

SCHOOLS FORUM

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| SUBJECT | School Funding Formula 2026-27 |
| DATE | 16 th January 2026 |
| REPORT OF | Jenni Steel, Service Director Education and Inclusion |
| | Liz Brummer, Strategic Finance Lead |

1. RECOMMENDATIONS

It is recommended that Schools Forum:

- Agree the proposed approach and decisions taken by officers in conjunction with the Schools Forum working party in respect of the final schools funding formula proposed for 2026/27.

2. BACKGROUND

In December 2025 the Department for Education (DFE) published the funding allocations for the 2026/27 financial year together with an Authority Pro-Forma Tool (APT) reflective of the October 2025 School census data.

Provisional financial data was not received for this round of funding; therefore, it was not possible to undertake any prior modelling.

Papers relating to the schools funding formula proposals were distributed to all forum members w/c 5th January and the Schools Funding working group met on 9th January to consider modelled options and recommend the approach prior to submission of the proforma to the DFE on 22nd January 2026

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

This paper summarises the school funding formula position for 2026/27

3. 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 £0.3M gives a final 2026/27 Schools Block allocation of £143.8M (exclusive of NNDR)

Further grants have been rolled into the Schools Block from 2026/27 including School Budget Support Grant (SBSG) and National Insurance Grant (NICs) and these have been reflected in specific formula factors which are detailed in Appendix 1.

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

4. INDIVIDUAL SCHOOL BUDGETS

Two options have been considered by the School's Forum Working Party in order to ensure ISB funding is matched to the Schools Block allocation. Under both options the funding formula used all NFF values with the exception of the following, where a local factor has been adopted, these remain within DFE parameters:

| Option 1 | NFF Value | NELC Value |
|------------------|----------------------|-----------------------|
| FSM6 - Primary | £1,210 | £1,180 |
| FSM6 - Secondary | £1,725 | £1,682 |
| Lump Sum | £152,700 | £148,883 |

| Option 2 | NFF Value | NELC Value |
|-----------------|----------------------|-----------------------|
| AWPU - Primary | £4,064 | £4,033 |
| AWPU – KS3 | £5,686 | £5,666 |
| AWPU – KS4 | £6,410 | £6,399 |

In addition to the changes to the factors above, under both options a block transfer from the centrally retained element of the Early Years block of £0.1M is factored in. DfE allow block transfers of up to 0.5%, and the amount factored in protects the Early Years Block pass through rate of 97%.

The School's Forum Working Party has proposed that Option 2, revised AWPU rates, is adopted and submitted to the DfE as part of the APT.

Decision is now required by School's Forum that the proposed Option 2 is adopted.

5. NEW PRIMARY SCHOOLS

Through the free school presumption model, 2 new primary free schools opened in September 2025.

As the DSG Schools Block allocation is based upon October headcount data, these schools are classed as growing schools and pupil number adjustments are required to reflect the forecast position from September 2026.

The estimated additional costs of the 2 new primary ISBs in FY 2026/27 is approximately £0.2M, which will be reported as an overallocation of the School's Block; This will form part of the overall DSG deficit position. Any necessary underwriting of the funding until minimum viable numbers are reached will also increase the deficit position.

6. GROWTH FUND

It was agreed to establish a small in-year growth fund of 0.02% of the Schools Block equal to £0.03M.

The existing growth fund policy for 2026/27 remains unchanged and is in line with DFE guidance.

7. 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 authority pro-forma tool submission:

- Adoption of Option 2 adjusted AWPU factors.
- The maximum Minimum Funding Guarantee (MFG) is set at 0.0%. The total cost of providing the MFG is £0.1M
- Put 71.04% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 71.5% in 2025/26
- Put 93.3% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 93.1% in 2025/26.
- Includes block transfer from Early Years of £0.1M
- Establish an in-year 2026/27 growth fund of £0.1M
- Allocates the Schools Block as below:

| | £M |
|-----------------------------|--------------|
| 2026/27 Final Allocation | 144.6 |
| Less NNDR | (0.7) |
| | 143.9 |
| Add: Transfer from EY Block | 0.1 |
| Total Funding | 144.0 |
| | |
| Proposed School ISBs | 144.1 |
| In-year Growth Fund | 0.1 |
| Total Allocations | 144.2 |
| | |
| Over Allocation | 0.2 |

| Factor | 25-26 APT | 26-27 NFF including ACA | 26-27 APT minimum | 26-27 APT maximum | 26-27 APT Option 2 | Difference between 26-27 APT and 26-27 NFF |
|---------------------------------------|-------------|-------------------------|-------------------|-------------------|--------------------|--|
| Primary basic entitlement | £3,839.00 | £4,064.00 | £3,962.40 | £4,165.60 | £4,033.00 | -£31.00 |
| KS3 basic entitlement | £5,413.00 | £5,686.00 | £5,543.85 | £5,828.15 | £5,666.00 | -£20.00 |
| KS4 basic entitlement | £6,104.00 | £6,410.00 | £6,249.75 | £6,570.25 | £6,399.00 | -£11.00 |
| Primary FSM | £495.00 | £505.00 | £492.38 | £517.63 | £505.00 | £0.00 |
| Secondary FSM | £495.00 | £505.00 | £492.38 | £517.63 | £505.00 | £0.00 |
| Primary FSM6 | £1,054.00 | £1,210.00 | £1,179.75 | £1,240.25 | £1,210.00 | £0.00 |
| Secondary FSM6 | £1,549.00 | £1,725.00 | £1,681.88 | £1,768.13 | £1,725.00 | £0.00 |
| Primary IDACI F | £235.00 | £240.00 | £234.00 | £246.00 | £240.00 | £0.00 |
| Primary IDACI E | £285.00 | £290.00 | £282.75 | £297.25 | £290.00 | £0.00 |
| Primary IDACI D | £445.00 | £455.00 | £443.63 | £466.38 | £455.00 | £0.00 |
| Primary IDACI C | £490.00 | £500.00 | £487.50 | £512.50 | £500.00 | £0.00 |
| Primary IDACI B | £520.00 | £530.00 | £516.75 | £543.25 | £530.00 | £0.00 |
| Primary IDACI A | £685.00 | £700.00 | £682.50 | £717.50 | £700.00 | £0.00 |
| Secondary IDACI F | £340.00 | £345.00 | £336.38 | £353.63 | £345.00 | £0.00 |
| Secondary IDACI E | £450.00 | £460.00 | £448.50 | £471.50 | £460.00 | £0.00 |
| Secondary IDACI D | £635.00 | £650.00 | £633.75 | £666.25 | £650.00 | £0.00 |
| Secondary IDACI C | £695.00 | £710.00 | £692.25 | £727.75 | £710.00 | £0.00 |
| Secondary IDACI B | £745.00 | £760.00 | £741.00 | £779.00 | £760.00 | £0.00 |
| Secondary IDACI A | £950.00 | £970.00 | £945.75 | £994.25 | £970.00 | £0.00 |
| Primary EAL | £595.00 | £610.00 | £594.75 | £625.25 | £610.00 | £0.00 |
| Secondary EAL | £1,595.00 | £1,630.00 | £1,589.25 | £1,670.75 | £1,630.00 | £0.00 |
| Primary LPA | £1,175.00 | £1,200.00 | £1,170.00 | £1,230.00 | £1,200.00 | £0.00 |
| Secondary LPA | £1,785.00 | £1,825.00 | £1,779.38 | £1,870.63 | £1,825.00 | £0.00 |
| Primary mobility | £965.00 | £985.00 | £960.38 | £1,009.63 | £985.00 | £0.00 |
| Secondary mobility | £1,385.00 | £1,415.00 | £1,379.63 | £1,450.38 | £1,415.00 | £0.00 |
| Primary lump sum | £141,473.00 | £152,700.00 | £148,882.50 | £156,517.50 | £152,700.00 | £0.00 |
| Secondary lump sum | £141,473.00 | £152,700.00 | £148,882.50 | £156,517.50 | £152,700.00 | £0.00 |
| Primary sparsity | £57,400.00 | £58,600.00 | £57,135.00 | £60,065.00 | £58,600.00 | £0.00 |
| Secondary sparsity | £83,400.00 | £85,200.00 | £83,070.00 | £87,330.00 | £85,200.00 | £0.00 |
| Middle-school sparsity | £83,400.00 | £85,200.00 | £83,070.00 | £87,330.00 | £85,200.00 | £0.00 |
| All-through sparsity | £83,400.00 | £85,200.00 | £83,070.00 | £87,330.00 | £85,200.00 | £0.00 |
| Split sites basic eligibility funding | £54,000.00 | £55,100.00 | £53,722.50 | £56,477.50 | £55,100.00 | £0.00 |
| Split sites distance funding | £27,000.00 | £27,600.00 | £26,910.00 | £28,290.00 | £27,600.00 | £0.00 |