

2026-27 SCHOOLS BUDGET

BUDGET HEADLINES

We have published supporting information alongside the budgets in the 'Budget in Context' document. Please take the time to look at the document; it should resolve a number of your questions. There is also a 'Frequently Asked Questions' document with common issues and queries.

The purpose of this note is to highlight the key budget headlines. Please share this information with your finance staff.

The key headlines, details of which are included in the 'Budget in Context' document, include:

- The Schools Block DSG allocation (excluding growth funding) has increased by 2.2% from 2025-26
- The Local Authority's request to the Secretary of State to transfer 0.5% of Schools Block funding (approx. £3.6m) to the High Needs block has been approved.
- The growth funding allocation within the schools block is £3.2m. This funding has been used to help fund estimated growth above the October 2025 census in the NFF, with the remaining funding being held centrally for growth funding. Any underspend will contribute to the DSG deficit.
- The falling rolls allocation is £141k. Schools Forum have approved for this funding to be held centrally and allocated to schools as per criteria approved by Forum in January 2025.
- The 2026-27 school budgets are based on the National Funding Formula (NFF).
- The Schools Budget Support Grant (SBSG) and the National Insurance Contribution Grant have been rolled into the NFF for 2026/27.
- Individual school budgets continue to be protected through the Minimum Funding Guarantee (MFG) which has been set at the maximum permissible level of 0%, and a minimum per pupil funding level based on Key Stage.
- In order for the NFF to be affordable within the Schools Block DSG allocation, per pupil gains have been capped at 2.78%
- Maintained members of Schools Forum agreed to a levy of £66.30 per pupil to fund education functions.
- The Schools Forum agreed that the areas which were de-delegated in 2025-26 would remain de-delegated in 2026-27. This includes insurance cover provided by the Risk

Protection Agreement (RPA) run by the ESFA. The cost for the RPA for 2026-27 is £29 per pupil.

- The total Central Schools Services Block (CSSB) allocation is £6m. With the approval of Schools Forum, this funding has been retained centrally. Any underspend on the CSSB will contribute to the DSG deficit.
- 2026/27 will be the first financial year to include the full roll out of the extended early years entitlements.
- The funding for early years is based on National Funding Formula for Early Years. The new 2026-27 rates will be communicated to all providers by the end of February.
- Including the additional funding from the 0.5% schools block transfer, the total High Needs budget is c £159.6m for 2026-27. It is Staffordshire's intention to pass on the budget increase in full next year for the provision of SEND support; none of this funding rise will be used to repay the historical deficit, which, at the end of the current financial year (25-26) will likely be circa £100m. Even with the block transfer, a further significant overspend is anticipated in 2026-27.
- Central Government has announced the High Needs Stability Grant which aims to cover 90% of historic SEND deficits. This is subject to producing an approved Local SEND reform plan and meeting certain conditions, with the exact payment timings dependent on meeting those conditions. Details on further support for deficits arising 2026-27 and 2027-28 will be confirmed by Central Government at a later date.
- The budgets for Special Schools and PRUs have also been issued.