

## **SCHOOLS FORUM**

**SUBJECT** School Funding Formula 2025-26  
**DATE** 10<sup>th</sup> March 2025  
**REPORT OF** Liz Brummer, Strategic Finance Lead

### **BACKGROUND**

On the 18th December 2024 the Department for Education (DFE) published the funding allocations for the 2025/26 financial year together with an Authority Pro-Forma Tool (APT) reflective of the October 2024 School census data.

Provisional financial data was not received for this round of funding, which is a departure from previous years, therefore it was not possible to undertake any prior modelling.

Detailed papers relating to the schools funding formula proposals were distributed to all forum members w/c 13<sup>th</sup> January and the Schools Funding working group met on 17<sup>th</sup> January to consider modelled options and approve the approach prior to submission of the proforma to the DFE on 22nd January 2025

The working party act on behalf of the wider schools forum and have delegated responsibility to make decisions regarding the recommendations on behalf of full schools forum.

This paper summarises the school funding formula position for 2025-26

### **SCHOOL BLOCK ALLOCATION**

The impact of the net pupil number changes along with the other updated data and confirmation of the DSG growth funding factor of £0.48M gives a final 2025/26 Schools Block allocation of £140.8M ( inclusive of NNDR)

A number of grants have been rolled into the Schools Block from 2025/26 including Teachers Pay Grant, Teachers Pension Grant and Core Schools Budget Grant and these have been reflected in specific formula factors, these are detailed in Appendix 1.

The key factors that have been uplifted for the grant roll in are AWPU, FSM6 and lump sum.

## INDIVIDUAL SCHOOL BUDGETS

The agreed funding formula used all NFF values with the exception of the following, where a local factor has been adopted, these remain within DFE parameters:

<b>Factor</b>	<b>NFF Value</b>	<b>NELC Value</b>
MFG	-0.5% to 0%	-0.5%
FSM6 - Primary	£1,060	£1,054
FSM6 - Secondary	£1,555	£1,549
Lump Sum	£145,100	£141,473

## NEW PRIMARY SCHOOLS

Through the free school presumption model, we have 2 new primary free schools opening in September 2025 reflecting a growth in pupil places.

As the DSG Schools Block allocation is based upon October headcount data, these schools do not form part of our current year DSG baseline.

The DFE has provided estimated school characteristic data based on similar schools within the borough, and using agreed pupil number intakes we must include these new schools on our APT to generate their ISB for 2025/26 to be paid over to the new academy trust.

The estimated cost of the 2 new primary ISBs in FY 2025/26 is approximately £0.6M which will need to be met through the schools block, growth fund or block transfers. In addition, pre-opening costs and future support for transition to full occupancy will need to be considered.

It was originally proposed to utilise unspent previous year growth fund of £0.4M to support the schools funding position, however due to the overall DSG deficit this is deemed to be offset. There is a resulting overallocation of the schools block to meet these additional costs, this will form part of the overall DSG deficit position.

## GROWTH FUND

It was agreed to establish an in-year growth fund of 0.1% of the schools block equal to £0.14M.

The existing growth fund policy for 2025/26 remains unchanged and is in line with DFE guidance.

## CONCLUSION

Taking the above issues into account, in order to set the schools block funding the following should be noted, this is in line with the now verified authority pro-forma tool submission:

- The maximum Minimum Funding Guarantee (MFG) is set at -0.48%. The total cost of providing the MFG is £0.2M
- The cost of ensuring schools are at minimum funding levels is £0.4M
- Put 71.5% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 71.9% in 2024/25
- Put 93.3% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 93.3% in 2024/25.
- Establishes budgets for the 2 new free schools for 2025/26
- Includes block transfer from Early Years of £0.2M
- Establish an in-year 2025/26 growth fund of £0.1M
- Allocates the Schools Block as below:

	£M
2025/26 Final Allocation	140.8
Less NNDR	(0.7)
	<b>140.1</b>
Add: Transfer from EY Block	0.2
<b>Total Funding</b>	<b>140.3</b>
Proposed School ISBs	140.6
In-year Growth Fund	0.1
<b>Total Allocations</b>	<b>140.7</b>
<b>Over Allocation</b>	<b>0.4</b>

FACTOR	24/25 Final APT NFF inc. ACA	25/26 NFF inc. ACA	25/26 APT Range		Comparison of 24/25 NFF to 25/26 NFF				25/26 Proposed		
			Minimum	Maximum	Year on Year Change	Of Which Relates to Mainstreamed Grants	Actual Increase	% Increase	NELC 25-26 Proposed Values	NELC 25-26 v NFF Values	Amount Above Minimum
Primary basic entitlement	3,562.00	3,847.00	3,750.83	3,943.18	285.00	264.00	21.00	0.59%	3,839.00	-8.00	88.17
KS3 basic entitlement	5,022.00	5,422.00	5,286.45	5,557.55	400.00	371.00	29.00	0.58%	5,413.00	-9.00	126.55
KS4 basic entitlement	5,661.00	6,113.00	5,960.18	6,265.83	452.00	419.00	33.00	0.58%	6,104.00	-9.00	143.82
Primary FSM	490.00	495.00	482.63	507.38	5.00	0.00	5.00	1.02%	495.00	0.00	0.00
Secondary FSM	490.00	495.00	482.63	507.38	5.00	0.00	5.00	1.02%	495.00	0.00	0.00
Primary FSM6	820.00	1,060.00	1,033.50	1,086.50	240.00	233.00	7.00	0.85%	1,054.00	-6.00	20.50
Secondary FSM6	1,200.00	1,555.00	1,516.13	1,593.88	355.00	345.00	10.00	0.83%	1,549.00	-6.00	32.87
Primary IDACI F	235.00	235.00	229.13	240.88	0.00	0.00	0.00	0.00%	235.00	0.00	0.00
Primary IDACI E	285.00	285.00	277.88	292.13	0.00	0.00	0.00	0.00%	285.00	0.00	0.00
Primary IDACI D	445.00	445.00	433.88	456.13	0.00	0.00	0.00	0.00%	445.00	0.00	0.00
Primary IDACI C	485.00	490.00	477.75	502.25	5.00	0.00	5.00	1.03%	490.00	0.00	0.00
Primary IDACI B	515.00	520.00	507.00	533.00	5.00	0.00	5.00	0.97%	520.00	0.00	0.00
Primary IDACI A	680.00	685.00	667.88	702.13	5.00	0.00	5.00	0.74%	685.00	0.00	0.00
Secondary IDACI F	340.00	340.00	331.50	348.50	0.00	0.00	0.00	0.00%	340.00	0.00	0.00
Secondary IDACI E	450.00	450.00	438.75	461.25	0.00	0.00	0.00	0.00%	450.00	0.00	0.00
Secondary IDACI D	630.00	635.00	619.13	650.88	5.00	0.00	5.00	0.79%	635.00	0.00	0.00
Secondary IDACI C	690.00	695.00	677.63	712.38	5.00	0.00	5.00	0.72%	695.00	0.00	0.00
Secondary IDACI B	740.00	745.00	726.38	763.63	5.00	0.00	5.00	0.68%	745.00	0.00	0.00
Secondary IDACI A	945.00	950.00	926.25	973.75	5.00	0.00	5.00	0.53%	950.00	0.00	0.00
Primary EAL	590.00	595.00	580.13	609.88	5.00	0.00	5.00	0.85%	595.00	0.00	0.00
Secondary EAL	1,585.00	1,595.00	1,555.13	1,634.88	10.00	0.00	10.00	0.63%	1,595.00	0.00	0.00
Primary LPA	1,170.00	1,175.00	1,145.63	1,204.38	5.00	0.00	5.00	0.43%	1,175.00	0.00	0.00
Secondary LPA	1,775.00	1,785.00	1,740.38	1,829.63	10.00	0.00	10.00	0.56%	1,785.00	0.00	0.00
Primary mobility	960.00	965.00	940.88	989.13	5.00	0.00	5.00	0.52%	965.00	0.00	0.00
Secondary mobility	1,380.00	1,385.00	1,350.38	1,419.63	5.00	0.00	5.00	0.36%	1,385.00	0.00	0.00
Primary lump sum	134,400.00	145,100.00	141,472.50	148,727.50	10,700.00	9,921.00	779.00	0.58%	141,473.00	-3,627.00	0.50
Secondary lump sum	134,400.00	145,100.00	141,472.50	148,727.50	10,700.00	9,921.00	779.00	0.58%	141,473.00	-3,627.00	0.50
Primary sparsity	57,100.00	57,400.00	55,965.00	58,835.00	300.00	0.00	300.00	0.53%	57,400.00	0.00	0.00
Secondary sparsity	83,000.00	83,400.00	81,315.00	85,485.00	400.00	0.00	400.00	0.48%	83,400.00	0.00	0.00
<b>Not Used in NELC:</b>											
Middle-school sparsity	83,000.00	83,400.00	81,315.00	85,485.00	400.00	0.00	400.00	0.48%	0.00	0.00	0.00
All-through sparsity	83,000.00	83,400.00	81,315.00	85,485.00	400.00	0.00	400.00	0.48%	0.00	0.00	0.00
Split sites basic eligibility funding	53,700.00	54,000.00	52,650.00	55,350.00	300.00	0.00	300.00	0.56%	0.00	0.00	0.00
Split sites distance funding	26,900.00	27,000.00	26,325.00	27,675.00	100.00	0.00	100.00	0.37%	0.00	0.00	0.00
London fringe	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00%	1.00	0.00	0.00