

# Schools Forum

12<sup>th</sup> March 2026



Coventry City Council

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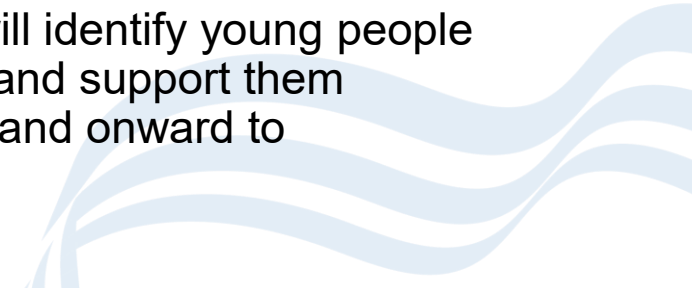
# Funding Update




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# Since last meeting

- DfE approval given for Coventry's funding formula
    - Budget shares issued to mainstream schools (27th Feb)
  - Special School Top up rates circulated on 27<sup>th</sup> Feb
  - Early Years Rates circulated 26<sup>th</sup> Feb
  - Council budget signed off – 24<sup>th</sup> Feb
    - Investment in Plas Doly Moch
    - Investment in Connected Futures and Transforming Futures (programmes will identify young people at early risk of becoming Not in Education, Employment or Training (NEET) and support them through tailored 14-16-year pathways into aligned 16-18 study programmes and onward to employment or training)
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# High Needs Stability Grant

- Statutory override in place until March 2028 which shields LAs from having any DSG deficit included in any Section 114 decisions
    - Where a LA effectively declares itself bankrupt
  - In response to the ever-increasing deficit the government have announced High Needs Stability Grant
    - LA's will receive funding totaling 90% of their accrued high needs deficits as at March 2026
  - Coventry City Council will not have a deficit by the end of 2025/26 therefore no allocation of grant
  - Support for deficits accrued in 2026/27 & 2027/28 still to be confirmed
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# DfE Finance Meeting

- Scheduled for 25<sup>th</sup> March
- Pre meeting has taken place to establish discussion points
- Opportunity today for Schools Forum representatives to put forward any particular items they would like us to raise




# Education White Paper & SEND Consultation



Coventry City Council

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# Education White Paper – Every Child Achieving and Thriving

- 1) Our children's futures (enable every child to achieve & thrive)
  - 2) Narrow to broad (enrich and broaden children's experiences)
  - 3) Sidelined to included (inclusive education system that delivers for all – SEND reform)
  - 4) Withdrawn to engaging (children and communities to engage with school)
  - 5) Support and investment in high-quality staff (work in partnership with school staff)
  - 6) Collaboration between schools and with other partners (system must be routed in partnership and collaboration)
  - 7) Enabling innovation and ambition (drive innovation and ambition through system led improvements)
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# SEND Reform - Vision

We will build an education system where inclusion and high standards are two sides of the same coin. And in doing so we want to raise attainment for all. Every child deserves high-quality, inclusive education close to home, where they can learn, make friends, and participate in their community.

Every child has the right to high-quality, inclusive education close to home.

Aim to **integrate SEND into mainstream practice**, not run two parallel systems.

Inclusion defined as proactive support enabling children to *belong, achieve and thrive*.



# Headlines

## Three Core System Shifts

- **Earlier, evidence-based support in mainstream.**
- **Integrated health, care and education.**
- **Upfront investment for settings, not lengthy assessments.**

## Key Investments

- **£7bn total uplift** in SEND spending compared to 2025–26.
- **£1.6bn** for inclusion in mainstream settings.
- **£1.8bn** for “Experts at Hand” – embedded specialists like SaLT, EPs, OTs.
- **£3.7bn capital** for Inclusion Bases and new special school places.
- **£200m** for national SEND workforce training.

# Headlines

## Layers of Support (New Framework)

**Universal Offer** – strong inclusive practice for all.

**Targeted** – short-term, evidence-based intervention in mainstream.

**Targeted Plus** – multi-agency input, access to Inclusion Bases.

**Specialist** – nationally defined **Specialist Provision Packages** + EHCP where needed.

## Specialist Provision Packages

Nationally defined, evidence-based frameworks specifying interventions, staffing, and resources for the most complex needs.

EHCPs in future will apply **only** where a child needs one of these packages.

# Headlines

## Accountability Reform

Ofsted to inspect inclusion across all settings.

New Inclusion Strategies required from schools.

Stronger oversight of LAs, Integrated Care Boards and independent special schools.

## Transition

No changes to existing EHCP support before **Sept 2030**.

New assessments for Specialist Packages start from **Sept 2029**.

Children move to the new system at transition points (primary → secondary → post-16).

# The Universal Offer

Establishes a new baseline entitlement of inclusive, high-quality provision for *all* children aged 0–25.

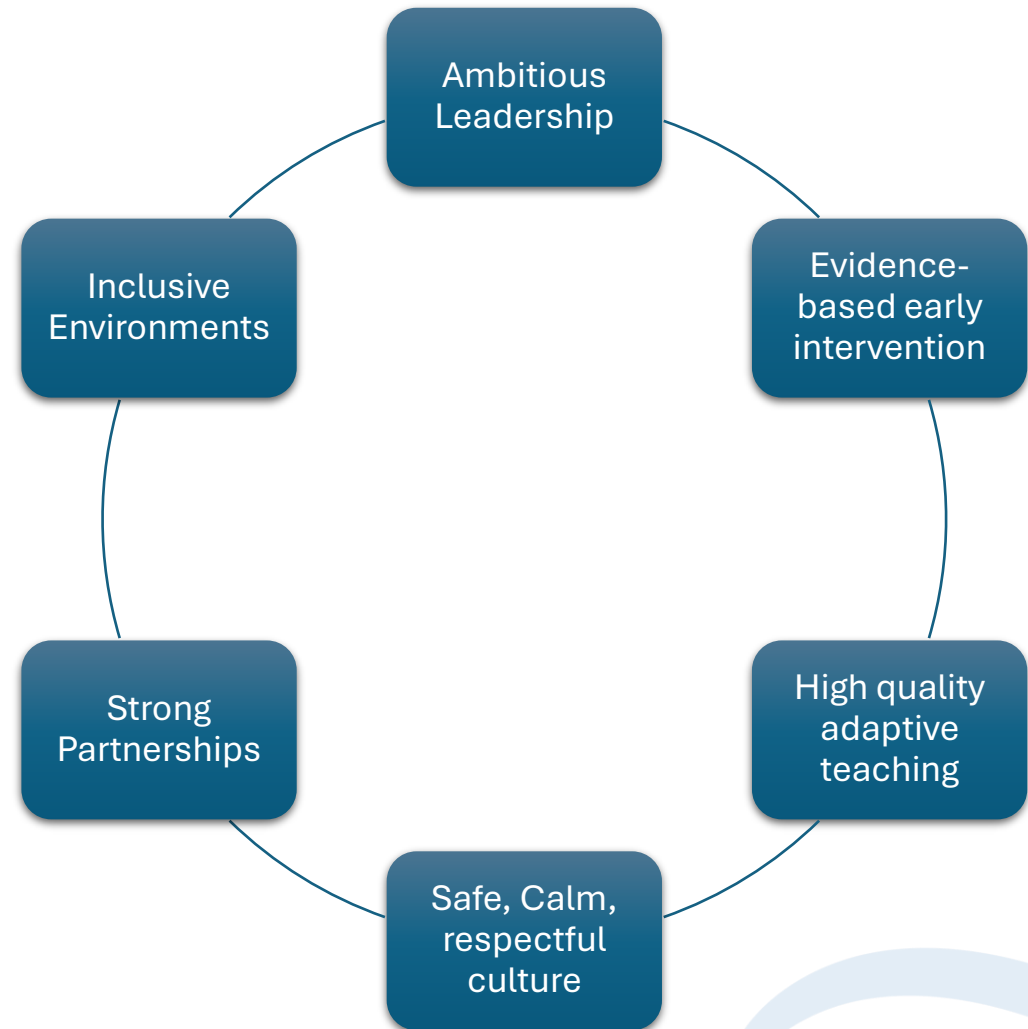
Ensures early identification, adaptive teaching, and consistent support across all mainstream settings.

## Implementation

Schools must publish a **legal Inclusion Strategy** replacing SEN Information Reports.

**£1.6bn Inclusive Mainstream Fund** (2026–27 onwards) supports delivery.

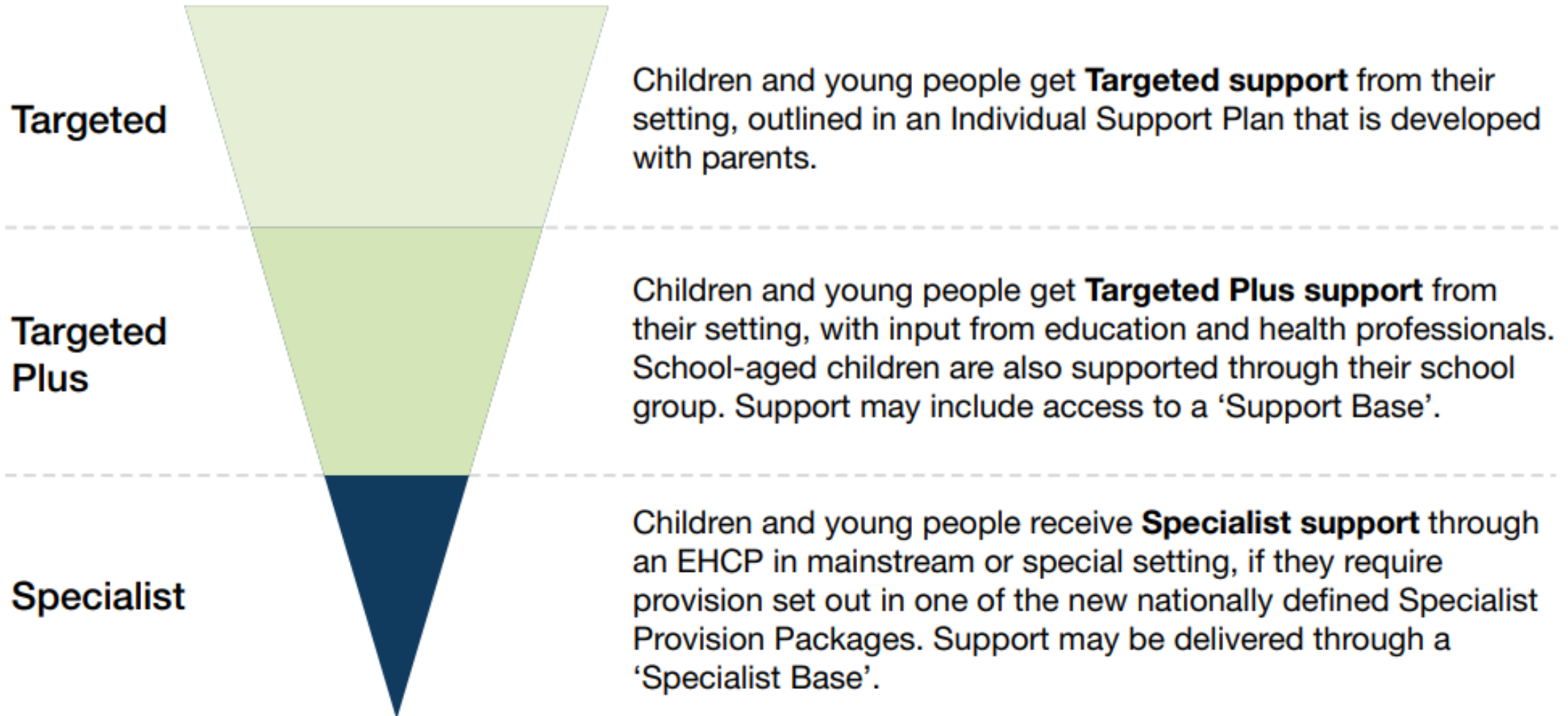
Inclusive design guidance will help settings improve physical and sensory environments.



# Inclusion Bases

- Replacement for SEN units, resourced provision, and pupil support units.
- Two types:
  - **Support Bases** – setting-funded, support Targeted/Targeted Plus.
  - **Specialist Bases** – LA-funded, linked to Specialist Packages.
- Provide bespoke learning environments, specialist teaching, and therapeutic input while keeping pupils connected to mainstream life.
- Ensure children receive specialist support **close to home**.
- Reduce long transport times and increase inclusion.
- Act as centres of expertise, spreading good practice across schools

# Layers of Support beyond universal



# Finance Reform – Key Principles

- From 2029/30 for schools and colleges, funding will be rebalanced, by moving a portion of funding currently distributed through LA's from high needs directly into mainstream core budgets. With greater certainty about levels and sources of funding settings will be able to decide on the best way to meet needs from within their core offer
- Funding will flow earlier, directly to schools and colleges and through LA's for early years settings
- From 2027 the government will consider transitional arrangements to allow this to begin ahead of statutory changes

# Finance Reform – Key Principles

- The government will review the formula for how high needs revenue funding is allocated to LA's, including through a separate consultation with stakeholders.
- LA's will continue to be allocated funding through a reformed high needs block to cover the cost of complex SEND. Following our reforms, this funding will primarily support specialist provision. Future funding for local authorities will aim to appropriately cover SEND costs, so that **where local authorities are managing their system effectively, they will not need to use general funds.**

# Finance Reform – Key Principles

- The government proposes to continue using proxies which correlate with SEND in the NFF, rather than funding identified SEND need directly.
- The current school funding landscape will be streamlined by clearly identifying each mainstream school's share of their core funding for inclusion (this would replace the current 'notional SEND' calculation)
- The government recognises that formulaic allocations will not always fully reflect actual levels of need. Their proposed pooled budget approach is expected to smooth out variation of support (more on this later)

# Finance Reform – Key Principles

- Funding that mainstream settings receive will be used to deliver the Universal, Targeted and Targeted Plus offers
- Alongside this, mainstream settings will continue to receive high needs funding from LA's to cover the cost of delivering a Specialist Provision Package for those with the most complex needs, including through specialist bases
- The government will review how best to target this rebalanced SEND funding to schools and colleges

# Inclusive Mainstream Fund (IMF)

- £1.6bn of investment over 3 years from 2026/27 to make the mainstream system more inclusive
- For schools, colleges and early years settings
- The government will ensure settings spend this money to improve their inclusion offer, and will place conditions on the funding
- Funding given alongside a statutory duty on nurseries (school based), schools and colleges to produce Individual Support Plans (ISP's).
- Exploring how this could work across Early Years PVI settings.

# Experts at Hand

- Expanding access to multi-agency support in mainstream, creating a new £1.8 billion (over 3 years) Experts at Hand service of speech and language therapists, educational psychologists and wider professionals to get support to children early – role for LA's and ICB's
- £1 billion will fund expert professionals, £0.8 billion to build capacity of mainstream schools through expanding outreach from specialist settings
- Anticipate by end of 2028/29 funding could mean an average of 40 days support in a primary school and 160 days in a secondary school

# Early Years

- Best Start Family Hubs: £200M investment for a dedicated SEND offer in every Hub
- Access to Inclusive Mainstream Funding and Experts at Hand
- Expansion of School Based Nurseries (capital investment)
- Providers will receive the new Inclusive Early Years fund in 2026/27 (£47M)
- As announced previously the government will consult later this year on improving how funding flows through the early years system
- Recognition that current funding system creates complexity (SENIF, DAF – local rules and policies)


# Specialist Funding Reform

- Aim to establish a fairer, more predictable and cohort-based funding model for Specialist Provision Packages, which will give specialist settings greater stability. Means a move towards block funding for cohorts instead of individual top-ups. Packages will be linked to a nationally set costing framework to ensure consistency.
- Government will consider the best way to approach cohort-based funding for early years children, given the wide range of providers and the smaller numbers of children.


# Pooled Budgets

- It is proposed that every school becomes part of a local SEND group. In the long term schools will pool some funding from their inclusive mainstream funding to meet need across their group and allow for better sharing of expertise and resources (government to consider how this could be applied across early years and post-16 settings)
- The government will look to LA's and their partners to shape the formation of these groups in their areas and have an oversight role
- The government will consult on the role Schools Forum should play in ensuring pooled funding is being used consistently and effectively

# Supporting Disadvantaged Children – Focused Funding

- Both Pupil Premium and NFF deprivation funding primarily uses FSM eligibility to identify disadvantaged children. This does not enable funding to schools to reflect different lengths and depths of disadvantage that children may be experiencing
  - The government will develop and test a new model for targeting this funding to help schools narrow the attainment gap
  - The new model has the potential to significantly rebalance how deprivation funding is distributed to schools
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# Supporting Disadvantaged Children – Focused Funding

- Government to consider whether funding rates could vary according to the level of disadvantage
  - Using income data rather than a binary FSM metric would enable schools to receive funding using a stepped model, reflective of the level of disadvantage in their cohort
  - This approach would remove the need for families to choose to take up the offer of a FSM in order to be eligible for deprivation funding
  - Will consult on proposals in Summer 2026
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# Finance Focus

## **Direct National Funding Formula (NFF):**

- Confirms that we will transition to a Direct NFF for mainstream schools

## **Teachers Maternity Pay:**

- The government will fund schools to improve maternity pay, doubling the period of full pay from the current offer of 4 weeks to 8 weeks for school teachers and leaders from the 2027/28 academic year

# Finance Focus

## **Alternative Provision (AP) Schools:**

- The government will work with the sector on a more stable funding model for AP schools, recognising their role in providing both short and longer term placements and for outreach

## **School Trusts:**

- Intention to move to all schools being part of school trusts, including new trusts established by LA's

# Finance Focus

## Workforce Initiatives

- £200M national training programme: from September 2026, all staff in early years, schools and colleges will be entitled to receive new high-quality training
- Strengthen requirements so ECT training materials include clear guidance on SEND
- Government will invest £40M over three years to boost the educational psychology and speech and language therapy workforce
- Will expand the training and development opportunities available to school business professionals

# Finance Focus

## Independent Special Schools (ISS's)

- Government is concerned about evidence of unreasonably high fees and the involvement of private companies seeking to make excessive profits. To address this legislation will be brought forward at the earliest opportunity to ensure LAs can pay a reasonable price. There will be flexibility linked to different levels of need.
- Expectation is the average fee LA's will be able to pay will be lower in cash terms from 2028/29.

# Finance Focus

## LA Led SEND Services

- Only those children and young people who need the support set out in a Specialist Provision Package will have their provision set out in an EHCP in future.
- Funding to build capacity for LA Led SEND Services is expected to help deliver this reform


# High Needs Budget Setting



Coventry City Council

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# High Needs Budgetary Position

- DfE have suspended the use of the High Needs NFF in 2026/27
    - Allocation will be based on 2025/26
    - High Needs block has increased, but only to incorporate the Core Schools Budget Grant (CSBG) that was previously received separately that has now been rolled into the DSG
    - This means no additional spending power for the LA compared to 2025/26
  - We are expecting demand to continue to increase meaning this has been a very challenging budget setting process.
  - Mirrors the national position with a significant proportion of LAs holding an accumulated DSG deficit
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# Budget Setting Proposals

	2025/26 High Needs Budget	2025/26 Forecast Variance	2026/27 High Needs Budget	Increase / (decrease) from 2025/26 budget
	£M	£M	£M	£M
Coventry Special & Alternative Provision Schools	35.3	0.5	42.1	6.8
Top Up - Mainstream Schools	14.0	-0.9	16.4	2.4
Post 16 - Colleges, Adult Education, Independent Sector	7.7	0.3	8.3	0.7
Independent Specialist / Mainstream Schools (ISS / IMS)	7.5	0.1	9.3	1.8
Specialist Support Services E.G. SEN Early Years, Sensory Support, KEYS) & Central Costs	7.1	-1.0	6.1	-1.0
Top Up - Other Local Authority Schools	1.9	0.2	1.8	-0.1
Personal Budgets / EOTAS / Tuition	1.6	0.7	2.5	0.9
Enhanced Resource Provisions	1.4	-0.3	1.7	0.3
Hospital Education & InspirED Pathways	1.2	-0.1	1.2	0.0
Disproportionate SEN	0.9	0.0	1.1	0.2
Top Up - Early Years	0.1	0.0	0.1	0.0
<b>Sub - Total</b>	<b>78.6</b>	<b>-0.5</b>	<b>90.6</b>	<b>12.0</b>
High Needs Block Allocation	76.8		81.5	
<b>Budgeted Overspend</b>	<b>1.8</b>		<b>9.1</b>	

# Coventry Special Schools & AP Schools

- Overall budget of £42.1m in 2026/27.
  - An uplift of £6.8m compared to 2025/26
  - £4.5m of this relates to rolling in of CSBG into the DSG
- Budgeted for an additional 54 places from September 2026
  - This is in addition to the full year effect of the additional 56 places from September 2025
  - This growth accounts for £2m of the budgeted uplift
- Special School Top up bands (excluding exceptional bands) are inflated by 2.1%
  - Mirrors the increases in mainstream NFF factors
- Special School exceptional bands are calculated based on actual costs.
  - Reduced in 2026/27 due to the reduction in employer pension contribution rates

# Mainstream Top Ups

- Overall budget of £16.4m in 2026/27 – a budget uplift of £2.4m
- Band M5 has been reduced to reflect staffing costs as a result of employer pension contribution reductions
- Other bands inflated by 2.1% to mirror other areas
- Seeing continual growth in both activity & unit cost

	Autumn	Spring	Summer
2022/23	793	846	904
2023/24	897	1,012	1,123
2024/25	1,205	1,298	1,386
2025/26	1,385		

	£M
2022/23	4.7
2023/24	7.0
2024/25	9.6
2025/26	13.1
2026/27	16.4

\*25/26 Q3 forecast, 26/27 budget

# Independent Specialist / Mainstream Schools

- Overall budget of £9.3m in 2026/27
  - Budget increase of £1.8m
- Places being sought in the specialist sector due to lack of capacity in city as well as specialist need.
  - These include joint funded places with social care & health
- Currently have 114 pupils in these provision types.
  - Forecast to have 133 pupils by March 2027




# Personal Budgets, EOTAS & Tuition

- Overall budget of £2.5m in 2026/27 – a budget uplift of £0.9m
  - 2025/26 forecast is an overspend of £0.7m
- Significant demand increase for specialist education settings caused by national growth in demand has resulted in more difficulty in procuring suitable placements for children & young people with EHCPs



# Post 16


- Overall budget of £8.3m in 2026/27 – a budget uplift of £0.7m
  - Commissioned 33 extra places at Hereward College from August 2026
  - Full year effect of 47 extra places across the sector in August 2025
  - Budgeted to continue use of other AP settings alongside colleges in 2026/27
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# ERPs


- Overall budget of £1.7m in 2026/27 – a budget uplift of £0.3m
- Budgeting that 35 new places will open across primary & secondary in 2026/27
  - In addition to 7 new places in September 2025
- ERP top up rates are aligned to an agreed staffing structure, and have been reviewed for 2026/27




# Disproportionate SEN

- No proposed changes to the operation of disproportionate SEN
  - Number of EHCP in December (& therefore number of £6k's schools are required to fund) is compared to the schools notional SEN budget
  - Where notional SEN budget is not big enough to pay the required number of £6k's, disproportionate SEN is paid to the school
  - Overall budget £1.1m in 2026/27 – budget uplift of £0.2m
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# Budget Setting Other

- Specialist Support Services & Central Costs - overall budget of £6.1m
    - A reduction of £1m
    - Use of funding from other sources
      - Supplementary Grants for centrally employed teachers & early years centrally retained contribution - £0.6m
      - Core contribution of £0.2m
    - Reductions in staffing costs primarily due to employer pension contributions
  - Other Local Authority Schools – overall budget of £1.8m
    - A reduction of £0.1m
    - No growth forecast due to lack of available places
  - Hospital Education & InspirED Pathways (£1.2m budget) and Early Years Top Up (£0.1m budget) – no change to budget
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# High Needs Budget Setting

- The above assumptions and proposals mean budgeted spend is increasing by £12m
    - Add on 2025/26 budgeted deficit - £1.8m
    - Subtract our 2026/27 High Needs funding increase - £4.7m
  - This means an in-year budgeted overspend of £9.1m in 2026/27
  - At Q3 the 2025/26 forecast DSG overspend (across all blocks) was £1.8m meaning the forecast 2025/26 closing DSG reserve will be £14.3m
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# Early Years Formula & Central Budgets (refer to report)



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# Early Years Funding

- Early Years National Funding Formula (EYNFF) requires LA's to pass on a minimum of 97% of DSG Early Years funding direct to providers.
  - This 97% is used for:
    - Universal hourly base rates for all providers
    - Universal hourly deprivation rate for all providers
    - The SEN Inclusion Fund (SENIF)
    - Contingency Funding
  - Remainder can be centrally retained – used for:
    - Central staffing for Early Years & SEN Early Years
    - Work on sufficiency of quality places for all eligible children
    - Access to workforce development for the EY sector
    - Funding local criteria 2 year olds
    - Work to support & secure quality across the sector
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# Early Years Funding

- In recent years the government has extended eligibility to funded hours to include 9 month olds – 23 month olds of working families.
  - These extended entitlements are now fully implemented and no further expansions are expected in 2026/27
- The longer standing entitlements have been funded based on January headcount data
  - Newer entitlements are funded based on termly headcount data – consistent with the methodology LA's use to fund providers.
- From 2026/27 the DfE will fund all entitlements on a termly headcount basis.
  - The DfE have acknowledged that making this change will reduce LA's 3 & 4 year old funding.
  - So for 2026/27 the DfE will be providing an additional uplift to the 3 & 4 year old hourly rate paid to LA's over & above the standard inflationary increase

# Early Years Funding

- This means the DfE have published two 3 & 4 year old rates in 2026/27
  - A without termly adjustment rate – based on the NFF & is what LA's should use to ensure compliance with the 97% pass through requirement
  - A with termly adjustment rate, to ensure LA's are compensated for the the change to a termly census funding model
- 3 & 4 Year Old rates:
  - LA rate with termly adjustment - £6.38 (7.6% inflation)
  - LA rate without termly adjustment - £6.21 (4.7% inflation)
  - Hourly base rate - £5.56 (£5.21 in 2025/26 means 6.7% inflation)
  - Hourly deprivation rate - £1.67 (£1.56 in 2025/26 means 7.1% inflation)
  - Average rate - £5.90 (£5.55 in 2025/26 means 6.4% inflation)

# Early Years Funding


- 2 Year Old Rates:
  - LA funding rate - £8.91 (3.7% inflation)
  - Hourly base rate - £8.03 (£7.72 in 2025/26 means 3.7% inflation)
  - Hourly deprivation rate - £3.22 (£2.32 in 2025/25 means 38.8% inflation)
  - Average rate for 2 year olds of working families - £8.62 (£8.32 in 2025/26 means 3.7% inflation)
  - Average rate for early learning 2 year olds - £8.87 (£8.32 in 2025/26 means 6.7% inflation)
- Significant increase to hourly deprivation rate for 2 year olds
  - Policy driven decision to facilitate greater take up of early learning 2 year old offer
  - Putting more money into the deprivation rate means that settings who take more early learning 2 year olds will receive more funding

# Early Years Funding

- Under 2's Rates:
  - LA funding rate - £12.12 (3.4% inflation)
  - Hourly base rate - £11.15 (£10.59 in 2025/26 means 5.3% inflation)
  - Hourly deprivation rate - £3.34 (£3.18 in 2025/26 means 5% inflation)
  - Hourly average rate - £11.75 (£11.24 in 2025/26 means 4.5% inflation)
- If take up in 2026/27 was equal to take up in 2025/26, this would result in a small overspend.
  - This would be managed using the DSG reserve



# SEN Inclusion Fund (SENIF)

- Designed to ensure no child has their access to their free early year's entitlement restricted or denied because of SEN or disability.
    - Funded from the 97% of funding that the LA must pass onto providers
  - Value of SENIF was £200k in 2019/20, £498k in 2024/25 and increase to £598k in 2025/26
  - Demand has continued to increase & as such SENIF budget will increase to £729k in 2026/27
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# Early Years Central Expenditure

<b>Centrally retained expenditure:</b>	<b>£000</b>
Staffing Costs (inc. Early Years & SEN Early Years)	2,103
EY Sector Training & Workforce Development	49
Maintained Nursery De-Delegation	28
Marketing	2
IT Systems	8
Sustainability	11
<b>Total</b>	<b>2,199</b>
<b>Other expenditure impacting on hourly rates:</b>	<b>£000</b>
Local Criteria 2 Year Olds	138
SEN Inclusion Fund	729
<b>Total</b>	<b>867</b>
<b>Total Expenditure</b>	<b>3,066</b>

# Decision – Early Years Central Expenditure

- **The Schools Forum should approve the retention of 9 month – 4 year old funding for central costs at £2,337k (the maximum allowed to comply with the 97% pass-through requirement)**

**Voting: All**



# Decision – Paid Out Central Expenditure

- **The Schools Forum should give a view on the continuation of an increased £729k SEN inclusion fund for 9 month - 4 year olds in 2026/27.**
- **The Schools Forum should give a view on continued funding of ‘Local Criteria 2 Year Olds’ at an estimated cost of £138k as part of Coventry’s Early Years Strategy. (which is funded from within the central expenditure limit total)**
- **Voting: All**

*NB: Technically these are LA decisions. We would however appreciate the steer and support of the Schools Forum*

