

Private Document Pack

Meeting	Schools Forum
Date and Time	Thursday 15 January 2026 at 3.30 pm
Place	Virtual

Contact: Anita Blackwell, Tel: schoolsforum@hants.gov.uk

AGENDA

	1	Welcome and Apologies	Chris Anders
	2	Declarations of interest	All
	3	Minutes of last meeting - 4 December 2025 (Pages 3 - 6)	Chris Anders
	4	Actions arising	Chris Anders
	5	Independent School Appeals Service review - update (Pages 7 - 12)	Jo Weeks Marie Mannveille
	6	Schools budget 2025/2026 - Monitoring Update (Pages 13 - 22)	Andrew Minall
	7	Schools Budget 2026/2027 (Pages 23 - 42)	Andrew Minall
	8	AOB	

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Hampshire Schools Forum

Date 4 December 2025
Time 2pm
Location Ashburton Hall, Ell, Winchester

Present	Primary	Claire Hope, Peter Bassett John Littlewood Fiona Wyeth
	Secondary	Chris Anders (Chair) Paul German, Pete Main, Mark Maranda, Chris Sermon
	Special	Marijke Miles,
	Education Centre	Vicky Essex
	Academy	Keith Norman
	TLP	Jo Ayres Susan Kent
	Post 16 Diocese	David Woolley
Also Present	HCC	Cllr Chadd, Cllr Forster, Natalie Smith, Andrew Minall Richard Vaughan, Anita Blackwell (Clerk)
	Apologies/ Absent	Nursery Joan Kerr
	Primary	Sefton Lucas, Stacey Parsons, Jason Anderson, Tina Nowell, Ian Waine <i>June Kershaw, Kishor Patel, Richard Austin</i>
	Secondary	Keith Atton
	Special	Roy Cleaver, Justin Innes
	Academy	Hilary Manton, Kathryn Marshall <i>Susan Hamilton</i>
	Other Members	Diane Wycherley Sara Russell <i>Nicci Atkinson Simon Evans</i>

1	Welcome and apologies.	
	Apologies received and recorded as above	
2	Declarations of Interest	
	<ul style="list-style-type: none"> No change since previous meeting 	
3	Minutes of the last meeting held on 7 October 2025	
	<ul style="list-style-type: none"> All in agreement that the minutes of the last meeting are a true and accurate record of the meeting. 	
4	Actions Arising	
	<ul style="list-style-type: none"> Item 5 – Place Planning – on agenda. 	

5	School Place Planning – Richard Vaughan	
	<p>Presentation circulated with agenda Questions points raised</p> <ul style="list-style-type: none"> • Section 14 of the Education Act 1996 – statutory duty to secure sufficient schools and places – RV explained how always try and use existing capacity or expand existing schools if appropriate. • Cllr Forster gave update on ministerial visit last week to secondary school/college where time was spent with SEN students and teaching staff, amongst others and highlighted how well the school and county were working together. Anticipated that the number of EHCPs will grow after the SEN White paper but a lot of the provision to be delivered in mainstream through the use of Resource Provision. • Figure of £17,854 per head queried for Resourced Provision as being tight given the variety of SEN needs. It was clarified that this was an average figure and will vary according to need. NS explained that as in mainstream if needs can't be met through allocation can apply for increased funding. • Challenges around running small schools discussed and small secondary schools. • Discussion around the impact of an Ofsted judgement on if a school is considered for closure. Emphasis is always on what is right for the children. 	
6	Schools Budget 2026/2027 – Andrew Minall	
	<p>Paper circulated with agenda Questions /points raised</p> <ul style="list-style-type: none"> • Why is falling role protection only eligible if likely to recover in three years, will the contingency emergency fund apply automatically and is there any evidence that it works? AM explained that the three year criteria is mandated nationally and the transitional protection will be applied to maintained schools automatically. The transitional protection applies to a small number of schools and provides protection for the remainder of the academic year allowing management time to take action. This forms part of schools wider budget planning alongside dealing with other financial pressures and issues. • Don't currently have a confirmed allocation for coming year but the principles will be applied as detailed in paper. • What is contained with the “Other functions” heading of the Central Schools Service Block? Other functions include a range of activities with a main area of spend relating to education welfare. • Why are Central Copyright licences funded? DfE took decision to negotiate on all schools' behalf – we are expected to pay for it. <p>All voted and are in agreement with the recommendations in the report that</p> <ul style="list-style-type: none"> • It is recommended that Schools Forum support the proposed approach to setting the mainstream school funding formula for 2026/27 as outlined in paragraph 5.6 	

	<ul style="list-style-type: none"> • It is recommended that Schools Forum support the disapplication of the regulations in relation to exceptional premises costs for a small number of schools as outlined in paragraph 5.9 • It is recommended that Schools Forum support the disapplication of the regulations in relation to second year of lump sum protection for one school as outlined in paragraph 5.10. • It is recommended that Schools Forum support the proposed approach to allocating funding within the high needs block as outlined in the high needs block section of the report. • It is recommended that Schools Forum approve the central school services block in line with the DfE allocation. • It is recommended that Schools Forum approve 'in principle' the allocations of the central provision funded by maintained schools and de-delegation budgets. 	
7	Dedicated Schools Grant Deficit Management Plan Update – Natalie Smith	
	<p>Presentation previously shared. Questions /points raised</p> <ul style="list-style-type: none"> • Is there any prospect in a change in the law? There would need to be something in the White paper regarding change in legislation although policy reform will be very difficult. • Tension around 20 week timeliness discussed with specific placement not being named. NS explained that it legally needs to be finalised within 20 week. • Consults – is there any legislation regarding how many parental options are considered and the issue regarding parents requesting special schools but not visiting - so may not be appropriate as no peer group for child. AGENDA ITEM • Challenge with HUB – parents don't see response from Special Schools just yes/no – and then result in Tribunal – reliant on case worker to share with parent, and this is improving. • Increase of request for EHCP assessments – any data on which district/areas that come from? More affluent areas are the highest which is a known national programme- Sutton Trust info to be added into minutes. Double Disadvantage? - The Sutton Trust • Local Area Partnership – Schools reps – NS asked all to ensure that they were aware of who their rep was and that information was disseminated to all. 	
9	AOB	
	<p>CA concluded the meeting thanking everyone for the conversations.</p> <ul style="list-style-type: none"> • AM gave update on F40 work increased focus week commencing 19 January • Next meeting date - 19 January – VIRTUAL 	

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People and
Organisation

Independent Appeals Service Review – Update

January 2026

Summary of recommendations

In late 2024, we undertook a comprehensive review to align the appeals service cost with available funding. The review explored opportunities for savings and efficiencies, including process automation, assessed future service structure and costs against DSG funding, evaluated organisational fit, and considered the viability of continuing sold services to academies. Outcomes and recommendations were shared at the December 2024 Schools Forum, with an update on implementation shared in March 2025. As requested, we are delighted to provide a further update on the progress made.

Below is a summary of the recommendations that were identified during the review, as well as the expected benefits. Further detail on the recommendations can be found on the following slides, along with an update on the progress.

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No.	Recommendations	Reduce Costs	Risk Reduction	Drive Efficiencies	Improve Accessibility	Improves budgeting/ forecasting
1	Use Only Cost Neutral Venues For In-Person Hearings	✓	✓	✓		✓
2	Implement Hybrid Meetings	✓	✓		✓	
3	Reduce Printing & Postage	✓	✓	✓	✓	✓
4	Digitally Record Minutes in Real-time	✓	✓	✓		
5	Review Academy Charging & Funding Model	✓*				✓*

*Recommendation was to review, with a view to identify opportunities to gain these benefits.

Recommendations Overview & Update

Recommendation 1: Use Only Cost Neutral Venues For In-Person Hearings

Status: Complete

Recommendation from 2024 review:

When booking a venue, clerks will always default to using Winchester as the base for meeting. Agiito is no longer required to book venues as standard

Benefits: removing the associated quote gathering time, administration, venue booking fee and risk of incurring cancellation fees.

Solution:

When booking venues for in-person appeals, the Appeals Team prioritise meeting spaces at Elizabeth II (EII) Court in **Winchester as the default location**. If the school is not within a reasonable, accessible distance from EII Court, **a Hampshire County Council library will be used where available**. Only if neither option is suitable will the team consider external venues (such as hotels booked via Agiito), and this will occur solely when EII Court or a library cannot accommodate the hearing.

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Update:

- This recommendation was implemented part way through the busy 'main round' period of summer 2025
- In the **23/24 school year 74%** of venues used were **external venues**. In the **24/25 school year** this reduced to **54%** of venues used were **external venues**
- It is anticipated that using this approach from the start of planning the 2026 main round will deliver further benefits in the 2025/26 school year
- At previous schools forum meetings the service were asked to investigate the option of **using schools as venues**. This was **investigated** however **only a handful** of schools came forward with **sufficient space** to host appeals, and concerns were raised that hosting an appeal at the school to which the appeal relates was **not sufficiently Independent**

Recommendations Overview & Update

Recommendation 2: Implement Hybrid Meetings

Status: In Progress

Recommendation from 2024 review:

Admission authorities can **hold meetings in person, remotely by video call or by mixture of the two (aka 'hybrid')**. In 2024 this was only facilitated in cases of military families relocating, where the parents join a video call and the rest of the attendees (Panel, Clerk & School) gather and join the video call from one location.

Benefits: Using a hybrid room in Winchester avoids the cost of an external venue, avoids travel time and costs for appellant and school representatives, in keeping with modern expectations

Solution:

The project team identified that **Hybrid** was preferable to fully remote so that the **Clerk and Panel Members were together in a room in Winchester, with other parties joining over Teams**.

This Hybrid approach was **piloted for single appellant appeals** starting in **June 2025**.

Note: Hybrid is currently only offered to local authority schools as we are still in the pilot phase. Once embedded the project team will explore feasibility of extending this offering to Academy schools.

Update:

- **28% of hearings held since 23 June 2025 have been hybrid**
- **Feedback from parents and Headteachers has been positive related to the flexibility that this allows for them to attend the hearing**
- 40 feedback forms from parent and school reps received back to date, **95% able to join the hearing over teams without issue**, 88% had used teams before, 83% happy they were able to put their case effectively, 48% happy to hold it virtually if had to do it again (35% prefer in person, 18% don't know)
- The room used to host the Panel Members and Clerk in the pilot to date was in EII South. There was feedback from Panel Members that audio in the room could be improved. Work is underway to equip a **room in EII West to host Hybrid Appeals with improved audio visual experience and improved climate control** and noise control for the Panel. This is expected to be operational **from February 2026** to support the expansion of the Hybrid approach
- Using lessons learned to continuously improve the approach to ensure it is robust, the **Pilot will now be expanded to undertake appeals involving up to 4 appellants Hybrid in 2026**
- A **second room with high quality hybrid functionality** is being secured for the **'main round' period in summer 2026** when a high number of appeals take place
- **Face to Face hearings will still be accommodated** if required for accessibility purposes, or where the number of appellants is high and may become complex to manage virtually (and for appeals to academy schools)

Recommendations Overview & Update Continued

Recommendation 3: Reduce Printing & Postage Costs

Status: In Progress

Recommendation from 2024 review:

HCC will **only provide printed copies to panel members**. Staff with HCC Issued devices are to use these. Spares will not be printed unless identified as required. All other copies will be emailed.

Solution:

By April 2026, HCC will only provide printed copies of hearing packs to Clerks and Panel Members as standard. Other Parties will be issued electronic copies of hearing related documents via the AppealsPro system (not by email).

Note: To maximise benefits, **Panel Members will be given the opportunity to 'opt in' to receiving their packs electronically.**

Benefits:

- Monetary efficiencies offered by significantly reducing our printing and posting.
- Issuing documents via the system allows us to streamline the administration process and limit manual effort.
- Near-paperless hearings are more environmentally friendly.

Recommendation 4: Ensure Minutes are Digitally Recorded by Clerk in real-time

Status: Complete

Recommendation from 2024 review:

Clerks take meeting minutes in real time digitally, instead of recording on paper and filing at a later date.

- *The independent training received by clerks and panel members over many years has always advised that these should be 'contemporaneous notes'.*

Solution:

As of December 2025, all clerks are now recording hearing notes/minutes digitally.

Benefits:

Reduction of: Duplicated effort, paper waste and risk of data breaches.

Recommendations Overview & Update Continued

Recommendation 5: Review academy charging model

Status: Complete

Suggested approach from 2024 review:

There is a requirement to determine whether we should continue to provide a sold service to academies. Initial findings suggest that if we stop providing this service to academies, we would need to reduce staffing levels, which can cause a negative impact on service resilience in times of low staffing levels (e.g. due to planned & unplanned absence). Findings also suggest we currently subsidise academies and therefore, should we continue to provide this service, we should **review the charging model to ensure this is adequately funded**. As **contracts are due for renewal in August 2025**, timing should consider this.

Update:

- Investigations found that the **charging model is sufficient to recoup costs** plus sufficient overhead to warrant continuing to provide the sold service
- Printing and posting is no longer offered to Academies as standard, but physical packs are available at an additional cost
- As part of the contract renewal in September 2025, the charging model has been recalibrated so that costs are more reflective on an itemised level
- The **charging model currently includes an allowance to cover the booking of a venue. Academy appeals will continue to be heard face to face**
- Once the hybrid approach has been established, a charge that reflects the costs of holding an appeal hybrid will be developed to support providing this option to academies. This is unlikely to be available until September 2026 at the earliest.
- When contracts were renewed in September 2025 **49 Academies chose to renew their contracts** with the Independent Appeals Service

Hampshire County Council

Schools Forum

19 January 2026

Schools Budget Update 2025/26

Report of the Director of Corporate Operations and Director of Children's Services

Contact: Andrew Minall, andrew.minall@hants.gov.uk

Annabel Hodder; annabel.hodder@hants.gov.uk

Gemma Anderson; gemma.anderson@hants.gov.uk

1 Summary

1.1 This report sets out the updated position on the school's budget for 2025/26.

2 2025/26 school's budget

2.1 The following table sets out the position on the schools budget as of 30 November 2025:

Block	Current budget.	Forecast outturn	Forecast variance	
	£000	£000	£000	%
Early Years	219,185	219,357	172	0.1
Schools	737,732	739,149	1,417	0.2
High Needs	209,346	349,092	139,746	66.8
Central School Services	8,946	8,758	(188)	(2.1)
Dedicated Schools Grant	1,175,209	1,316,355	141,146	12.0
Other school grants	81,476	81,476	0	0.0
Total Schools Budget	1,256,685	1,397,831	141,146	11.2

2.2 The forecast position on the DSG deficit reserve at the end of 2025/26 is:

	£000
Balance brought forward from 2024/25	(213,148)
2025/26 overspend	(141,146)
DSG reserve as at 31.03.26	(354,294)

2.3 The DSG Deficit Management Plan continues to be monitored and updated as progress is made to address the deficit. A full update of the plan is shared with Schools Forum in July and December each year with interim High Needs updates shared periodically throughout the year to provide budget updates, inform members of progress or discuss new proposed strategies.

3 2025/26 budget variances

3.1 The most significant budget variances are discussed below. A detailed breakdown of the 2025/26 figures is provided in appendix 1.

Early Years

3.2 The overall position on the Early Years Block shows a forecast overspend of £172,000.

Budget Area	Annual Budget	Outturn Forecast	Outturn Forecast Variance	
	£'000	£'000	£'000	(%)
Early Years ISB	646	646	(0)	(0.0)
Two Year Olds Free Entitlement Funding	52,778	52,370	(408)	(0.8)
Three to Four Year Olds Free Entitlement	93,364	95,794	2,430	2.6
Under 2 Yr Olds Free Entitlement Funding	65,712	63,992	(1,720)	(2.6)
Early Years Central Expenditure	6,685	6,555	(130)	(1.9)
Early Years	219,185	219,357	172	0.1

3.3 The forecast overspend reflects early analysis to estimate the January 2026 census numbers which will impact the overall 2025/26 Early Years DSG funding.

3.4 The overspend (£2.04m) on the 3&4 year old free entitlements relates to a forecast reduction in the January 26 census numbers compared to that which the current allocation is based on. This forecast reduction is due to a range of factors which includes the potential impact of new entitlements and lack of supply to accommodate new children in the market.

- 3.5 The underspend (£0.48m) on the 2 year old entitlements relates to a drop in take up for families receiving additional support. This is likely the result of capacity being taken up by the new and increased entitlements for working families.
- 3.6 The underspend (£1.73m) on under 2's is largely due to impact of new entitlements bedding in. The current forecast is based on the most recent, autumn, term take up, however as the under 2's funded entitlements only increased from 15 to 30 hours from September 2025 there is still a high level of uncertainty regarding take up in the future.
- 3.7 Included within the entitlement budgets is an overspend (£0.35m) on the SEN Inclusion Fund which is due to the identification of further costs relating to supporting children with lower level / emerging needs. Costs are expected to continue to increase due to the introduction of the new entitlements.

Schools Block

- 3.8 The overall position on the Schools Block is a pressure of £1.42m.

Budget Area	Annual Budget	Outturn Forecast	Outturn Forecast Variance	
	£'000	£'000	£'000	(%)
Schools Budget Shares	725,917	725,917	0	0.0
Schools De-delegated	2,607	3,198	591	22.7
Growth Fund	2,643	2,854	211	8.0
Responsibilities for maintained schools	6,565	7,122	557	8.5
Schools Block	737,732	739,149	1,417	0.2

- 3.9 There is a £1.22m overspend forecast relating to suspension of school staff (£656,000) and redundancy (£561,000). This follows the trend from previous years with a high volume of redundancies with a high pension strain. Suspended staff numbers continue to increase with the forecast increased for 25/26 due to high cost senior staff suspensions.
- 3.10 The growth fund is overspent by £211,000 in relation to new/re-organising schools (£158,000) and Secondary Growing Schools (£532,000). This is offset by an underspend (£418,000) on temporary classrooms. The additional cost to new/re-organising schools is due to the opening of three new schools from September 2025. An increase in secondary pupil numbers is driving the increase on growing schools and lower than anticipated requests for modular buildings is causing the forecast underspend on temporary classrooms.

High Needs

- 3.11 The High Needs budget in table 2.1 shows the value of the funding after academy schools recoupment (£14.8m) and reflects the confirmed final allocation for 2025/26 following adjustments due to the import/export arrangement for the movement of pupils between local authority areas.
- 3.12 The forecasts for the High Needs Block top-up budgets have been updated based on provisional autumn term data and modelled trends using updated information about SEN growth where possible.
- 3.13 Despite additional funding, a pressure of circa £139.7m is currently forecast for 2025/26. This is due to further growth in EHCPs and increasing complexity of need driving both higher unit and total costs beyond the level of additional funding. There is a high degree of volatility and complexity within these budgets which, when combined with the increasing overall size of the block, results in a risk of substantial movements throughout the year as activity updates become available.

Budget Area	Annual Budget	Outturn Forecast	Outturn Forecast Variance	
	£'000	£'000	£'000	(%)
High Needs Block Budget Shares	44,251	44,251	0	0
Maintained top-up	151,815	158,079	6,264	4.1
Independent Provision	132,075	134,075	2,000	1.5
SEN Support Services	7,698	6,816	(822)	(11.5)
High Needs Support for Inclusion	4,248	4,109	(139)	(3.3)
Hospital Education Service	1,803	1,604	(199)	(11.1)
Responsibilities for maintained schools	178	158	(20)	(11.2)
Projected Deficit	(132,722)	0	132,722	100.0
High Needs	209,346	349,092	139,745	66.8

- 3.14 To enable meaningful reporting, budgets have been set based on forecast spend. However, due to annual accumulated and increasing cost pressures beyond the level of funding provided, a SEN contingency offsetting budget is included reflecting the estimated in year deficit.
- 3.15 The Transforming SEND in Hampshire Board regularly reviews SEND activity levels and cost mitigation strategies. As cost avoidance and savings workstreams are successfully implemented, forecasts are adjusted.

3.16 SEN2 reporting shows that the number of education, health and care plans (EHCPs) continues to increase year on year. Please note in the table below figures for 2026 are estimates:

EHCP Data	2022	2023	2024	2025	2026 (forecast)
Total EHCPs	12,750	14,548	16,038	17,765	19,916
Growth on Prior Year (%)	21%	14%	10%	11%	12%

The most significant pressures and areas of spend are:

Projected 2025/26 Deficit – Forecast pressure £132.7m

3.17 To facilitate the setting of meaningful operational budgets, a projected deficit was established to reflect the anticipated funding gap. This approach enables adjustments in the High Needs Block allocation to be recognised as either increasing or reducing the projected deficit. No material changes to this budget are expected for the remainder of the financial year.

Top-up funding (maintained) – Forecast of £158m overspend of £6.764m

3.18 There continues to be a significant pressure on the top-up funding budgets because of increased demand and complexity of need.

3.19 The year-on-year changes to average unit costs for top-up are summarised in the table below:

Provision	FTE 2025/26	Change from 2024/25 (%)	Average Cost 2025/26 (£)*	Change from 2024/25 (%)
Special schools	3,558	5%	13,122	13%
Resourced provision	619	5%	8,036	8%
Mainstream	7,840	16%	5,735	7%
FE college	1,545	13%	5,825	3%
OLA	676	11%	12,408	0%

* This does not include Local Authority place funding, DfE recoupment, import/ export adjustments, discretionary payments or any other non-high needs block funding.

- Special schools top-up funding – overspend of £1.75m: the forecast pressure is due to £1.02m for legacy payments in relation to prior years, with the remainder due to a continued increase in complexity of need.
- Mainstream schools top-up funding – overspend of £4.2m due to continued increases in numbers of mainstream EHCPs and complexity of need.

- Post-16 top-up funding – underspend of £1.03m: this underspend stems from a review of costs attributable to the new Future Skills Pathway and Independence Hubs (£1.5m). Offsetting these reductions is an increase in learner numbers in the 2025/26 academic year though the true total will not be known until shortly before the end of the year. Due to the level of OLA placements in Hampshire colleges, there is a significant risk that the amount owed will differ substantially.
- Pupils in Other Local Authorities (OLA) top-up funding – overspend of £1.84m: following a review of autumn term top-up payments and payments made in relation to prior years, the forecast has increased. Growth in spend stems mainly from an increase in placements and prior year payments that were not accrued due to unexpected or disputed obligations.
- Discretionary payments – underspend of £0.5m: This budget funds bespoke support for pupils in mainstream or special schools to prevent costly placements in independent or non-maintained schools. Rising EHCP numbers have driven significant demand, especially in mainstream settings. The current underspend reflects slightly lower secondary school growth than budgeted but still represents £2.8m additional cost in 2025/26 in this area.

Independent Provisions – Forecast of £134m, overspend of £2.0m

3.20 The overall forecast on this budget is made up of £125m for Independent and Non-Maintained Special Schools (INMSS) and £9.0m for Specialist Post-16 Institutions (SPI), and is contributing significantly to the overall deficit in the High Needs Block.

3.21 The main reason for the overspend position is that an increase in average cost of 2.5% was assumed when setting the 2025/26 budget. However, forecast expenditure would indicate that the increase will be higher than this due to both larger provider price increases than expected and a significant number of highly complex need cases being supported.

3.22 The year-on-year changes to these budgets are summarised in the table below:

Placement type	FTE 2025/26	Change from 2024/25 (%)	Average Cost 2025/26 (£)*	Change from 2024/25 (%)	Total forecast change from 2024/25	
					(£)	(%)
INMSS	1,552	28.6%	80,559	4.7%	£32.2m	35%
SPI	175	2.7%	51,527	13.9%	£1.3m	17%

* This does not include DfE import/ export adjustments related to directly funded places

3.23 The local authority has created additional high needs places in special schools and resourced provisions and more children with EHCPs are now

remaining within their mainstream school, however, due to the significant increase in pupils with an EHCP and growing complexity of needs, it has been necessary to place more pupils in independent placements.

SEN Support Services – £882,000 underspend

The majority of this underspend (£637,000) is attributable to recruitment challenges within the Specialist Teacher Advisory Service and the Therapy Team. In addition, there is an underspend of £230,000 within the SEN Inclusion Fund in the High Needs Block, relating to early years children who already hold an Education, Health and Care Plan (EHCP). The principal area of growth for this support continues to be within the Early Years Block, where children do not currently hold EHCPs.

High Needs Support for Inclusion - £139,000 underspend

- 3.24 The underspend relates mostly due to a forecast increase in trading income for Future You (£92,000) with short term vacancy savings relating to the Inclusions Support Service.

Hospital Education Service - £199,000 underspend

- 3.25 The Inclusion Support Service is projecting an underspend of £110,000 on Hospital Education, attributable to lower than anticipated demand. This area is inherently subject to volatility, making accurate forecasting challenging. Current intelligence indicates extended waiting lists for CAMHS, with a significant number of children awaiting triage. This may be a contributory factor to the reduced referral levels observed to date. It should be noted that some of these cases may ultimately require Hospital Education provision; therefore, the potential for substantial future expenditure remains.
- 3.26 Bluebird & Austen hospital provision - £85,000 underspend. Overall, underspends are due to reduced numbers of young people in secure residential and hospital settings. The construction of new secure units and associated NHS staffing have limited capacity in the short term however learning numbers and costs are increasing in each reporting period.

Central School Services

- 3.27 The overall position on Central School Services is an underspend of £188,000. The main underspends are within the Inclusion Support Service & Elective Home Education Service and relate to current vacancies which are anticipated to be filled long term.

4 Recommendations

- 4.1 It is recommended that Schools Forum notes update on the 2025/26 budget.

Appendix 1 – Schools budget position as at 30 November 2025

Budget Area	Annual Budget £'000	Outturn Forecast £'000	Outturn Forecast Variance £'000	Outturn Forecast Variance (%)
Early Years ISB	646	646	(0)	(0.0)
Two Year Olds Free Entitlement Funding	52,778	52,370	(408)	(0.8)
3&4 Year Olds Universal Entitlement 15h	59,069	59,497	428	0.7
3&4 Year Olds Additional Entitlement 30h	29,310	30,144	834	2.8
Other 3&4 Year Olds Funding	4,985	6,153	1,168	23.4
Three to Four Year Olds Free Entitlement	93,364	95,794	2,430	2.6
Early Years Central Expenditure	6,685	6,555	(130)	(1.9)
Under 2 Yr Olds Free Entitlement Funding	65,712	63,992	(1,720)	(2.6)
Early Years	219,185	219,357	172	0.1
Schools Budget Shares	725,917	725,917	0	0.0
Staff Supply Cover (Not Sickness)	669	1,277	608	90.8
Ethnic Minority and Traveller Achievement Service	1,457	1,447	(10)	(0.7)
Schools Contingency	295	296	1	0.3
Licences and Subscriptions	186	179	(7)	(3.8)
Schools Dedelegated	2,607	3,198	591	22.7
Growth Fund	2,643	2,854	211	8.0
Responsibilities for maintained schools	6,565	7,122	557	8.5
Schools Block	737,732	739,149	1,417	0.2
Special Place Funding	34,079	34,079	(0)	(0.0)
Education Centres Place Funding	6,150	6,150	(0)	(0.0)
Resourced Provision Place Funding	4,022	4,022	(0)	(0.0)

Budget Area	Annual Budget £'000	Outturn Forecast £'000	Outturn Forecast Variance £'000	Outturn Forecast Variance (%)
High Needs in Early Years Provision	0	0	0	0
High Needs Block Budget Shares	44,251	44,251	0	0
Special School top-up	44,939	46,689	1,750	3.9
Resourced Provision top-up	4,971	4,975	4	0.1
Education Centre top-up	3,927	3,927	0	0
Mainstream School top-up	40,757	44,958	4,201	10.3
Post 16 top-up	11,589	10,556	(1,033)	(8.9)
Pupils in OLA Schools top-up	7,970	9,812	1,842	23.1
Discretionary Payments	33,917	32,897	(1,020)	(3.0)
Other SEN (Direct payments etc.)	3,745	4,265	520	13.9
Maintained	151,815	158,079	6,264	4.1
Independent Provision	132,075	134,075	2,000	1.5
High Needs Top-Up Funding	283,890	292,154	8,264	2.9
SEN Support Services	7,698	6,816	(822)	(11.5)
High Needs Support for Inclusion	4,248	4,109	(139)	(3.3)
Hospital Education Service	1,803	1,604	(199)	(11.1)
Responsibilities for maintained schools	178	158	(20)	(11.2)
Projected Deficit	(132,722)	0	132,722	100.0
High Needs	209,346	349,092	139,745	66.8
Central schools expenditure	3,134	3,163	29	0.9
Combined budgets - FSS & NEETS	0	0	0	0
Termination of Employment Costs	658	658	(0)	(0.0)
Historic Commitments	658	658	(0)	(0.0)
Other Functions (incl. Education Welfare)	3,656	3,438	(218)	(6.0)

Budget Area	Annual Budget £'000	Outturn Forecast £'000	Outturn Forecast Variance £'000	Outturn Forecast Variance (%)
Asset management	476	476	0	0.0
Strategic Management	178	178	(0)	(0.0)
Centrally Employed Teachers Pensions	844	844	(0)	(0.0)
Other central education expenditure	5,154	4,936	(218)	(4.2)
Central School Services	8,946	8,758	(188)	(2.1)
Music Grant	0	0	0	0
Pupil Premium	45,073	45,073	0	0
Other Schools Grants	36,403	36,403	0	0
Schools Grants	81,476	81,476	(0)	(0.0)
Overall Total	1,256,685	1,397,831	141,146	11.2

Hampshire County Council

Schools Forum

15 January 2026

Schools Budget 2026/27

Report of the Director of Corporate Operations and Director of Children's Services

Contact: Andrew Minall, andrew.minall@hants.gov.uk

1 Summary

- 1.1 This report sets out the 2026/27 budget proposals following the announcement by the Department for Education (DfE) of the Dedicated Schools Grant (DSG). The proposals reflect decisions made by [Schools Forum in December 2025](#) and incorporate other adjustments following the detailed funding announcements.
- 1.2 Local authorities continue to use locally agreed policies and funding formulae within the mandated DfE framework to set both maintained and academy school budgets. The DfE recoups the funding from local authorities DSG to fund academies directly.
- 1.3 By the end of February 2026, maintained schools will be notified of their individual budget share allocations and early years providers will receive confirmation of the hourly rate for 2026/27.
- 1.4 The overall Children's Services budget for 2026/27, which incorporates the schools' budget, will be considered by the Executive Lead Member for Children's Services on 21 January 2026.

2 2026/27 Schools Budget

- 2.1 The initial DSG allocations for 2026/27 were published by the DfE on 17 December 2025. For the schools and central school services blocks (CSSB), these provide an update to the provisional allocations published at the end of November. The early years and high needs block allocations were also confirmed by the DfE on 17 December 2025.
- 2.2 The DSG allocations provide an additional £97.9m compared to the current 2025/26 allocations, as summarised in the following table:

Funding block	Current DSG allocations 2025/26* £000	DSG allocations 2026/27* £000	Change £000	Change %
Schools	1,067,679	1,112,104	44,425	4.2
Central school services**	8,946	10,403	1,457	16.3
Early years	218,481	253,532	35,051	16.0
High needs**	224,155	241,186	17,031	7.6
Total DSG	1,519,261	1,617,225	97,964	6.4

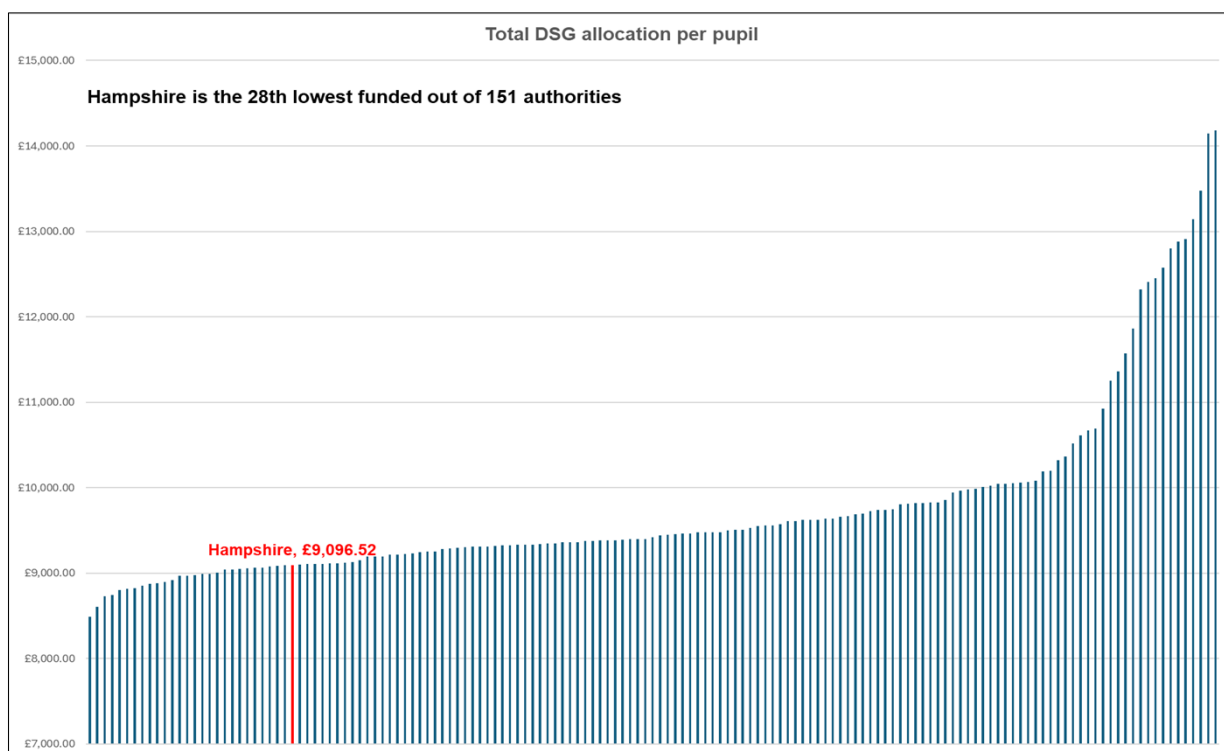
*DSG allocations reflect the pre-recoupment allocation values.

**The central school services and high needs block allocation increases relates to the rolling in of separate grants in 2026/27.

- 2.3 Overall, there is a £11.3m reduction compared to the provisional allocations published in November for the schools block and CSSB. The allocations have been updated to reflect latest pupil numbers alongside an increase to the growth fund of £124,000.
- 2.4 Due to an increase to the funding rates and new entitlements, the initial 2026/27 allocation for the early years block shows an increase of £35.1m compared to the current 2025/26 budget.
- 2.5 The allocations will be updated in year to reflect the early years termly census adjustments and the high needs import / export adjustment for cross border places.
- 2.6 The increase in the schools block allocation includes the mainstream schools' elements of the schools budget support grant (SBSG) and the national insurance contributions (NIC's) grant being rolled into the schools national funding formula (NFF) for 2026/27. This includes additional funding to cover the full year effect of the SBSG in mainstream schools.
- 2.7 Whilst there is a significant increase in DSG funding for 2026/27, Hampshire remains one of the lower funded local authorities on a per pupil basis as shown in the graph below.

Due to the growth of special school pupils and hospital education places in Hampshire the high needs block funding allocation has increased and is now placing Hampshire 50th lowest funded local authority on a per pupil basis (primary and secondary pupils in mainstream schools). This ranking shows an improvement on previous years.

Hampshire is the 10th lowest funded local authority in relation to schools block per mainstream pupil, a slight improvement from our prior year ranking of 7th.



3 Early Years Block

3.1 Following the update from DfE in December 2025, the following changes apply to the Hampshire funding rates for the Early Years entitlements for 2026/27:

- an increase of 32 pence for the under 2-year-old entitlement, taking the rate to £11.81 per hour;
- an increase of 25 pence for the 2 year old entitlement, taking the rate to £8.73 per hour;
- an increase of 22 pence for the three and four year old universal and extended entitlements, taking the rate to £6.38 per hour. Plus, an additional one-off adjustment to account for the move to termly census, however this isn't anticipated to increase our overall funding allocation due to predicted reductions in take-up;
- an increase of 15 pence for the early years pupil premium, which is equivalent to £655 per eligible child per year;
- an increase of £37 per eligible child for the disability access fund, which provides an annual allocation per eligible child of £975.

3.2 The DfE has confirmed supplementary funding will continue for the three maintained nursery schools for financial year 2026/27 to protect 2016/17 funding rates. The allocation has reduced by around £200,000, due to a reduction in part-time equivalent (PTE) children on the early years census, however maintained nursery schools continue to receive full protection relating to previous funding/costs incurred.

3.3 The budgets have been based on the initial DSG allocations provided. The majority of funding is passed out to providers, with a small percentage retained to fund central early years functions.

- 3.4 Following the DfE change for 2026/27 to collect Early Years data regarding all children/hours on a termly basis, the early years allocations are currently based on the January 2025 census; they will be updated in November 2026, March 2027 and July 2027 to reflect the summer/autumn/spring termly census information.
- 3.5 This is a demand led budget and take-up of the entitlements has been significantly impacted by decreases in population and changes to the funded entitlements. This is likely to continue into 2026/27 which, along with the impact of cost of living increases affecting eligibility and still not fully known take up of the new entitlements, results in uncertainty to the forecasts and allocations.
- 3.6 Providers will be consulted on the detail of the funding formula and potential changes shortly. It is proposed for 2026/27 to maintain the existing approach to funding, prioritising the base rate with some additional funding focused on key areas.
- 3.7 The DSG allocations for the under two year olds, disadvantaged two year olds, working parent two year olds and three and four year olds universal and extended entitlement funding are used as follows:
- To provide a contribution of 3% to the central early years functions.
 - To provide a SEN inclusion Fund (SENIF) of £3.2m, which includes a 2.1% inflationary increase to both hourly and place rates in line with inflation for High Needs funded settings, alongside some changes to service offer and therefore change in funding source i.e. elements previously funded via SENIF are now funded via 3% central budget.
 - To hold a contingency within the budget due to the level of uncertainty and to fund any additional children that take up the entitlement during the year.
 - The remaining funding is allocated to providers through the local funding formula, which currently consists of a base rate and a mandatory deprivation supplement. The local funding formula and rates, including SENIF, will be confirmed following consultation.
- 3.8 Providers will be notified of their funding rate by the statutory deadline of 28 February 2026. The provider rates will be increased in line with the inflationary uplifts the DfE have applied to Hampshire rates.

Central early years budget

- 3.9 The central budget funds the early years advisory teachers, a contribution towards the specialist teacher advisory service, early years inclusion and portage services.
- 3.10 The budget also includes a contingency to help mitigate against risks of overcommitment against a variable level of funding. As per 2025/26, for 2026/27 the risk around take-up and funding levels is greater than previous years as there is still minimal like-for-like historic data to base the forecasts due to the uncertainty of take up of the new entitlements.

Other early years funding

- 3.11 The budgets for early years pupil premium and disability access fund are set in line with the DSG allocations and statutory guidance.

3.12 The maintained nursery schools will continue to receive additional funding to protect their 2016/17 funding rates. The maintained nursery school lump sums will remain, increasing to £143,000 per school.

4 Schools Block

4.1 The initial DSG allocation provides an increase of £44.4m (4.2%) for the schools block compared to the 2025/26 allocation. This increase mostly relates to the rolling in of separate grants into the schools NFF for 2026/27 with an increase nationally of 2.1% to factor values available to meet new pressures. No inflationary increase has been applied to minimum per pupil level (MPPL) funding.

4.2 This has been updated from the provisional allocation published at the end of November for the:

- October 2025 census numbers, which have decreased by 1,997 (1.1%) from October 2024.
- Growth fund NFF, which uses growth in pupil numbers at middle layer super output area (small geographical areas) between the October 2025 and October 2024 pupil census.

4.3 It has been agreed by Schools Forum that the local funding formula for mainstream schools will follow the same approach as previous years, which is to mirror the NFF as closely as possible, with an adjustment to either the growth fund or unit values within the formula where there is an affordability gap. Now that the DSG allocations have been updated and the DfE have provided the school budget share tool with updated pupil numbers and characteristics, the affordability gap has been calculated.

4.4 There is a shortfall of £5.2m (0.47%) between the budget and the cost of the school budget shares based on the NFF unit values:

	£000
Schools block allocation	1,112,104
Less growth fund*	(4,400)
Funding available for individual school budgets	1,107,704
Funding required using NFF unit values	1,112,939
Shortfall	5,235

*funding has been included to support basic need for displaced pupils see 4.14 for further information

4.5 The disapplications for exceptional rents and second year of lump sum agreed by Schools Forum in December 2025 were approved by the DfE and funding has been adjusted in this year’s budget shares accordingly to support the impacted schools.

4.6 The shortfall in funding is mostly due to a change in pupil characteristics. Funding will be provided to schools in 2026/27 based on the characteristics of pupils on the October 2025 pupil census, however the NFF provides funding based on the characteristics of pupils on the October 2024 pupil census.

4.7 The table below shows the change in pupil led factors from last year.

	2025/26 (Oct 2024)	2026/27 (Oct 2025)	Change	Change %
Mainstream pupil numbers*	176,563	174,436	(2,127)	(1.2)
FSM	35,081	35,593	512	1.5
FSM6	36,106	36,696	590	1.6
IDACI	176,563	174,436	(2,127)	(1.2)
Low prior attainment	42,275	43,136	861	2.0
English as an additional language	9,634	9,150	(483)	(5.0)
Pupil mobility	808	779	(29)	(3.6)

*pupil numbers include adjustments for growth and school closures

4.8 The shortfall of £5.2m cannot be met from the growth fund allocation, so it will be necessary, as in previous years, to apply an adjustment to the unit values in the local schools funding formula to address the shortfall. The adjustment required to the NFF unit values, excluding the protected factors is -0.55%. This is less than the reduction required in 2025/26 of -0.66%.

The MPPL (£5,115 for Primary, £6,388 for KS3 and £7,018 for KS4) and the MFG (0.0%) will remain as stated.

4.9 Overall, and after the adjustment above, Hampshire has been able to pass on the national increases in rates to schools.

4.10 Mainstream schools receiving funding through the MPPL factor for 2026/27 is 12% at a cost of £3.0m. As a result of the increases to core NFF factor values, this has reduced from 2025/26 where 21% of schools were receiving MPPL funding at a cost of £8.1m.

4.11 The minimum funding guarantee (MFG) provides protection to ensure schools see no reduction in per pupil funding in 2026/27 compared to the previous year. Mainstream schools receiving funding through the MFG factor has reduced to 16% from 26% in 2025/26.

4.12 Individual school budget shares are still being finalised, and any further adjustments may have an impact on the final unit values and budgets set. The current proposed unit values are shown in appendix 2.

4.13 The budget for growth will be set taking into account implicit and explicit growth funding for schools along with an adjustment for closing schools. Growth relating to academies will be recouped so will not form part of the budget.

4.14 Following the previous DfE changes to falling rolls guidance, as per the agreement at December's Forum the decision to fund transitional protection for impacted maintained schools (at 50% of historical funding) remains.

5 High Needs Block

5.1 The DfE has chosen not to follow the high needs NFF used to calculate allocations which will be based on the 2025/26 allocations. The DfE have indicated that following wider reforms to the SEND system, which will set out in early 2026, they will review the methodology for allocating high needs funding so that it supports the reforms.

- 5.2 Allocations for 2026/27 are based on the 2025/26 DSG allocations plus funding equivalent to the full year effect of grants received in the 2025/26 financial year, this includes CSBG, NIC and SBSG. No inflation has been applied to high needs funding.
- 5.3 The initial DSG allocation provides an increase of £17.03m compared to the 2025/26 allocation solely in relation to rolling in separate 2025/26 schools grant allocations for High Block funded providers (Independent Special Schools, Specialist Post 16 Institutions, Independent Learning Providers, Hospital Education, Special and AP schools, special units and resource provisions).
- 5.4 The allocation includes the update to the import export adjustment to reflected in our November 2025/26 allocation; this will be subject to change in year.
- 5.5 The proposed high needs budget for 2026/27 has been derived by:

- Aligning the place funding budgets for special schools, resourced provisions, and education centres to reflect the agreed place numbers for 2026/27.
- Increasing the place funding budgets for special schools and education centres to reflect the new 2026/27 requirement for local authorities to pass on the equivalent of the core schools budget grant (CSBG) 2025/26, now that funding has been rolled in to the 2026/27 High Needs Block.
- Increasing the place funding budget for resourced provisions to reflect the new 2026/27 requirement for local authorities to pass on the equivalent of the Schools Budget Support Grant 2025/26 and National Insurance Contribution Grant 2025/26, now that the Special Units/Resourced Provisions (SURP) elements of those grants have been rolled in to the 2026/27 High Needs Block.
- Increasing top-up funding unit values to provide a 2.1% increase to support inflationary pressures.
- Increasing top-up funding budgets in line with growth trends and planned expansion of specialist provisions expected in 2026/27. In total, top-up budgets have been increased by £29.0m in relation to maintained provision and £30.8m in relation to independent providers.
- Increasing the budget for independent providers by £30.8m from £132m in 2025/26 to £162.8m in 2026/27, building in an average cost uplift of 6.5% which comprises both inflation and complexity of need level increases, and growth in pupil numbers of 15.0% for INMSS and 1.1% for SPI (applied to the Q3 outturn forecast). In relation to the Q3 forecast outturn of £134m, this represents an increase of £28.8m.

Placement type	2026/27 budget	2026/27 FTE	2026/27 average cost*
INMSS	£153.1m	1,784	£85,795
SPI	£9.7m	177	£54,877

* This does not include DfE import/ export adjustments related to directly funded places.

- Increase the budget allocation for education centres to provide greater funding certainty and promote a more consistent approach to service delivery. This should be achieved through collaborative working with mainstream schools to support and reintegrate children and young people into mainstream education to ensure equitable access to high-quality provision for every learner.

- Projecting discretionary funding based on historic trends that indicate this budget requires significant additional funding in 2026/27.
- Setting staffing related budgets in line with expense requirements. Savings have been identified across these services in relation to flexible working practices, travel, office related costs and the opportunity to grow sold services within DSG funded teams to reduce the impact of pay inflation and other pressures.
- Building in support from the CSSB for centrally employed teachers and support staff working within high needs funded teams, this funding was previously provided by separate grants.
- Allocating Transforming SEND Hampshire spend to save funding in line with the work outlined and funding agreed at Schools Forum in December.
- Realigning the budgets as required. This includes maintaining the high needs contingency budget as an offsetting entry to enable meaningful budgets to be set and remain within the funding allocation.

5.6 There continues to be growth in both demand and complexity of need which has been considered during budget setting and the expected shortfall in high needs block funding can be seen on the SEN contingency offsetting budget which is now projected to total £188m. The local authority continues to work closely with the local area partnership to develop strategies and capacity for improving the outcomes of children and young people with SEND in Hampshire with the impact recorded and monitored through the DSG Management Plan.

6 Central School Services Block

- 6.1 The overall change to the CSSB is an increase of £1,457,000. Funding for on-going functions has increased by £1.615m following the rolling in of the previously separate grant funding for centrally employed teachers and support staff. The historic commitments allocation has reduced by £158,000 due to a further 20% reduction to the allocation, as this drops below the required funding for this area a funding protection is being sought to maintain an ongoing £658,000 termination of employment costs budget.
- 6.2 The overall increase in funding relates to the rolling in of grants relating to centrally employed teachers and school support staff (SBSG, NIC and CSBG). As the funding relating to these former grants will now be based on a national funding formula rather than actual costs, the Hampshire funding rate is now above the national standard resulting in a reduced allocation in 2025/26 with the loss capped at -2.5%. Future year allocations will also be reduced until the Hampshire rate aligns with the nationally set figure.
- 6.3 A decrease to the number of pupils in mainstream schools, as per the October 2025 census, has resulted in a decrease of £112,000 compared to the provisional allocation provided at the end of November.
- 6.4 The CSSB funds a contribution to the statutory duties the local authority holds for both maintained schools and academies:
- funding for on-going responsibilities
 - residual funding for historic commitments

Schools Forum approval is required each year for the budgets held centrally. The proposed budgets have been set in line with the overall allocation for the CSSB, as agreed at the previous meeting.

The following table provides a breakdown of on-going responsibilities:

Service	2025/26 Current Budget £000	2026/27 Proposed Budget £000
Admissions	1,605	1,559
Fees to independent schools for pupils without SEN	140	0
Central copyright licenses	1,349	1,507
Servicing of Schools Forum	40	41
Asset management	476	378
Strategic Management	178	159
Other Functions (including education welfare)	3,656	3,755
Centrally employed teachers' and support staff historic grants	844	2,372
Total	8,946	9,771

6.5 Due to the decreased allocation, there has been a reduction to the centrally employed teachers' and support staff historic grants as the funding protection was capped on a per pupil basis. There has also been a small increase to the education welfare budgets in relation to tracking software. All other budgets also remain as per the provisional budgets in December.

6.6 The following table provides a breakdown of historic commitments:

Service	2025/26 Budget £000	2026/27 Budget £000
Termination of employment costs	658	658
Funding protection for ongoing commitments (additional funding requested)		(26)
Total Historic Commitment Funding	658	632

6.7 As a result of the reduction in historic commitment funding, many of the activities previously funded through this element of the funding have been ceased or are now funded through a different means.

6.8 It is not possible to reduce the budget for the termination of employment costs, as the associated pension commitments have not yet reduced. In recognition of this, the DfE will provide funding protection to local authorities where the overall allocation for historic commitments falls below the current value of the termination of employment costs. This funding will be added in the March 2026 update of the allocation.

7 Services for Maintained Schools

7.1 At the December meeting, Schools Forum agreed 'in principle' the budgets for central provision for maintained schools and de-delegation. This report sets out the final budget and per-pupil rates for 2026/27 for approval.

- 7.2 From September 2017, funding for statutory functions relating to maintained schools, previously received through the general services element of the Education Services Grant, ceased and a contribution of funding has been agreed from maintained schools budget shares.
- 7.3 The local authority has sought to identify only core statutory activities. To keep the cost to schools as low as possible, these activities have been extensively challenged to ensure efficiency and where interactions and dependencies have been identified with other services, these have been excluded from the top slice.
- 7.4 The table below sets out the 2025/26 budgets and proposed budgets for 2026/27:

Service	2025/26 Budget £000	2026/27 Budget £000
Central management	200	200
Asset management	625	625
Statutory and regulatory	1,359	1,401
Premature retirement / redundancy	759	1,320
Monitoring of national curriculum assessments	76	77
School Improvement	3,724	3,847
Total	6,743	7,470

- 7.5 The proposed budget for 2026/27 is as per the budget approved in principle by Schools Forum in December.
- 7.6 Based on the updated pupil numbers in maintained mainstream schools and updated place numbers in maintained special schools and education centres, the updated rate is £58.57 per pupil / per place. This is an increase of £6.81 compared to the 2025/26 rate.
- 7.7 The following table sets out the proposed 2026/27 de-delegation budgets including inflation and known changes and the basis for de-delegation:

Service	2026/27 Budget £000	Basis	2026/27 Rates	
			Primary	Secondary
Contingency	303	Per Pupil	£2.44	£2.44
Licences & subscriptions	212	Per Pupil	£1.64	£1.32
		Per School	£0	£600
Staff costs	820	Per Pupil	£5.29	£10.35
Ethnic Minority & Traveler Achievement Service (EMTAS)	1,497	Per Pupil	£3.49	£1.22
		EAL	£142.50	£224.40
Total	2,832			

- 7.8 The budget for staff costs funds the cost of suspended staff, trade union duties, teacher liaison panel, and other public duties. The budget has been adjusted by £151,000 to reflect the increase in suspended staff seen in 2025/26 and forecast to continue into 2026/27.

- 7.9 Ethnic Minority & Traveler Achievement Service (EMTAS) have seen continued high level of demand in relation to Ukrainian pupils however following the discontinuation of the homes for Ukraine grant in 2025/26 (£110,000) the service have identified efficiency savings to balance the resulting pressure. The requested £40,000 increase in funding relates to support for pay inflation funding for core budget staff net of efficiency savings.
- 7.10 The licences and subscriptions budget includes an expansion to the FFT subscription relating to secondary schools to provide access to pupil tracking that will be charged on a per school basis.
- 7.11 Schools Forum members for maintained primary and secondary schools need to vote separately to approve de-delegation for the above services.

8 Pupil Premium and Other Schools Grants

- 8.1 The pupil premium grant will continue into 2026/27, with unit values increasing by 2.3% with the exception of service premium which is increasing by 2.8%.
- 8.2 The rates for 2026/27 will be:
- Primary FSM Ever6: £1,550
 - Secondary FSM Ever6: £1,100
 - Looked after children: £2,690 (excluding funding retained by the virtual school)
 - Pupils who were previously looked after: £2,690
 - Service children: £360
- 8.3 The DfE has confirmed the SBSG and NIC's grant will cease to exist as separate grants for mainstream schools upon being rolled into schools NFF from 2026/27. For high needs the CSBG is being incorporated within the DSG alongside the other legacy funding streams that have already been integrated.
- 8.4 The DfE has announced that from September 2026, FSM will be extended to all children in households receiving Universal Credit. For 2026/27, there will be no changes to the schools NFF to allocate funding for this expansion of FSM. Instead, the funding needed for the FSM expansion will be provided through a separate grant.
- 8.5 The DfE will provide further information about other school grants during 2026.

9 Summary of the Schools Budget 2026/27

- 9.1 The following table sets out the initial DSG and additional grant allocations and the proposed budgets for each block:

Funding block	Gross DSG allocation £000	Estimated recoupment £000	Net DSG allocation £000
Schools	1,112,104	(348,042)	764,062
Central School Services	10,403	0	10,403
Early years	253,532	0	253,532
High needs	241,186	(16,489)	224,697
Total DSG	1,617,225	(364,531)	1,252,694

- 9.2 A detailed breakdown of the budget is shown in appendix 1. The budgets are based on current estimates, and any changes will be notified to Schools Forum.
- 9.3 There are other elements of funding in the schools’ budget that fall outside of the DSG, such as the Pupil Premium Grant. These are added to the DSG to provide the overall school budget. The allocations for other school grants have not been confirmed yet, so the 2026/27 budget is based on current estimates.
- 9.4 The total schools’ budget for 2026/27 is summarised below:

	£000
DSG	1,617,225
Less recoupment	(364,531)
Sub-Total	1,252,694
Pupil premium and other schools grants	81,393
Total schools budget managed by Children’s Services	1,334,087

9.5 It should be noted that the budget does not include funding for the DSG deficit reserve. A deficit of £213.1m has been carried forward from 2024/25, with a further overspend of £141.1m expected in 2025/26 to be added to this and funded from future year DSG allocations. The DSG deficit management plan continues to be monitored and updated as progress is made. Further updates will be provided to Schools Forum in due course.

10 Future Schools Budget

- 10.1 Hampshire schools collectively are one of the lowest funded in the country on a per pupil basis. Significant variation in the financial health of schools is now a feature with the distribution of funding through the national funding formula offering less support to some schools, in particular those with few pupils or those supporting a greater proportion of pupils with additional educational needs. Whilst increases to funding has been welcomed there are significant financial pressures, particularly on pay inflation, declining pupil numbers and rising demand which schools will have to manage.
- 10.2 The high needs block in Hampshire and nationally remains a concern and additional funding coupled with policy change is required to enable a balanced budget to be achieved. Hampshire continues to meet regularly with the DfE in relation to the savings developed through the Transforming SEND board along with regular benchmarking and discussions with other local authorities to identify best practice. Although the savings work is performing well it is acknowledged that this is not sufficient to bring us to a balanced position alone.
- 10.3 It is important to note that Hampshire will not be able to close the ongoing annual deficit in future years, meaning that the cumulative deficit will continue to rise without Government intervention. The forecast position is that by the date that the existing statutory override is due to expire (end of March 2028) the DSG deficit will be over £716m.

10.4 As above, the statutory override allowing the carry forward of the deficit ends on 31 March 2028 and at this stage there is no national solution to this problem.

10.5 The recently proposed local government finance settlement stated that:

The Government will provide further details on our plans to support local authorities with historic and accruing deficits and conditions for accessing such support later in the Local Government Finance Settlement process. Support provided to local authorities will be linked to assurance that they are taking steps to make a reformed, inclusive education system a reality.'

10.6 The government are currently [consulting](#) on SEN reform and have indicated an intention to publish the Schools White Paper in 2026. This will set out details of the proposed reforms to the SEND system based on five key principles:

- **Early.** Children should receive the support they need as soon as possible. Intervening upstream, including earlier in children's lives when this can have most impact, will start to break the cycle of needs going unmet and getting worse.
- **Local.** Children and young people with SEND should be able to learn at a school or college close to their home, alongside their peers, rather than travelling long distances from their family and community. Special schools should continue to play a vital role supporting those with the most complex needs.
- **Fair.** Every school education setting should be resourced and able to meet common and predictable needs, including as they change over time, without parents having to fight to get support for their children. Where specialist provision is needed for children and young people in mainstream, special or alternative provision, we will ensure it is there, with clear legal requirements and safeguards for children and parents.
- **Effective.** Reforms should be grounded in evidence, ensuring all education settings know where to go to find effective practice that has excellent long-term outcomes for children and young people.
- **Shared.** Education, health and care services should work in partnership with local government, families, teachers, experts and representative bodies to deliver better experiences and outcomes for all our children and young people.

11 Non-schools Budget

11.1 The revenue budget report for Children's Services for 2026/27 will be considered by the Executive Lead Member for Children's Services on 21 January 2026.

11.2 The report is publicly available and can be viewed using the link below:

[Executive Lead Member for Children's Services and Education](#)

11.3 The report details current significant pressures, particularly in relation to the available provision and costs of children looked after, increase in pupils with special educational needs (SEN), and high needs pressures within the schools budget. School transport costs are also expected to continue to increase for both mainstream and SEN, although at a significantly slower rate than was previously forecast and allowed for in the budget leading to an in year underspend that is forecast to continue into 2026/27.

- 11.4 The budget setting process has been undertaken against the backdrop of a budget gap of £143m by 2026/27 as forecast in the Medium Term Financial Strategy (MTFS) update report that went to Cabinet in November, which the Council is unable to close through savings alone. As a result of the Council's deteriorating financial position, officers have been considering what further savings could be made whilst maintaining delivery of essential services.
- 11.5 Within the MTFS reported to Cabinet in November 2025, it was forecast further SP25 Phase 1 and 2 savings of £7.6m from the Children's Services budget would be delivered in 2026/27. Due to the financial position further savings have been proposed under an SP26 programme totaling £0.6m for 2026/27, rising to £2.04m 2027/28 and £2.515m by 2028/29. In addition, when setting the 2026/27 budget, services were asked to consider all options for delivering an efficiency saving. This exercise has resulted in a total saving for the Directorate of £2.6m across the various services and these savings have been removed alongside the SP26 savings, from the Directorate's proposed 2026/27 budget set out in the report with the recommendation that Cabinet approves the savings at the same time as the 2026/27 forward budget.

12 Recommendations

- 12.1 It is recommended that Schools Forum agrees with the proposed budget allocations for 2026/27.
- 12.2 It is recommended that Schools Forum agree to continue funding the historic commitments, as detailed in paragraph 6.6.
- 12.3 It is recommended that Schools Forum members for maintained schools agree to the budget being retained to fund central provision for maintained schools, as detailed in paragraph 7.4.
- 12.4 It is recommended that maintained primary and secondary Schools Forum members vote separately to de-delegate services as detailed in paragraph 7.7.

Appendix 1 – Breakdown of the 2026/27 Schools Budget

Budget heading	2026/27 Budget £'000	Details
Under two year olds entitlement	78,444	Provisional DSG allocation, will be updated during 2026 to reflect termly census'.
Under two year olds - SEN inclusion fund	12	
Funding for under two year olds	78,456	
Working parent two year olds entitlement	61,932	Provisional DSG allocation, will be updated during 2026 to reflect termly census'.
Working parent two year olds - SEN inclusion fund	154	
Funding for working parent two year olds	62,086	
Disadvantaged two year olds entitlement	7,864	Provisional DSG allocation, will be updated during 2026 to reflect termly census'.
Disadvantaged two year olds - SEN inclusion fund	83	
Funding for disadvantaged two year olds	7,947	
Three and four year olds - universal entitlement	60,580	Provisional DSG allocation, will be updated during 2026 to reflect termly census'.
Three and four year olds - additional entitlement	30,780	
Three and four year olds - SEN inclusion fund	2,948	
Funding for three and four year olds	94,308	
Disability access fund	992	
Early years pupil premium	1,569	
Maintained nursery schools funding	685	Supplementary funding to protect funding at 2016/17 levels.
Early Years Advisory Teachers	1,271	
Specialist Teacher Advisory service	500	
Early Years Inclusion and Portage services	5,718	
Early years central expenditure	7,489	
Early years block	253,532	

Mainstream schools budget shares	750,191	Excludes funding for academies.
Central provision funded by maintained schools	7,267	Includes premature retirement and redundancy, asset management, statutory and regulatory services, monitoring of national curriculum and central support services.
Schools contingency	303	Funding de-delegated per pupil.
Licences and subscriptions	212	Funding de-delegated per pupil for Fischer Family Trust subscription and headteacher conferences, as well as a lump sum per school for FFT secondary tracking.
Staff supply cover (not sickness)	820	Funding de-delegated per pupil. Includes suspended staff, trade union duties, teacher liaison panel and public duties.
Ethnic minority and travellers' achievement service	1,497	Funding de-delegated per pupil and EAL.
De-delegation	2,832	
Temporary classrooms	1,100	Policies for funding agreed by Schools Forum. Excludes growth funding recouped for academies.
Infant class size funding	100	
Growing schools	2,223	
New, closing and re-organised schools	150	
Falling rolls fund	199	
Growth fund	3,772	
Schools block	764,062	
Place funding - special schools	45,620	Place funding at £10,000 per place, includes post-16 places in maintained special schools.
Place funding - resourced provisions	4,726	Place funding at £6,000 per place in maintained units.
Place funding - education centres	7,177	Place funding at £10,000 per place.
Place funding - maintained school sixth form	12	£6,000 per place.
High needs place funding	57,535	Excludes place funding for academies, FE colleges and independent learning providers.
Central provision funded by maintained schools	203	Includes premature retirement and redundancy, asset management, statutory and regulatory services, monitoring of national curriculum and central support services.
Special school top-up	52,867	Top-up funding follows pupils in real time and is allocated throughout the year.
Resourced provision top-up	5,982	
Education centre commissioned Service	6,459	

Mainstream school top-up	51,231	Top-up funding for pupils with an EHCP costing more than £6,000 per year. Funding follows pupils in real time so is allocated throughout the year. Also includes the notional SEN top-up for schools with disproportionate SEN spend.
Post-16 top-up	10,636	Top-up funding for post-16 high needs learners in FE colleges and post-16 resourced provisions.
Pupils in OLA & free schools top-up	11,186	Top-up funding for pupils in other local authority mainstream or special schools, and free schools.
Discretionary payments	36,747	Additional top-up funding for exceptional cases and to prevent escalation to a more expensive placement, agreed through SEN panels.
Direct payments	4,748	
High needs top-up and commissioned service funding - maintained	179,844	
Independent & non-maintained special schools	153,133	
Specialist post-16 institutions	9,695	
High needs funding – independent providers	162,828	Funding for commissioned placements in the independent and non-maintained sector
Early years SEN inclusion funding for children with EHCP's	841	
Specialist teacher advisory service	2,277	Includes specialist teacher advisors and equipment.
Therapy Service	2,616	Includes speech and language therapy
High needs centrally funded provision	1,241	Includes SHIP, centrally employed teaching and support staff legacy grant funding and invest to save recharges and projects.
SEN support services	6,975	
High needs support for inclusion	4,426	Includes Inclusion Support Service, Primary Behaviour Service, Future You and complex admissions team.
Hospital education service	1,862	Includes Serenity Path, Austen House, Bluebird and independent hospital placements.
Projected Deficit	(188,988)	Offset representing the shortfall in the funding allocation vs budget requirements.
High needs block	224,697	Reflects the budget post recoupmnt

Termination of employment costs	632	This budget is being temporarily suppressed while we await the revised allocation in March
Historic commitments	632	
Copyright	1,507	National agreement, amount set by DfE each year, Still TBC for 2026/27
Admissions	1,559	Including Appeals
Servicing of Schools Forum	41	
Funding for centrally employed teachers & Support Staff	2,372	Represents rolled in grant funding to support centrally employed teachers & Support Staff pay, pension and NI costs.
Other functions (inc. education welfare)	3,755	
Asset management	378	
Strategic Management	159	
On-going responsibilities	9,771	
Central school services block	10,403	
Total DSG budget	1,252,694	
Pupil premium	45,073	Estimate based on current allocation
Core schools budget grant	10,928	Estimate based on published methodology
Other schools' grants	25,392	UIFSM, PE, Wraparound, NTP, ECF teachers & mentors, Breakfast club early adopters
Grants	81,393	
Total schools budget	1,334,087	

Appendix 2 – Draft School Funding Formula Unit Values

Primary Unit Values		2025/26 £	2026/27 £
Basic entitlement (basic per pupil funding)		3,878	4,101
Deprivation	FSM	499	509
	FSM Ever6	1,069	1,221
	IDACI F	237	243
	IDACI E	287	292
	IDACI D	449	459
	IDACI C	494	504
	IDACI B	524	535
	IDACI A	691	706
Low prior attainment		1,185	1211
Pupil mobility		973	995
English as an additional language		600	616
Sparsity (maximum before taper applied)		57,865	59,139
Lump sum		146,274	154,105
Split sites (maximum through basic eligibility and distance)		81,655	83,460
Minimum per pupil level funding (MPPL)		4,955	5,115
Minimum funding guarantee (MFG)		0.0%	0.0%

Secondary Unit Values		2025/26 £	2026/27 £
Basic entitlement (basic per pupil funding)	KS3	5,466	5,738
	KS4	6,162	6,469
Deprivation	FSM	499	509
	FSM Ever6	1,568	1,740
	IDACI F	343	348
	IDACI E	454	464
	IDACI D	640	656
	IDACI C	701	716
	IDACI B	751	766
	IDACI A	958	979
Low prior attainment		1,799	1,842
Pupil mobility		1,396	1,428
English as an additional language		1,608	1,645
Sparsity (maximum before taper applied)		84,075	85,983
Lump sum		146,274	154,105
Split sites (maximum through basic eligibility and distance)		81,655	83,460
Minimum per pupil level funding (MPPL)	KS3	6,221	6,388
	KS4	6,831	7,018
Minimum funding guarantee (MFG)		0.5%	0.0%

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