

SCHOOLS FUNDING SETTLEMENT 2025/26

Report of the Director of Children's Services

1. INTRODUCTION AND PURPOSE OF REPORT

- 1.1 To update the Cabinet on the key announcements made by the Department for Education (DfE) on the education funding settlement for 2025/26.
- 1.2 To approve the local funding formula models to be used to determine the individual 2025/26 budgets for early years providers and schools in Stockport.
- 1.3 The school funding settlement is vital to achieving our education, work and skills ambition, as set out in both the Council and Borough Plan. This ambition is about how we support our residents to have access to the best education, skills, and qualifications at all stages of their lives, as well as ensuring we support those who most need it to access the work and skills to succeed. As we outline in our 'One Stockport, One Future' plan we want to be the 'best place to grow up'.

2. DEDICATED SCHOOLS GRANT (DSG)

- 2.1 The 2025/26 dedicated schools grant (DSG) will continue to be provided to the Local Authority (LA) in four notional blocks, with each individual block allocation determined by application of the national funding formula (NFF) models assigned to each block as previously determined by the DfE. The key headlines include:

- The early years national funding formula (EYNFF) model will rise nationally to over £6bn and will extend to include the new funding entitlements for working parents of two years old children from April 2024 and the under two's cohort from September 2024 as per the ministerial announcement in spring 2023. This will provide a baseline funding allocation for the three elements as outlined below:
 - Three and four years old - £5.71 per hour (nat. average £6.12)
 - Two years old - £7.86 (nat. average £8.53); and
 - Under two's - £10.66 (nat. average £11.54)
- Maintained Nursery Schools supplementary grant funding will continue as per current arrangements in the early years national funding formula (EYNFF) model from April 2024 and provide an additional £5.48per hour (inclusive of former teachers pay and pension grants)
- National funding levels increased by c £2.3bn for mainstream schools and high needs, with £1bn specifically targeted at SEND and the overall national quantum increasing to £63.9bn. The schools block NFF model will increase by c.2.23% per pupil.
- The specific grant funding provided separately to mainstream schools in 2024/25 relating to teachers pay additional grant (TPAG), teachers pension grant (TPECG) and core schools budget grant (CSBG) have been streamlined into the NFF model for 2025/26 ensuring that this

additional funding previously provided now forms an on-going part of schools core budgets;

- Minimum funding levels (MFLs) per pupil within the NFF model increase from £4,610 to £4,955 per pupil primary and from £5,995 to £6,465 per pupil secondary;
- Schools' block funding ring-fenced with limited flexibility to transfer up to 0.5% of the block funding to another block subject to receiving Schools' Forum approval;
- Increased 96% minimum pass-through rate of early year's funding to front line providers;
- Minimum funding guarantee (MFG) protection will continue to be applied to schools delegated budgets ensuring stability and protection, this must be set locally between -0.5 – 0% per pupil;
- The LA continues to remain responsible for determining and administering the local early years single funding formula (EYSFF) model for providing budget allocations to early years providers; and
- The LA will continue to be responsible for determining and administering the local schools' funding formula model to provide individual budget allocation to schools 2025/26 as part of the continued "soft" transition phase of moving to a direct NFF model, however 2025/26 will continue to be a year of further "transition" as prescribed by central government and local funding formula models must be compliant with transition arrangements (i.e. move factor values a minimum 10% closer to the NFF model where already not at or mirroring NFF levels).

The 2025/26 Schools Funding arrangements provide Stockport an initial baseline DSG allocation at £352.907m, (before any Academy/High Needs recoupment). The table below provides further detail:

Narrative	Early Years £m	Schools £m	High Needs £m	CSSB £m	Total £m
2024/25 DSG Allocation	36.640	227.462	48.322	1.968	314.392
TPAG/TPECG/CSBG		12.892			12.892
2024/25 Revised baseline	36.640	240.354	48.322	1.968	327.284
Pupil numbers/NFF adjs.	1.441	3.315	3.908	0.308	8.972
New EY Entitlements	16.650				16.650
2025/26 DSG Allocation	54.731	243.669	52.230	2.276	352.907

*The above figures will be subject to in-year adjustments (i.e. Academy recoupment and update of early years funding based on January 2025 & 2026 data)

The £1bn extra funding announced in the Government's 2024 Autumn Budget is welcomed. However, the Council is disappointed that the extra funding has been allocated on the basis of the existing funding allocation methodology. Using this methodology has increased funding for Stockport by circa £4m compared to an in-year deficit of circa £18m. Doing this continues to exacerbate existing funding unfairness and does not address the significant deficit in our funding.

We recently wrote to the Secretary of State to outline that if Stockport were funded like its neighbours, we'd have millions more to support our children.

We currently receive around £1,100 per pupil for special educational needs. This is amongst the lowest levels nationally. If we received the same amount as the best-funded local authority, we would receive around £85m more a year for Special Educational Needs. If we received the same funding level as close neighbours in the North West, we would receive between £6m and £21m more every year for Special Educational Needs. This unfairness is compounded by the impact of the wider schools funding settlement. Stockport receives around £7,800 total funding per pupil, inclusive of schools and high-needs funding. This is, once again, amongst the lowest nationally. If we were funded the same amount as the best-funded local authority, our schools would get £190m more a year. If we received the same amount as our best funded neighbours, our schools would get £50m more a year.

2.2 Early Years National Funding Formula

The early years block funding within the DSG funding framework moved to a national funding formula basis for the purpose of distributing the national envelope of funding ear-marked for three and four years old children from April 2017 which was refreshed/updated as part of the national funding formula arrangements for 2024/25 inclusive of the extended free entitlements (i.e. two years old offer to working families and new under two's offer from Sept 2024)

The EYNFF comprises of a single national base rate plus three supplements (free school meals, English as an additional language and disability living allowance) with the combined total for each LA adjusted by the area cost adjustment (ACA).

The EYNFF model for the two years old offer also includes use of the additional income deprivation affecting child index (IDACI) proxy indicator.

The EYNFF model provides Stockport a total funding envelope of c. £54m inclusive of the second phase of extended entitlements to 30hours funding for under two's and two years old cohort groups from September 2025.

The finance regulations aligned to the funding reforms introduced alongside the EYNFF model in April 2017 require all local authorities to provide funding to all EY settings via one single base rate and all local authorities are required to pass through direct to providers a minimum of 96% (updated from 95% from this year) of funding via the local funding formula model arrangements.

The extended regulations to account for the new funding entitlements, specifically relating to the two years old offer specify that the funding level assigned to the disadvantaged cohort must be at least equivalent to the funding level assigned to the working parents cohort.

All EY funding streams to ensure compliance with the 96% pass through rate calculation as per regulations.

The early years element of the core schools budget grant (CSBG) provided from September 2024 relating to the latest teachers pay award resulted in an additional 8p per hour of funding provided to all EY settings via the quality supplement (total supplement value 24p per hour) for the 7/12ths period in 2024/25. This funding has been streamlined into the EYNFF model from April 2025.

In addition to the base rate, a deprivation formula factor supplement will continue to be allocated at £0.31per hour across all EY funding streams; and

Maintained nursery school (MNS) schools supplementary grant from DfE will continue to be provided as a top-up to the core funding above in the EYNFF model from April 2025 at £5.48per hour (inclusive of the former teachers pay and pension grants) and such funding must be distributed to MNS only.

The funding retained by the LA for each of the EY funding streams will be used to finance the additional EYSFF model supplements (i.e. deprivation) and other central LA early year's support service costs/the council's overall MTFP position.

2.3 Pupil Premium Grant

The Pupil Premium is additional funding given to schools so that they can support their disadvantaged pupils and close the attainment gap between them and their fellow peers. In 2024/25, Stockport attracted c.£13.3m of funding (including academies).

The 2025/26 per pupil funding rates are expected to be released in early spring 2025. The table below illustrates the current 2024/25 rates:

Narrative	£
Primary	1,480
Secondary	1,050
Service Children (Armed Forces)	340
Looked after Children, Adopted Children and Children with Guardians	2,570

3. Local Formula

3.1 Early Years:

The construction of the early years budget is largely governed by the statutory regulations and reforms as set by the DfE within the EYNFF framework. The updated 2025/26 local EYSFF model will include:

- A single base rate to all early year's providers within the local EYSFF model for three and four years old universal and extended 30 hours offer set at £5.35 minimum (inclusive of £0.24 provided via a quality supplement)
- LA central spend is restricted to a capping level set nationally at 4% (i.e. 96% statutory pass-through rate of funding to providers);
- Additional funding provided to local authorities with maintained Nursery School provision to continue and be ringfenced to protect their baseline level of funding; and
- A central SEN inclusion fund to all EY age groups to support SEN accessing the free entitlement.

3.2 In addition to the above, the 2025/26 Early Years Budget block will include:

- Two years old offer local funding will be allocated to settings at £7.51per hour for both the disadvantaged families and new working parents cohort groups;

- Under two's local funding allocated at £10.14 per hour; and
- LA allocate other specific funding (i.e. Early Year's Premium (£570p.a.) and Disability Access Fund £938p.a.) directly to providers in accordance with grant conditions.

3.3 School Budgets:

The current 2024/25 local funding formula model is constructed on the basis of previous discussions and consultations with all stakeholders and provides for the below:

- Primary schools – funded via a local funding formula model determined at a local level but transitioning towards the DfE “direct” NFF model; and
- Secondary schools – funded via a local funding formula model constructed on basis of “mirroring” the NFF model as close as possible.

As outlined earlier in the report the 2025/26 financial year will continue to be a further phase of “transition” towards implementation of a “direct” NFF model therefore requiring LAs to adjust their local funding formula models to be more reflective of the NFF model where required.

Due to the General Election held earlier in summer 2024, the NFF model funding values and associated detailed information wasn't released by central government within the usual timeframes (i.e. July). The final NFF policy documentation and funding values were released later in November following the new governments Chancellor budget statement on 30 October 2024.

As such the LA has not undertaken any LA consultation on any fundamental changes to the overall structure of the local funding formula models. Therefore both mainstream funding models will only be refreshed in 2025/26 for:

- Inflationary uplift applied to NFF values
- Streamlining of the former TPAG, TPECG and CSBG grants; and
- Compliance with the further 10% transition requirements as governed by regulations.

The LA funding model for primary schools will be constructed from April 2025 on the following key principles/basis:

- Retain a higher than NFF model value for basic entitlement and lump sum factors at the maximum permissible
- Increase deprivation factors in line with the minimum 10% transition regulatory requirements;
- Retain EAL and LPA funding levels within permitted transition limits;
- Application of the mandatory NFF factor for split site school funding as introduced in April 2024;
- Provide MFG protection where required at 0% per pupil (subject to affordability)
- The local funding model will minimise the number of schools on the MFG protection level; and
- Continuation of the local model will ensure no significant financial turbulence will be experienced by schools in 2025/26.

The schools' block quantum level of funding allocated to the LA is determined by the aggregated total of the "indicative" budget calculated via the NFF model for each individual school.

The LA remains responsible for determining and administering the local funding formula model to determine actual delegated budget share for each individual school under the "soft" formula option again in 2025/26 subject to compliance with the "10% transition" requirements of a move to a "direct" NFF model.

The LA propose to allocate delegated funding to schools as follows:

- a) Primary – A local based funding model that is adjusted to comply with further "10% transition" requirements to move towards a "direct" NFF model; and
- b) Secondary – Mirror the NFF model as far as possible.

3.4 The key controls that remain in 2025/26 linked to the reforms/implementation of the Local/NFF model, include:

- The formula model must contain a basic entitlement and deprivation funding factors as minimum;
- Deprivation funding must be based on both free school meal (FSM) data and/or FSM 6 data;
- Resourced Provision pupils in a mainstream school will be funded via the local schools funding formula model;
- Schools with split sites must be allocated funding based on the mandatory formula factor as provided by DfE;
- National restriction on the data sets permitted for use to determine eligibility or distribution of funding within factors;
- Lump sum value must be defined for each sector; and
- Minimum 70% distributed by pupil-led funding factors.

3.5 In addition to the above and linked to either national reform updates or local options/flexibility the following will be applied:

- Application of the updated minimum funding levels (MFL) to £4,955per pupil primary and £6,465per pupil secondary for any school (adjusted level for new/growing schools) not afforded such by application of the formula model.
- Provide stability to any school with a fall in pupil population and/or a reduction in delegated funding via application of the minimum funding guarantee (MFG) to be set locally at 0% per pupil; and
- Retain the total costs of each sectors formula funding model within the quantum allocation provided by the DfE via application of the NFF model wherever possible.

4. Programme of Work Leading to the Recommendations to the Cabinet

4.1 The Schools' Forum continues to be the main conduit/partnership arrangement for all schools funding matters as part of the annual cycle of budget preparation, monitoring and ensuring the local system is reflective of the latest regulatory requirements linked to ministerial announcements.

- 4.2 The LA provides regular updates and discussion on key budgetary matters via the twice termly meetings of the forum, which included:
- Early years budget options relating to the new funding entitlements.
 - Local schools funding models (primary sector) updates in line with “10% transition” requirements to the “direct” NFF model;
 - Central reserve requirements and de-delegation decisions; and
 - 0.5% transfer from schools’ block to high needs.
- 4.3 The LA updates provided Schools’ Forum with detail on the latest news and developments as they emerged. The key elements/messages shared and discussed with Schools’ Forum members included:
- October 2024 – Updated 2024/25 DSG position and 2025/26 budget options, principles, consultation requirements and timeline;
 - December 2024 – Ministerial announcements relating to Schools Funding 2025/26, NFF Models update (i.e. increased MFLs) high needs funding increases, DSG estimates, LA plans, budget options and indicative central service budget requirements; and
 - January 2025 – Final details of the Local Funding Formula models to be presented to Cabinet.
- 4.4 The meetings held with Schools’ Forum members have discussed the latest reform updates, local funding arrangements and local flexibility permissible and members have expressed their views and/or approved (where applicable) the following aspects:
- The local funding models for primary and secondary schools to be maintained as per 2024/25 and updated as required to ensure compliance with the further “10% transition” requirements towards the “direct” NFF model where required;
 - That the MFG level be set locally at 0% per pupil (subject to affordability);
 - Approved the transfer of up to 0.5% of schools block funding (£1.218m) to the high needs and central school services blocks to support cost pressures/budget sustainability.
- 4.5 The total cost of the schools’ local funding formula model and other associated school/LA costs (i.e. central infant class size initiative and 0.5% transfer to high needs block) will remain within the total envelope of funding provided for the schools’ block at £243.669m as determined by the NFF model.
- 4.6 Other Schools’ Forum Considerations
- 4.6.1 Schools’ Forum Primary and Secondary phase representatives have discussed with their sector colleagues and agreed which service areas are to de-delegated back to the LA in 2025/26 (i.e. continuation of all/current 2024/25 arrangements).
- 4.6.2 Schools’ Forum members have approved initially the retention of a central reserve within the schools’ block of c.£1.5m for 2025/26. This will be used to support schools with issues relating to compliance with infant class size legislation, support to new/growing schools re dis-economies of scale and additional basic need secondary school places required from Sept 2025.

- 4.6.3 Schools' Forum members have approved the budgetary resource levels to be retained by the LA for the central school services block (i.e. statutory function/service areas (i.e. School Admissions, Schools Forum, Copyright Licences, etc.) in 2025/26.

5. Director's Consideration of the Proposals

5.1 The Executive Director People and Integration Childrens Services and the Director of Education, Work and Skills following review of the current baseline expenditure position of the DSG, the ongoing increase in SEN demand, previous deployment of DSG reserves, transfer of schools' block funding to support the DSG high needs block and assessment of the latest schools funding announcements and discussions with Schools' Forum have considered the proposals in the following context:

- The EYNFF model continues provides a clear and defined local envelope of funding linked to national proxy indicators/needs as per the formula components for local deployment across the different service areas.
- Additional per hour funding increases applied across the individual EY funding allocations will be largely pass-ported to EY settings via the local funding mechanisms subject to the LA maximising the 4% central retention where permissible.
- The Local early year's funding model will continue to be fully compliant in 2025/26 with all the statutory requirements linked to the reforms.
- The primary and secondary schools local funding formula models will continue to be constructed locally on the same structural arrangements as 2024/25 (i.e. primary local model, secondary NFF model) but will be updated to ensure compliance with the further "10% transition" requirements towards the "direct" NFF model.
- Continuation of the local funding formula model will ensure no significant financial turbulence will be experienced by Stockport schools in 2025/26, which is considered important at this time when all our schools are still experiencing significant additional costs and operational challenges including pay awards, energy and general inflationary cost pressures.
- All schools are afforded the MFG control mechanism protection (where required) and this has been set locally at 0% per pupil (in accordance with regulatory requirements to set locally between -0.5 to 0% max), to any schools (12) due to receive a reduced delegated budget level – (cost £0.197m).
- The local funding formula model applied in both sectors will also comply with the updated mandatory MFLs set nationally by the DfE to ensure all schools receive a minimum £4,955 per pupil (primary) and £6,465 per pupil ((secondary).

- The high needs block continues to be the area of greatest costs pressure within the DSG funding framework. The increase in national funding levels is supportive and welcomed but is still short of the required levels to address the SEN demand levels. The LA has recently received £1m of non-recurrent garnet funding via the central government “Delivering better Value” (DbV) support program. This funding is being used to develop and enhance our local SEND systems and processes and ensure alignment with our wider council transformation program of works.

5.2 Members of the Schools’ Forum at their meeting of 16 January 2025 received final detail of the 2025/26 local schools funding formula models to be applied to determine individual schools delegated budget share allocations. The final funding formula model information has also been submitted to the DfE for their annual compliance checks on application and adherence to statutory regulations.

5.3 The Executive Director People and Integration Childrens Services concludes that the proposals for the 2025/26 schools local funding formula are constructed on the current operating models (subject to update with mandatory “10% transition requirements), which was supported and acknowledged by Schools’ Forum members at the meeting held on 12 December 2024.

The increased level of funding provided via the updated NFF model and the increased MFLs requirements have largely been pass-ported directly to schools and will ensure all schools receive a minimum per pupil funding at £4,955 per pupil primary and £6,465 per pupil secondary. These figures are inclusive of the former grants provided in 2024/25 relating to TPAG, TPECG and CSBG as outlined in the table at section 2.1 above.

Any school subject to a reduced level of funding (i.e. fall in pupil numbers, school profile changes, etc.) will continue to be protected via application of the MFG at the maximum rate permissible of 0% per pupil.

The Schools’ Forum members approved a transfer of up to 0.5% of funding (£1.218m) from the schools’ block in 2025/26 to high needs.

Cabinet Considerations

6.1 In setting the local formula for early years and schools for 2025/26, the Cabinet should be mindful of:

- (i) Local funding/budget arrangements for 2025/26 are finalised following release of final NFF policy documentation and funding information and all proposals discussed with Schools’ Forum members.
- (ii) The requirement to ensure all activity/service budget costs relating to each of the four blocks are sustainable within the overall envelope of funding now provided via the introduction of a NFF model for each block.
- (iii) The LA is compliant with the statutory 96% pass through funding rate to providers in the early years’ block.

- (iv) The statutory requirement to implement the MFLs set and updated by the DfE for 2025/26 will ensure that all schools receive an increased minimum level of funding at £4,955 per pupil primary and £6,465 per pupil secondary from April 2025 where this is not directly allocated via application of the local/NFF model.
- (v) The budget plan continues to provide stability and protection where required to school budgets via the MFG set locally at 0% per pupil.
- (vi) In addition to the above settlement / local funding formula arrangements, schools will receive an additional grant to reimburse schools the costs associated with the national insurance employers contribution threshold increase as per Chancellors budget statement in October 2024 as public sector bodies (including schools) are exempt.
- (vii) The views of Schools' Forum members.

6.2 Accepting the recommendation would mean the local formula for early years and schools will be constructed based on the following parameters:

Early Years:

Local Funding formula for the educational free entitlement offer to three and four years old:

Narrative	Nursery Schools	Nursery Classes / PVI
Universal and Extended 3 & 4 years old funding:		
Base rate funding	£5.11 per hour	£5.11 per hour
Supplementary funding	£3.02 per hour	n/a
Deprivation supplement	£176.70 p.a.	£176.70 p.a.
Quality supplement (TP&P)	£6,000 lump sum per school & £1.31 per hour	£0.24 per hour
Lump Sum – core funding	£38,000 per school	n/a
2 Years old offer:		
Base rate funding	£7.51	£7.51
Deprivation supplement	£176.70 p.a.	£176.70 p.a.
Under 2's offer:		
Base rate funding	£10.10	£10.10
Deprivation supplement	£176.70 p.a.	£176.70 p.a.

Schools:

Narrative: Primary Model	Funding Value £	2024/25 Funding £m	Funding Value £	2025/26 Funding £m
Basic Entitlement	3,690	90.643	3,966	95.309
Deprivation - FSM	110	0.519	153	0.720
Deprivation – FSM6	1,041	4.991	1,260	6.042
Deprivation – IDACI 1	168	0.377	175	0.392
Deprivation – IDACI 2	179	0.367	190	0.386
Deprivation – IDACI 3	280	0.226	297	0.222
Deprivation – IDACI 4	349	0.303	368	0.301
Deprivation – IDACI 5	360	0.399	381	0.413
Deprivation – IDACI 6	502	0.695	525	0.693
English as an additional language	646	1.479	646	1.434
Mobility	212	0.038	292	0.049
SEN – low prior attainment	684	5.193	738	5.531
Lump Sum	139,919	12.033	150,207	12.918
Split sites		0.081		0.081
Rates	Variable per school	1.925	Variable per school	2.465
Total Local Formula		119.271		126.957
MFL / MFG		2.570		2.469
Total Funding		121.841		129.426
Pupil Numbers		24,562		24,020

Implementation of the above provides for the outcomes as summarised below:

Narrative	2024/25 Base	2025/26 Proposal
Min pp funding	4,617	4,955
Max pp funding	6,018	6,709
Range	1,402	1,754
Ave pp funding	5,026	5,464
MFG Schools	11	9

The above per pupil figures are pre de-delegation decisions for specific central services and do not include Bridge Hall PS as a significant outlier at £6,750/7,416 per pupil and St Mary's RCP as a significant low number on roll school to avoid distorting the figures.

Narrative: Secondary Model	Funding Value £	2024/25 Funding £m	Funding Value £	2025/26 Funding £m
Basic Entitlement – KS3	5.009	48.330	5,413	52.259
Basic Entitlement – KS4	5.646	35.531	6,100	37.895
Deprivation – FSM	489	1.736	498	1.816
Deprivation – FSM 6	1,198	4.506	1,543	5.914
Deprivation – IDACI 1	340	0.496	342	0.494
Deprivation – IDACI 2	449	0.625	453	0.607
Deprivation – IDACI 3	629	0.373	639	0.378
Deprivation – IDACI 4	689	0.454	699	0.447
Deprivation – IDACI 5	739	0.641	749	0.623
Deprivation – IDACI 6	944	0.804	955	0.824
English as an additional language	1,583	0.818	1,604	0.799
Mobility	1,378	0.025	1,358	0.047
SEN – low prior attainment	1,773	5.840	1,795	5.807
Lump Sum	134,211	1.879	144,132	2.018
Split sites		0.081		0.081
Rates	Variable per school	0.912	Variable per school	0.990
Total Local Formula		103.050		110.998
MFL / MFG		0.137		0.118
Total Funding		103.187		111.116
Pupil Numbers		15,942		15,805

Implementation of the above provides for the outcomes as summarised below:

Narrative	2024/25 Base	2025/26 Proposal
Min pp funding	6,030	6,465
Max pp funding	7,382	8,031
Range	1,352	1,566
Ave pp funding	6,536	7,080
MFG Schools	1	3

The above per pupil figures are pre de-delegation decisions for specific central services.

7. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1 There are no direct revenue or capital consequences for the Council from the report recommendations relating to construction updates of the local funding formula models outlined. All matters within the report relate specifically to the ring-fenced dedicated schools grant (DSG) provided from central government for such education funding matters.

However the LA like many other authorities across the country continues to have a significant financial pressure on its high needs block element of the DSG relating to all aspects of SEN. The cumulative deficit will be circa £40m at the end of the current financial year. The current technical DSG over-ride adjustment (which ends in March 2026) allows the LA to hold this deficit on its balance sheet and not impact on its revenue budget. However, this still provides the LA with an element of uncertainty for the future. Without further Government intervention, and at the very least an extension to the over-ride, there is a risk the LA will need to recognise and fund the cumulative deficit from its revenue budget.

7.2 The effect of the decision

- 7.2.1 The direct effect of the decision is the delegated budget allocations for individual schools, academies and early years providers.

7.3 Risks

- 7.3.1 There are no direct risks associated with this decision.

7.4 Options

- 7.4.1 The alternative option (i.e. use NFF model) relating to the primary local funding formula model has been assessed as part of the budget setting process considerations and discussed with Schools' Forum members. Implementation of the NFF model in full for primary schools has been discounted at this time, based on not wishing to have financial turbulence in the schools' system given the operational cost pressure challenges facing our schools and whilst we also await further DfE updates on the next step of reforms to a "direct" NFF model.

7.5 Future savings/ efficiencies

- 7.5.1 N/A

8. LEGAL CONSIDERATIONS

- 8.1 The report and the proposals are governed by various national legislation covering Schools Finance Regulations, various government guidance and are in accordance with the annual schools' budget setting process which form part of the overall Council's budget position.

9. HUMAN RESOURCES IMPACT

9.1 There are no Human Resources considerations for this report

10. EQUALITIES IMPACT

10.1 Equalities impact assessment completed as part of the budget planning options/considerations.

11. ENVIRONMENTAL IMPACT

11.1 N/A

12. CONCLUSIONS AND RECOMMENDATIONS

12.1 The general increase (c. 2.23%pp) to the NFF model formula factors combined with the new MFLs set by the DfE; within the overall DSG settlement continues to provide national investment in education in a challenging period for the public sector, with additional separate grant funding also due to reimburse schools in relation to the increase employers contributions relating to national insurance due from April 2025.

The above funding position coupled with the MFG for some schools, will ensure all schools have budget stability within a reasonable range.

12.1.1 Those schools with significant numbers of pupils from deprived areas will continue to attract the Pupil Premium grant.

12.1.2 The proposed amendments to the local funding formula for early years and schools are supported by Schools' Forum members and in line with the budget principles agreed for each block in the DSG funding framework.

12.1.3 The Cabinet notes the details of the Education Funding Settlement for 2025/26; and The Cabinet approves the construction of the early year's budget as defined at section 3.1 to 3.2 and the updated local schools funding formula model as outlined in section 3.3 to 3.5 and summarised in the tables provided at section 6.2

BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Peter Hughes on Tel: 0161 474 3947 or by email on peter.hughes@stockport.gov.uk