas, including centrally retained amount.
-

- c) Early years settings and providers must be notified of the confirmed funding rates by 28 February 2025.

NAMES & CONTACT DETAILS

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Appendix 1**Early Education Funding Formula Consultation 2026-27****Background**

Local Authorities (LAs) are required to allocate Early Education funding to providers based on a local funding formula and are required to consult providers on changes to their local formula.

The early years entitlements are:

- the 30 hours entitlement for eligible working parents of children from 9 months up to 2 years old.
- the 30 hours entitlement for eligible working parents of 2-year-old children.
- the 15 hours entitlement for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)
- the universal 15 hours entitlement for all 3 and 4-year-olds
- the additional 15 hours entitlement for working parents of 3 and 4-year-olds

The Department for Education (DfE) requirements for funding formulas is detailed below:

The DfE has set a minimum pass-through requirement for local authorities of 97% for 2026-27. This means that local authorities can retain up to 3% of each of the entitlements detailed above:

The 97% that must be passported to providers includes the following for each of the above entitlements separately:

- base rate funding for all providers
- any supplements for all providers (a deprivation supplement for 3 / 4 year olds is the only mandatory)
- lump sum funding for Maintained Nursery Schools (this applies to 3 and 4-year-olds only)
- **the funding paid directly to providers from the Special Educational Needs Inclusion Funding (SENIF)**
- contingency funding

Changes to the way Local Authorities early education budgets are calculated

The table below details the current methodology used by the DfE to allocate Early Years block funding to local authorities and changes for 2026/27:

| | Current | 2026/27 |
|---|--|---|
| 3 / 4 year olds & 2 year olds FRAS | Two January DfE Census counts (school and PVI) determine Early Years Block funding for whole year – one prior to the start of the year (5/12ths – 237.5 hours) and one during the financial year (7/12ths – 332.5 hours) with the budget | Termly DfE Census returns – Summer, Autumn & Spring |

| | Current | 2026/27 |
|--|--|--|
| | adjusted retrospectively the following July. | School data to be submitted by schools to DfE PVI data to be submitted by LA to DfE |
| 2 year olds and under 2's working parents | Termly DfE data returns | |

The current methodology generates adequate funding to cover Headcount and Adjustment payments and the cost of Stretching the entitlements.

From 2026/27 the Early Years Block will be funded based on termly DfE census counts. The main challenge from this change is ensuring that there is enough funding to cover the cost of children added at adjustment who will not be included in the termly census as well as the additional cost of delivering the Stretched offer. The local authority would need to build in a contingency to cover the cost of the Adjustment and Stretch models of delivery. The level of contingency would depend on a number of currently unknown factors, including the new termly census return dates.

Special educational needs inclusion fund (SENIF)

All local authorities are required to have a SENIF **for all children eligible for the entitlements** and who have SEN, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to recognise and support the low-level and emerging needs of individual children with SEN who are taking up the entitlements. These funds also support local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014.

Eligibility: A local authority's SENIF is for supporting children below compulsory school age with SEN and who are eligible for the entitlements. SENIF funding should be targeted at supporting children with low-level or emerging SEN.

SENIF funding is not for supporting children with SEN who are not eligible for the entitlements, and should not be used to support children with SEN in reception year at school. However, it can be used to support children with SEN who are eligible for the entitlements, are of school age, and have deferred their entry to reception. Children not eligible for the entitlements or with more complex needs and with an education, health and care (EHC) plan continue to be eligible to receive funding via the high needs block of the DSG.

Local authorities should pass the majority of their SENIF to providers in the form of top-up grants determined on a case-by-case basis.

The above information is taken from the DfE Early Years Entitlements operational guidance – full details are available here: [Early years entitlements: local authority funding operational guide 2025 to 2026 - GOV.UK](#)

Early Education Funding Formula Consultation 2026-27

A full consultation was carried out on the Early Education local funding formula in 2024-25. The changes being consulted on for this year are detailed below. In summary, it is proposed to reduce the local authority central retention from the 3 / 4 year old funding stream from 4% to 3%. The central retention from the other funding streams is proposed to remain the same at 3%. We would also like your views on three additional areas:

- deprivation supplement
- Adjustment / stretched entitlement – possible contingency
- Inclusion Support Funding – Tier 2 rates

Early Education Funding**1. Retention for Central Costs**

It is proposed to reduce the central retention of 3 / 4 year old budget from 4% to 3%.

| Funding Formula | 2025-26 | 2026-27 |
|------------------------------|----------------|----------------|
| Retention for Central Costs: | | |
| 3 / 4 year old budget | 4% | 3% |
| 2 year old budget | 3% | 3% |
| Under 2's budget | 3% | 3% |

2. Deprivation Supplement

We would like to consult on two options for the deprivation supplement. This supplement is awarded to all 3 / 4 year olds in settings where their average IMD score, based on the post code of all 3 / 4 year olds is 30% or below. The current deprivation supplement is 10p /hour.

Option 1: retain the current 1% of the base rate for deprivation.

This would increase the hourly deprivation rate slightly (amount to be confirmed when the 2026-27 rates are announced – *projected deprivation rate 13p**).

Option 2: reduce the deprivation budget to 0.5% of the base rate.

This would reduce the hourly deprivation rate (amount to be confirmed when the 2026-27 rates are announced – *projected deprivation rate 6p*) but would increase the 3 / 4 year old base rate slightly (*projection, base rate would increase by additional 3p on top of any DfE increase**).

**amounts may change depending on DfE budget allocation for 2026/27*

3. Adjustment / stretched entitlement – possible contingency

To continue to fund new children at Adjustment and fund the Stretched entitlement, the local authority will need to retain a percentage of the base rate from each funding base rate as a Contingency to cover the costs.

Option 1: Local Authority to retain a percentage of each base rate as a Contingency and continue to fund new children at Adjustment and fund the Stretched entitlement.

- Option 2: **Remove the Adjustment return** and fund on Headcount only. No new children would be funded after Headcount. **Remove the Stretched funding** allocation and fund based on term time delivery only*.
- Option 3: **Remove the Adjustment return** and fund on Headcount only. No new children would be funded after Headcount **but retain a percentage of each base rate as a Contingency to cover the costs of Stretched funding.**
- Option 4: **Remove the Stretched funding** option and fund based on term time delivery only* **but keep the Adjustment return and retain a percentage of each base rate as a Contingency to cover the cost.**

**providers could still deliver a Stretched offer but would need to claim termly funding and manage the Stretch internally.*

4. Inclusion Support Funding

The early years local funding formula includes a retention to provide the current Tier 2 Inclusion Support funding.

It is proposed to retain the Tier 2 support model for 2026-27 with consultation on the percentage of funding to be retained and distributed as Inclusion Support funding to support low level, emerging needs.

Separate communication will take place around the current Tier 3 Inclusion Support Funding which sits outside the early years funding formula.

It is proposed to continue to provide an hourly Inclusion Support supplement **for EEF funded hours only** to enhance staffing **ratios above minimum requirements through a whole setting model.** There would not be a requirement to provide 1:2 staffing levels.

Criteria to apply: children who have 2 areas of developmental delay and are working with 2 relevant outside agencies.

| | ISG Rate – Tier 2 | | Amount to be retained from each funding stream | Projected Implications on EEF base rate* |
|----------|-------------------|------------------|--|--|
| Option 1 | £2 | 3 / 4 year olds | 0.5% | -3p |
| | | 2 year olds | 0.5% | -4.2p |
| | | 9m – 2 year olds | 0.25% | -3p |
| Option 2 | £4 | 3 / 4 year olds | 1% | -6p |
| | | 2 year olds | 1% | -8.4p |
| | | 9m – 2 year olds | 0.5% | -6p |

**amounts may change depending on DfE budget allocation for 2026/27*

**PLEASE SUBMIT YOUR RESPONSES TO THE ABOVE OPTIONS VIA THE
ONLINE FORM LINK BELOW BY SUNDAY 7TH DECEMBER 2025**

[Consultation on Rotherham Early Education Funding Formula 2026-27 – Fill out form](#)

Early Education Funding Formula Consultation 2026-27**Outcome of Consultation**

A consultation was carried out between 21st November 2025 to 7th December 2025 on proposals for the local EYFF for 2026/27. Four online consultation information sessions were also held on 27th November and 4th December.

A total of 56 responses were received:

| | Total Responses |
|------------------------------|------------------------|
| Maintained School | 4 |
| Academy School/Trust* | 9 |
| Childminder | 25 |
| Day Nursery | 12 |
| Pre-School | 4 |
| Out of School Care | 0 |
| Total | 54 |

Consultation Responses

1. It is proposed reduce the central retention of 3 / 4 year old budget from 4% to 3%. Do you agree with this proposal?

| Agree? | Responses | Percentage |
|---------------|------------------|-------------------|
| No | 7 | 15.22% |
| Yes | 39 | 84.78% |

2. Early Education Funding – Mandatory Deprivation Supplement – 3 / 4 year olds: Please select one of the options below:

| Options: | Responses | Percentage |
|---|------------------|-------------------|
| Option 1: Retain the current 1% of the base rate for deprivation | 28 | 60.87% |
| Option 2: Reduce the deprivation budget to 0.5% of the base rate | 18 | 39.13% |

3. Adjustment / stretched entitlement – possible contingency: Please select one of the options below:

| Options: | Responses | Percentage |
|--|-----------|---------------|
| Option 1: Keep Adjustment and Stretching and introduce a Contingency to cover costs | 27 | 58.70% |
| Option 2: Remove Adjustment and Stretching options | 3 | 6.52% |
| Option 3: Remove Adjustment and introduce a Contingency for Stretching | 4 | 8.70% |
| Option 4: Remove Stretching and introduce a Contingency for Adjustment | 12 | 26.10% |

4. Inclusion Support Funding – Tier 2: Please select one of the options below:

| Options: | Responses | Percentage |
|------------------------------|-----------|---------------|
| Option 1: £2 per hour | 30 | 65.22% |
| Option 2: £4 per hour | 16 | 34.78% |

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|---|
| REPORT FOR ROTHERHAM SCHOOLS FORUM |
|---|

| | | |
|-----------|-------------------------|---|
| 1. | Date of meeting: | 16th January 2026 |
| 2. | Title: | 2026-27 Central Schools Services Block Funding |
| 3. | Directorate: | Corporate Services |

PURPOSE OF THE REPORT

1. The purpose of this report is to outline the proposed Central Schools Services Block (CSSB) budgets for 2026-27 including the respective expenditure lines within the block funding.
2. DSG funding for 2026-27 is provided through 4 separate funding blocks, namely Schools, Early Years, High Needs and Central Schools Services. This report deals with the distribution of DSG funding within the Central Schools Services Block.

RECOMMENDATION(S)

3. The required actions and approvals by the Schools Forum are
 - Note the DSG Allocation for Central Schools Services Block for 2026-27.
 - Approve the proposed 2026-27 budget allocation as outlined in the table in paragraph 16.

BACKGROUND INFORMATION

4. As part of the implementation of the schools fairer funding, a Central Schools Services Block of DSG has been created to reflect the ongoing local authority role in education. This will ensure local authorities are appropriately resourced to continue to carry out their important role in supporting the provision of education to all pupils within their local area.
5. The Central School Services Block (CSSB) includes retained duties previously funded from elements of the defunct education services grant (ESG). These are duties which LAs undertake in respect of all schools/academies (e.g. asset management).
6. It should be noted that the Central School Services Block excludes other DSG funding that are centrally retained and managed by the authority, namely:
 - Schools block: - growth funding and de-delegated budgets (for maintained schools);

- High Needs block: - budget held by the LA include SEN support services; Out of Authority SEN budgets; post schools funding; etc
- Early Years block: - 3&4 year old; 2 year old free entitlement funding; etc.

7. Consultation with the Schools Forum on the level of retention of the above funding by the Council will be determined through the various budget reports to the Forum.

CENTRAL SCHOOLS SERVICES FUNDING ALLOCATION 2026-27

8. Funding allocation for LAs central schools services responsibilities is determined through the CSSB national funding formula (NFF). In 2025-26 LAs received additional funding through separate funding streams to support increased costs associated with centrally retained teachers, namely pay award and increased National Insurance contribution rate.

- National Insurance Contributions Grant (NICs) £451k
- Schools Budget Support Grant (SBSG) £247k

9. These separate funding streams have been rolled into the baseline for ongoing responsibilities in 2026-27, SBSG increasing to £338k to include full year effect of pay award.

10. The table below compares the 2026-27 allocation for the Central School Services Block to the current 2025-26 year (including additional in year funding).

| | Allocation 2025-26 £'000 | Allocation 2026-27 £'000 | Change £'000 |
|---------------------------------------|--------------------------------|--------------------------------|-----------------|
| Ongoing responsibilities | 1,794 | 2,488 | 694 |
| Historic Commitments | 0 | 0 | 0 |
| NICs & SBSG Additional Funding | 698 | 0 | -698 |
| Total Central Services Funding | 2,492 | 2,488 | -4 |

11. The CSSB NFF is designed to provide funding for 2 distinct elements, namely for ongoing responsibilities and historic commitments.

12. Funding for ongoing responsibilities is distributed using a simple formula based on a per-pupil factor (90%) and a deprivation factor (10%). The CSSB funding allocation for ongoing responsibilities has increased by £694k in 2026-27 due to

- the roll into the baseline of the NICs and SBSG funding (+£779k)
- Percentage rate reduction (2.5%) for ongoing responsibilities in 2026/27 (-£64k)
- reduction in pupil numbers based on October 2025 Census (-£21k)

13. However, when comparing 2026-27 funding against 2025-26, the additional £694k funding within the CSSB is offset by removal of the separate funding streams (£698k) in 2025-26, resulting in an **overall Central Services funding decrease of £4k in 2026-27**.
14. Funding for historic commitments is a fixed cash amount based on historic (baseline) spend by the LA. There are no remaining historic commitments and associated funding within Rotherham's allocation.
15. The expectation is that LAs consult with their schools forum on how to allocate their central services block funding in accordance with the published DfE operational guidance. The guidance sets out required approvals and restrictions on how LAs can allocate the funding.

BUDGET ALLOCATION 2026-27

16. The **ongoing responsibilities** of the Council that can be funded from the central school services block are outlined in regulations/issued guidance, including the respective approvals and spend limitations. The proposed respective budgets and the approval requirements for 2026-27 are outlined as follows

| Budget Allocations 2026-27 | Allocation 2025-26 £'000 | Allocation 2026-27 £'000 | Change £'000 |
|---|--------------------------------|--------------------------------|-----------------|
| Total Central Services Funding | 2,492 | 2,488 | -4 |
| Schools Forum approval <u>NOT</u> required for the following commitments | | | |
| National Copyright Licences | 324 | 312 | -12 |
| Centrally Employed Teachers Cost | 411 | 434 | 23 |
| Centrally Employed Non Teaching Staff | 698 | 672 | -26 |
| | 1,433 | 1,418 | -15 |
| Schools Forum <u>approval required</u> for the following commitments | | | |
| Schools Admissions | 250 | 261 | 11 |
| Schools Forum Servicing | 5 | 5 | 0 |
| SACRE | 6 | 6 | 0 |
| School Improvement - Safeguarding | 41 | 41 | 0 |
| Retained Duties (Former ESG) | 757 | 757 | 0 |
| | 1,059 | 1,070 | 11 |
| Total Commitment | 2,492 | 2,488 | -4 |

Annual allocations not subject to schools forum approval

17. The annual budgets for these ongoing responsibilities are not subject to Schools Forum approval, as they are pre-determined nationally by DfE. The proposed 2026-27 budgets in this category are detailed in the below:

- Copyright Licences (£312k): relating to all schools/academies are now managed nationally by the DfE on behalf of all local authorities. An adjustment is made annually to LAs funding allocation to recover the amount paid by the DfE. The amount for 2026-27 has not yet been confirmed by the DfE, with a **£12k estimated reduction** included based on the 2025-26 baseline, adjusted for the reduction in pupil numbers and an assumed inflationary cost increase.
- Centrally Employed Teachers Costs (£434k): relates to grant funding (pay & pension and NICs & SBSG) for centrally employed teachers' that was rolled into the ongoing responsibilities element of the CSSB in 2025-26 and previous years. The budget allocation has been **increased by £23k** to cover full year effect of the pay award and National Insurance Contribution increases in 2025-26.
- Centrally Employed Non Teaching Staff (£672k) reflects grant funding (NICs and SBSG) for centrally employed non teaching staff (catering, cleaning etc) that has been rolled into the ongoing responsibilities element of the CSSB in 2026-27.

Annual allocations subject to schools forum approval

18. This category of ongoing responsibilities requires Schools Forum approval on a line by line basis.

- Schools Admissions Service (£261k): Under the Schools and Finance Regulations this budget allocation can be increased for new/additional commitments or expenditure for the schools admissions service. It is proposed that an additional £11k commitment is included in the budget for 2026-27 to cover cost increases relating to pay award and National Insurance Contributions.
- Retained Duties (Formerly ESG Funded) reflect responsibilities that were previously funded by the Education Services Grant (ESG) but have now been subsumed within the CSSB. It should be noted that these **budgets cannot be increased and no new commitments can be entered into for 2026-27**. It is proposed that the costs of these duties be maintained at the current 2025-26 level. The breakdown of the ESG retained duties is outlined below;

| Budget Allocations 2026-27 | Allocation | Allocation | Change |
|----------------------------|------------|------------|--------|
|----------------------------|------------|------------|--------|

| | 2025-26 £'000 | 2026-27 £'000 | £'000 |
|--|------------------|------------------|----------|
| Access to Education (Formerly Education Welfare) | 68 | 68 | 0 |
| Asset Management | 67 | 67 | 0 |
| Statutory/Regulatory Duties | 622 | 622 | 0 |
| Total Retained Duties | 757 | 757 | 0 |

- Other budget allocations (£52k): It is proposed that the funding for 2026-27 commitments for Schools Forum, SACRE and Schools Improvement (Safeguarding) be maintained at the current 2025-26 level.

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SEND Sufficiency Update Schools Forum January 2026

Background

The current SEND Sufficiency Strategy is detailed as part of the Safety Valve Agreement and implementation plan. This has been in operation since 2021 running until the end of 25/26.

A longer-term strategy is required to identify sufficiency requirements beyond Safety Valve from 01/04/26.

Introduction

- The Council has a responsibility to create enough education provision to meet the needs of all pupils, this is called sufficiency.
- This includes support to mainstream schools to meet a wider level of SEND need and also to provide sufficiency of education where it is determined specialist provision is required.
- This SEND Sufficiency Strategy identifies local needs and provision requirements so that all pupils across the SEND continuum are able to access appropriate education provision.

Vision

We have a strong clear vision. In Rotherham we are just as ambitious for children and young people with SEND as for every other child.

The SEND Sufficiency Strategy should be read in conjunction with the Rotherham SEND Strategy My Life My Rights 2024-2028..

Underpinned by Four Cornerstones

welcome and care

value and include

communicate

work in partnership

Engagement

- As part of the preparation of the SEND Sufficiency Strategy stakeholder discussion and feedback was completed with mainstream schools, special schools, post 16 providers, health colleagues, parents and carers and young people.
- SEND Sufficiency discussion took place with education leaders at Schools Forum, wider education and school improvement partners and at SENCO network events. Discussions focused on what's working well and areas for improvement across core areas including - SEND Provision, Graduated Approach and Outreach Services.
- Alongside engagement completed specifically for the development of the new SEND Sufficiency Strategy young people's and parent/carers views are captured as part of established quality assurance processes across SEND provision.

Progress during the last SEND Sufficiency Strategy (Safety Valve)

- Supporting more children to access education within or close to their local community
- Creating good and outstanding local provision
- The Graduated Response in Rotherham
- Development of SEND School Improvement Offer and Quality Assurance
- Specialist Inclusion Team (SIT)

Context

Increasing numbers of EHCP

Increasing demand for specialist provision

Specialist provision already over capacity

| School Types | % CYP in Rotherham as at SEN2 25 | % CYP Nationally as at SEN2 25 | Gap to National | % CYP in Rotherham as at SEN2 24 | % CYP Nationally as at SEN2 24 | Gap to National | % CYP in Rotherham as at SEN2 23 | % CYP Nationally as at SEN2 23 | Gap to National | % CYP in Rotherham as at SEN2 22 | % CYP Nationally as at SEN2 22 | Gap to National |
|--|----------------------------------|--------------------------------|-----------------|----------------------------------|--------------------------------|-----------------|----------------------------------|--------------------------------|-----------------|----------------------------------|--------------------------------|-----------------|
| <i>*Special Schools</i> | 32.8% | 25.0% | 7.8% | 32.8% | 26.9% | 5.9% | 34.8% | 28.2% | 6.6% | 32.8% | 29.6% | -0.8% |
| <i>*Resource Provision / SEN units</i> | 4.0% | 3.8% | 0.2% | 2.9% | 3.9% | -1.0% | 1.2% | 3.9% | -2.7% | 3.2% | 4.5% | -1.3% |
| Mainstream Schools | 36.6% | 39.7% | -3.1% | 34.1% | 39.2% | -5.1% | 32.1% | 37.4% | -5.3% | 28.8% | 36.0% | -7.2% |
| <i>*Independent Non Maintained Special Schools</i> | 3.3% | 5.3% | -2.0% | 3.7% | 5.2% | -1.5% | 3.5% | 5.0% | -1.5% | 3.8% | 5.2% | -1.4% |
| <i>*Independent Specialist Provision</i> | 4.9% | 1.5% | 3.4% | 3.4% | 1.5% | 1.8% | 3.6% | 1.6% | 2.0% | 4.3% | 1.7% | 2.6% |
| Post 16 / FE Colleges | 13.7% | 12.3% | 1.4% | 14.2% | 11.7% | 2.5% | 13.5% | 12.3% | 1.2% | 14.7% | 14.8% | -0.1% |
| * All Specialist Provisions | 45.0% | 35.7% | 9.3% | 42.8% | 37.5% | 5.3% | 43.2% | 38.7% | 4.5% | 44.2% | 41.0% | 3.2% |

Needs Analysis

Key Documents considered

- Safety Valve Monitoring dashboard
- SEND statutory returns information to identify current demand/place planning
- Local SEND provision map
- Performance monitoring analysis – Outreach Services
- EHCP trends and comparison to national picture
- National Strategy links where appropriate
- SEND Strategy and KPI dashboard.
- Partnership data – RPCF, health.

Key Areas identified

- EHCP Growth
- Prime Need understanding
- Place planning forecasting

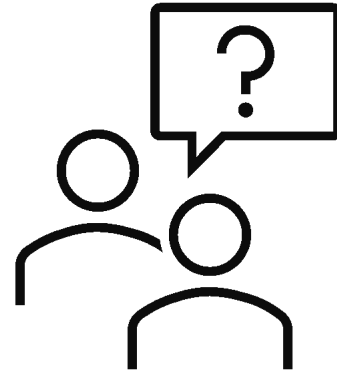
Aspirations

1. More young people are able to be educated locally, in their communities with mainstream peers
2. More young people are able to start their education journey successfully with a plan for their next phase of education
3. We will work with our network of special schools to identify gaps in current provision and make best use of the places available across our special schools
4. Mainstream Schools are able to access a range of support and best practice guidance to create a more consistent offer to SEND pupils.
5. Our mainstream and special schools are more accessible places for SEND learners.
6. More young benefit from additional support to improve outcomes at post 16 and access employment
7. We will ensure that our network of local specialist provision is utilised to its fullest and continues to deliver good outcomes

Measuring success

- Combination of output measures (activity completion) and impact measures (outcomes for children and young people)
- Progress to be monitored through SEND Sufficiency Board and SEND Executive Partnership Board
- Annual Scrutiny and Cabinet update

Thank you and questions



Rotherham Schools Forum Forward Plan 2025/2026

| Date of Meeting | Agenda & Reports Publication Date | Issues for Consideration | Lead Officer(s) |
|--|---------------------------------------|--|--|
| Friday 16th January 2026 | Thursday 8 th January 2026 | <p>(a) Dedicated Schools Grant / Schools Budget Update 2025/26</p> <p>(b) Schools Funding Settlement (2026/27)</p> <p>(c) Schools Block Dedicated Budget (2026/27)</p> <p>(d) Early Years Block Dedicated Budget (2026/27)</p> <p>(e) Central School Services Budget Block (2026/27)</p> <p>(f) SEND Sufficiency Strategy Mid Year Update</p> <p><i>(items' c, and e may require a vote and the meeting must be quorate)</i></p> | <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Mark Cummins</p> |
| Friday 27th March 2026 | Thursday 19 th March 2026 | <p>(a) Dedicated School Grant (DSG) and Schools Budgets 2025-26 Outturn</p> <p>(b) High Needs Budget Block (2026/27)</p> <p>(c) School Capacity / Place Planning Analysis</p> | <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Aileen Chambers</p> <p>Sarah Whitby</p> |

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