

2026-2027 SCHOOLS BUDGET IN CONTEXT

Contents

Section	Page
1 Introduction	2
2 Structure of Budget Information	2
3 Mainstream Schools Budget for ages 4-16	2
4 Early Years Funding	4
5 High Needs Funding	5
6 Post-16 funding from the DfE	6
7 De-delegation	6
8 Pupil Premium	7
9 EAL & Ethnic Minority Achievement Funding	8
10 Capital Funding	8
Glossary	9

1. Introduction

- 1.1. This document focuses on the arrangements for 2026-27 on which schools' budgets have been set.
- 1.2. DSG allocations were announced in December. The schools block allocation (excluding growth funding) has increased by 2.2% from 2025/26.
- 1.3. 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.
- 1.4. Within the Central Schools Services Block (CSSB) historical commitments funding has been reduced to £0.924m. The total CSSB allocation is £6m. With the approval of Schools Forum, this funding has been retained centrally. Any underspend on the CSSB will be transferred to the DSG deficit.
- 1.5. Within the school's block DSG allocation, there is an allocation for pupil growth, based upon actual growth in pupil numbers between censuses. For 2026-27 this allocation 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 to make payments in accordance with the growth fund policy. Any underspend will be transferred to the DSG deficit.
- 1.6. The falling rolls allocation is £141,890. With the approval of schools forum this funding is being retained centrally and allocated to schools as per the criteria approved by forum in January 2025. Any underspend will be transferred to the DSG deficit.
- 1.7. School budgets are based on the National Funding Formula (NFF). The formula is explained within the technical notes that accompany this budget pack. The Schools Budget Support Grant (SBSG) and the National Insurance Contribution Grant have been rolled into the NFF for 2026/27.
- 1.8. There are funding protections in place through the transitional arrangements within the formula. This includes a minimum per pupil funding level (£5,115 per primary pupil, £6,388 per KS3 pupil and £7,018 per KS4 pupil) and a Minimum Funding Guarantee (MFG) of 0%.
- 1.9. In order for the NFF to be affordable within the Schools Block DSG allocation, per pupil gains have been capped at 2.78%
- 1.10. Maintained school forum members agreed to a levy of £66.30 per pupil to fund education functions.
- 1.11. 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 2026-27 is £29 per pupil.
- 1.12. Alongside this budget note we have published a 'Budget Headlines' document and a 'Frequently Asked Questions' document. Please take the time to read the notes before contacting the Entrust Finance Services team helpdesk (0333 300 0050).

2. Structure of Budget Information

- 2.1. Schools will have a single document for their Formula Budget Share, which includes the formula calculation, details of the protections (Minimum per pupil funding levels and MFG) and any capping of gains. There is also a supporting data sheet, covering funding for ages 4-15. Separate documents are included relating to AEN and post-16 funding (once published). The school's overall allocations are summarised on the Total Resource Allocation sheet.
- 2.2. Early Years, Special schools and Pupil Referral Units will receive similar information.

3. Mainstream Schools Budget for ages 4-16

- 3.1. This element of schools' budgets represents by far the largest part of the funding for the majority of schools. It is based on the National Funding Formula (NFF) that Cabinet approved in January 2018, following the consultation with all schools and Schools Forum. The budget information includes the formula budget for your school and details of the transitional arrangements that apply. The formula factors are detailed within your Schools Budget statement.
- 3.2. The main element of the NFF is the basic per pupil funding. There are three basic per pupil amounts, dependent on age, and the pupil numbers used to determine funding are based on the October 2025 census. The rates are set out by the NFF.
- 3.3. The Additional Needs Funding is made up of three parts. Deprivation Funding, Low Prior Attainment Funding and English as an Additional Language (EAL) Funding.
- 3.4. The overall level of funding for deprivation is based on NFF rates and pupil numbers taken from the October 25 census. Deprivation is based on Current Free School Meals (FSM), FSM Ever6 and the Income Deprivation Affecting Children Index (IDACI).
- 3.5. Prior attainment funding is used as a proxy indicator for SEN funding. Distribution of this funding continues to be based on EYFSP and KS2 results.
- 3.6. EAL rates have been set by the NFF and the number of pupils is determined from the October 2025 census.
- 3.7. The NFF includes a mobility factor. Schools with mobility levels greater than 6% will attract funding through this factor. The ESFA track individual pupils using their unique pupil ID through censuses from the past three years. If a pupil first appears on a school census in the Spring or Summer, they are classified as a mobile pupil. This excludes Reception pupils who start in January.
- 3.8. School Led Funding is made up of sparsity and lump sums. All schools receive the same amount as their lump sum regardless of the school's phase. For a school to qualify for sparsity funding it needs to be small and remote. The thresholds are dictated by the NFF by phase, with the distance to the nearest second school now being measured by road distance. The rates are determined by the NFF and the data is set

out in the October schools census. The formula includes both a distance and average year group taper. More details are provided in the technical note.

- 3.9. The NFF does not include a formula factor for Looked After Children.
- 3.10. Split site funding is included in the NFF. Further details of the split sites criteria and funding rates can be found in the technical note which is included in the budget pack.
- 3.11. Funding for National Non-Domestic Rates (NNDR) is no longer included in school budgets as the DfE now pay schools' NNDR bills directly.
- 3.12. Individual school budgets will be protected through transitional arrangements. This ensures a minimum per pupil allocation which differs depending on key stage and a Minimum Funding Guarantee (MFG) of 0%.
- 3.13. To ensure the NFF is affordable within the DSG schools block allocation gains have been capped at 2.78%. The calculation is detailed on the Formula Budget share statement.
- 3.14. At Schools Forum in November 2025, maintained members agreed to a levy per pupil to fund the services outlined in Appendix 3 of the School Budget 2026-27: De-delegation, Central Expenditure & Education Functions report. For 2026-27 this levy has been set at £66.30 per pupil. This covers the same services as funded in 2025-26. Academies will need to commission these services independently.

4. Early Years Funding

- 4.1. The rollout of the extended Early Years entitlements is now complete. All eligible working parents of children aged 9 months and upwards can now access 30 hours of funded childcare per week. 2026/27 will be the first full year of the extended entitlements.
- 4.2. All children accessing the entitlements are eligible for the early years pupil premium (EYPP) and the disability access fund (DAF) to provide support for disadvantaged children in the younger age groups.
- 4.3. Staffordshire rates received from Government for 2026-27 have been increased as follows:
 - 3- and 4-year-old hourly rate per child has increased by 8.6% or 49 pence to £6.20. The national average hourly funding rate is £6.61.
 - 2-year-old hourly rate per child has been increased by 4.1% or 33 pence to £8.27. The national average hourly funding rate is £8.90.
 - Under 2-year-old hourly rate per child has increased by 4.5% or 48 pence to £11.25. The national average hourly funding rate is £12.04.

- 4.4. The funding for early years follows the national funding formula guidance issued by the Department for Education. The new 2026-27 rates will be communicated to all providers by the end of February.
- 4.5. Individual nursery statements will be issued before the 28th February 2026.

5. High Needs funding

High Needs financial pressures

- 5.1. The Government has confirmed Staffordshire's 2026/27 High Needs Block allocation to be c £156.0m. Although on paper this is an increase of approximately £12.3m (around 8.6%) compared with 2025/26, the vast majority of the change represents a rolling-in (and annualisation) of legacy grants. Consequently, the settlement has effectively been frozen at 2025/26 levels and is, therefore, £7m worse than expected. Staffordshire's settlement clearly remains insufficient and a further overspend is forecast in 2026/27. Staffordshire will continue to lobby for both additional funding and a fair and equitable mechanism for addressing cumulative deficits that should not impact on the Council's already stretched general resources.
- 5.2. In 2022, given the accumulated (and growing) High Needs Block deficit, the Council brought forward a DSG 'deficit management plan' (DMP), outlining the actions that could be taken to address and mitigate the existing shortfall as far as possible. The DMP sits alongside wider service transformation plans and, working in partnership with Schools Forum, will be reviewed regularly throughout the year and going forward and updated as and when decisions are made.
- 5.3. Alongside other actions within the DMP, the Council sought approval from Schools Forum for a 0.5% block transfer from the Schools Block to the High Needs Block for 2026/27; this is equivalent to c £3.6m and will be invested to fund the Council's transformation programme. Whilst acknowledging the pressure on high needs funding, Schools Forum did not support this request. The Council subsequently made a disapplication request to the Government for the transfer, which has been approved by the Secretary of State for Education.
- 5.4. As a result, and inclusive of additional funding from the 0.5% funding switch, the total 2026/27 High Needs Budget is c £159.6m. 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.
- 5.5. 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.

Mainstream schools

- 5.6. The funding for mainstream schools will operate in a similar way as last year. Individual school sheets providing details of children eligible for AEN/EHCP funding are included as part of the school budget pack.

Special schools and PRUs

- 5.7. Budget statements for Special Schools and PRUs have also been issued.

Resource bases in mainstream schools

- 5.8. There are currently two resource bases attached to mainstream schools where places in the base are included in the main formula budget and funding is received from the High Needs Block to ensure each placement is funded at £10,000 in line with Government guidelines. In response to an identification of need and in line with an approach for early intervention the local authority is investing in a range of alternative provision and support. This includes primary and secondary AP resource bases and our Staffordshire Enhanced District Inclusion Support (SEDIS) model. These are commissioned through contracts funded by the HNB funding based on the provision of an agreed number of places each year.
- 5.9. As part of the SEND & Alternative Provision Improvement Plan (SAPP) there is an ongoing project to significantly increase the number of Enhanced Resource Bases. The intention is to commence the first wave of additional ERB's from September 2026, due to the timing any funding will be via local agreement, for further details see January 2026 School's Forum report.

6. Post-16 funding from the Department for Education

- 6.1. Allocations for 2026-27 have not yet been issued by the DfE. A further update will be provided with the allocations for post-16 in mainstream schools.

7. De-delegation agreed at Schools Forum

- 7.1. The funding for some costs and services must be delegated to academies but can be de-delegated by maintained schools through a phase-based vote of the Schools Forum. This vote took place on 13 November 2025 and the Forum agreed that the areas which were de-delegated in 2025-26 would remain de-delegated in 2026-27. This includes insurances provided by the Risk Protection Arrangement (RPA) run by the DfE.
- 7.2. Funding which was de-delegated as a result of the vote by Schools Forum will continue to be held centrally to meet these costs on behalf of maintained schools. Schools Forum will continue to vote on these areas annually.
- 7.3. A list of all areas and associated budgets is available in the November 2025 Schools Forum report. This is the basis on which funding is included in academy budgets where

there is no option to de-delegate, and academies are expected to meet all relevant costs from within their budget allocation.

8. Pupil Premium

8.1. The funding rates for Pupil Premium have been increased for 2026-27:

	2025-26	2026-27
Primary Pupils recorded as Ever 6 FSM	£1,480	£1,550
Secondary Pupils recorded as Ever 6 FSM	£1,050	£1,100
Looked After Children (Pupil Premium Plus)	£2,570	£2,690
Service Children (Ever6)	£340	£360
Early Years	max £570*	max £655.50*

*£1.15p per hour for eligible pupils up to a maximum of 570 hours

8.2. The basis for allocating the pupil premium in respect of Service Children will be based on those pupils recorded as a service child since the January 2019 census and for the first time on the October 2025 school census. Funding will also be allocated for each pupil who is in receipt of Child pension from the Ministry of Defence.

8.3. The local authority does not hold this information, and provisional allocations have been based on the service indicator in the October 2025 census data. This should mean that final allocations may be higher as they will reflect service children from previous census or in receipt of pensions described above.

8.4. Pupil Premium Plus (Looked After Children Pupil Premium), which was introduced in 2014-15, extends the funding available to Looked After Children. Funding to support Looked After Children has been increased to £2,690 for each eligible pupil. Eligibility for funding is for children who:

- Have been looked after for 1 day or more
- Were adopted from care.
- Left care under: a Special Guardianship Order, a Child Arrangement Order or a Residence Order

8.5. The Looked After Children Pupil Premium will again be managed by the Virtual School Head (VSH) in the authority that looks after the child. The VSH for Staffordshire can be contacted by emailing virtualschoole-PEP@staffordshire.gov.uk Payments for pupils looked after by Staffordshire are made monthly following an application by the school through the online e-PEP system (Personal Education Planning). Details can be made available from the virtual school. Contact details are as above.

8.6. Allocations will be confirmed later in the year once the DfE confirm the School Census returns as at October 2025. The figures included in your budget information are indicative and subject to change.

8.7 It is intended that pupil premium for early years pupils will be paid to schools on a termly basis once qualifying pupil numbers have been established.

9. EAL & Ethnic Minority Achievement Funding

9.1. The formula for allocating this funding will continue to operate in the same way as 2025-26 in order to focus funding on pupils with English as an Additional Language (EAL) and provide targeted support to this under-achieving group.

9.2. Details of the formula and schools' individual allocations are included in the budget information published alongside this note.

10. Capital funding

10.1. The Government have not yet announced the overall allocations or rates for Devolved Formula Capital (DFC). Provisional DFC allocations have been included in the statements based on the rates for 2025-26. Statements will be updated for any changes when the 2026-27 rates and allocations are issued.

GLOSSARY

AEN	Additional Educational Needs
AP	Alternative Provision
CSSB	Central Schools Services Block
DfE	Department for Education
DFC	Devolved Formula Capital
DSG	Dedicated Schools Grant
EAL	English as an Additional Language
ESG	Educations Services Grant
Ever6 FSM	Ever 6 Free School Meals
EYFSP	Early Years Foundation Stage Profile
HNB	High Needs Block
IDACI	Income Deprivation Affecting Children Index
KS3	Key Stage 3
KS4	Key Stage 4
MFG	Minimum Funding Guarantee
NFF	National Funding Formula
NNDR	National Non-Domestic Rates
PRU	Pupil Referral Unit
RPA	Risk Protection Arrangement
SEN	Special Educational Needs
TRA	Total Resource Allocation sheet
VSH	Virtual School Head