

---

**SUBJECT:** LA UPDATE ON DFE/ESFA FUNDING

**DATE:**

**RECIPIENT:** School's Forum

---

## SUMMARY

This briefing provides an overview of the recent 2025–26 Schools and High Needs National Funding Formula updates.

### 1. Background

1.1 In July 2024, the Government advised that, due to the timing of the general election, it would not be possible to publish indicative allocations for the National Funding Formula (NFF) within the usual timeframe.

1.2 The DfE published a summary NFF policy note for 2025/2026 to on 6<sup>th</sup> of November to support Local Authorities in their planning prior to the release of final allocations. Local authorities have been informed that **there will be no substantial changes to the NFF for 2025/26, compared to 2024/25**. The final allocations and accompanying documentation were published on 28<sup>th</sup> of November 2024.

1.3 At this stage, no information has been published regarding Early Years funding allocations. The Local Authority does not intend to make any significant changes to the current local funding formula and plans to use any additional funding to increase the hourly funding rate for providers.

1.4 The table below provides a summary of the provisional allocations for 2025/26, alongside the funding allocations for 2024/25 in the Schools Block, High Needs Block, and Central School Services Block (CSSB). It does not include the Schools Block NFF growth and falling rolls funding allocations, as these will be calculated using the October 2024 school census data, in comparison to the October 2023 school census data.

	2025/26 Provisional NFF (£)	2024/25 Baseline Funding (£)	Change to 2024/25 (£)	Change to 2024/25 (%)
Schools block	£ 210,364,468	£ 205,977,203	£ 4,387,265	2.1%
Central school services block	£ 1,723,669	£ 1,789,065	-£ 65,396	-3.7%
High needs block	£ 50,074,063	£ 45,792,998	£ 4,281,065	9.3%
	<b>£ 262,162,200</b>	<b>£ 253,559,266</b>	<b>£ 8,602,934</b>	<b>3.4%</b>

### 2. School Block Update 2025 -26

2.1 The 2025 to 2026 schools NFF will use the same factors as the 2024 to 2025 NFF, except for some changes to the PFI factor as confirmed in September 2024.

# BRIEFING PAPER

2.2 The main structural change to the Private Finance Initiative (PFI) factor expects that previous years' PFI funding through the NFF will increase in line with the Retail Prices Index excluding mortgage interest payments (RPIX). If local authorities wish to request a higher increase, they must submit an affordability model to the DfE.

2.3 The teachers' pay additional grant (TPAG) and the teachers' pension employer contribution grant (TPECG) 2024 will be rolled into the schools NFF in 2025 to 2026. The recently announced core schools budget grant (CSBG) will also be added to the schools NFF for 2025 to 2026.

<u>School Block</u>	2024-25 Baseline Funding	Provisional schools NFF funding in 2025-26	% Change
DSG (excluding growth and falling rolls)	£ 191,451,017	£ 207,243,757	2.1%
Additional grants (TPAG, TPECG, CSBG)	£ 11,472,155		
DSG premises funding	£ 3,054,031	£ 3,120,711	2.2%
<b>Total</b>	<b>£ 205,977,203</b>	<b>£ 210,364,468</b>	<b>2.1%</b>

2.4 The table below shows the provisional unit values for each factor in the National Funding Formula (NFF) for 2025-2026, excluding the Area Cost Adjustment (ACA). It incorporates the addition to the baseline from the rolled-in value of the three grants (TPAG, TPECG, and CSBG) from 2024-2025. The 'CSBG uplift' represents the extra funding added to the baseline to cover the full-year cost of the 2024 teachers' pay award.

Provisional factor values in 2025 to 2026	2024 - 25 NFF values excluding ACA	TPAG 24-25	TPECG 24-25	CSBG 24-25	CSBG u plift	Provisional 2025-26 NFF Excluding ACA
Primary basic entitlement	£3,562	£62	£75	£76	£51	£3,847
KS3 basic entitlement	£5,022	£86	£106	£108	£71	£5,422
KS4 basic entitlement	£5,661	£98	£119	£122	£80	£6,113
Primary FSM	£490					£495
Secondary FSM	£490					£495
Primary FSM6	£820	£53	£65	£70	£45	£1,060
Secondary FSM6	£1,200	£77	£100	£100	£68	£1,555
Primary IDACI F	£235					£235
Primary IDACI E	£285					£285
Primary IDACI D	£445		/			£445

# BRIEFING PAPER

Primary IDACI C	£485					£490
Primary IDACI B	£515					£520
Primary IDACI A	£680					£685
Secondary IDACI F	£340					£340
Secondary IDACI E	£450					£450
Secondary IDACI D	£630					£635
Secondary IDACI C	£690					£695
Secondary IDACI B	£740					£745
Secondary IDACI A	£945					£950
Primary EAL	£590					£595
Secondary EAL	£1,585					£1,595
Primary LPA	£1,170					£1,175
Secondary LPA	£1,775					£1,785
Primary mobility	£960					£965
Secondary mobility	£1,380					£1,385
Primary lump sum	£134,400	£2,306	£2,800	£2,900	£1,915	£145,100
Secondary lump sum	£134,400	£2,306	£2,800	£2,900	£1,915	£145,100
Primary sparsity	£57,100					£57,400
Secondary sparsity	£83,000					£83,400
Middle-school sparsity	£83,000					£83,400
All-through sparsity	£83,000					£83,400
Split sites basic eligibility funding	£53,700					£54,000
Split sites distance funding	£26,900					£27,000
London fringe	1					1

2.5 Minimum per pupil levels (MPPLs) will remain mandatory in local authority funding formulae, guaranteeing a minimum of £4,955 per primary pupil and £6,465 per secondary pupil.

Minimum per pupil (MPPL) funding	2024-25 NFF values	Uplifts for 2024-25 TPAG, TPECG and CSBG	Additional CSBG uplifts	Provisional 25-26 NFF
Primary MPPL	£ 4,610	£ 257	£ 62	£ 4,955
Secondary MPPL	£ 5,995	£ 350	£ 83	£ 6,465

2.6 The Minimum Funding Guarantee (MFG) is a per pupil protection to ensure funding between years does not decrease below a certain percentage. For the current year the MFG range is 0.0% to +0.5% per pupil, the SCC local formula is currently +0.5% MFG. For 2025-26 the allowable range is to be between minus 0.5% to +0.0%.

# BRIEFING PAPER

2.7 The DfE reiterated the drive towards the NFF implementation by requesting local authorities to continue with their local formula factor values and for those to be set at least 10% closer to the NFF. SCC formula factors are already fully aligned with 2024-25 NFF values.

2.8 The table below presents the provisional mandatory funding factors for 2025/26 alongside the NFF values for 2024/25 for reference. Local authorities will be allowed to set their 2025 to 2026 factor values anywhere within +/-2.5% of the 2025 to 2026 NFF values.

Factor	2024-25 NFF including ACA (Mirrored in SCC APT 24-25)	Provisional 25-26 NFF including ACA	NFF change %	25-26 APT minimum	25-26 APT maximum
Primary basic entitlement	£3,614.43	£3,903.90	8.0%	£3,806.30	£4,001.50
KS3 basic entitlement	£5,095.92	£5,502.19	8.0%	£5,364.64	£5,639.74
KS4 basic entitlement	£5,744.33	£6,203.41	8.0%	£6,048.32	£6,358.50
Primary FSM	£497.21	£502.32	1.0%	£489.76	£514.88
Secondary FSM	£497.21	£502.32	1.0%	£489.76	£514.88
Primary FSM6	£832.07	£1,075.68	29.3%	£1,048.79	£1,102.57
Secondary FSM6	£1,217.66	£1,578.00	29.6%	£1,538.55	£1,617.45
Primary IDACI F	£238.46	£238.48	0.0%	£232.52	£244.44
Primary IDACI E	£289.20	£289.22	0.0%	£281.99	£296.45
Primary IDACI D	£451.55	£451.58	0.0%	£440.29	£462.87
Primary IDACI C	£492.14	£497.25	1.0%	£484.82	£509.68
Primary IDACI B	£522.58	£527.69	1.0%	£514.50	£540.88
Primary IDACI A	£690.01	£695.13	0.7%	£677.75	£712.51
Secondary IDACI F	£345.00	£345.03	0.0%	£336.40	£353.66
Secondary IDACI E	£456.62	£456.66	0.0%	£445.24	£468.08
Secondary IDACI D	£639.27	£644.39	0.8%	£628.28	£660.50
Secondary IDACI C	£700.16	£705.28	0.7%	£687.65	£722.91
Secondary IDACI B	£750.89	£756.02	0.7%	£737.12	£774.92
Secondary IDACI A	£958.91	£964.05	0.5%	£939.95	£988.15
Primary EAL	£598.68	£603.80	0.9%	£588.71	£618.90
Secondary EAL	£1,608.33	£1,618.59	0.6%	£1,578.13	£1,659.05
Primary LPA	£1,187.22	£1,192.38	0.4%	£1,162.57	£1,222.19
Secondary LPA	£1,801.13	£1,811.40	0.6%	£1,766.12	£1,856.69
Primary mobility	£974.13	£979.27	0.5%	£954.79	£1,003.75
Secondary mobility	£1,400.31	£1,405.48	0.4%	£1,370.34	£1,440.62
Primary lump sum	£136,378.37	£147,246.03	8.0%	£143,564.88	£150,927.18
Secondary lump sum	£136,378.37	£147,246.03	8.0%	£143,564.88	£150,927.18
Primary sparsity	£57,940.51	£58,248.95	0.5%	£56,792.73	£59,705.17

# BRIEFING PAPER

Secondary sparsity	£84,221.76	£84,633.49	0.5%	£82,517.65	£86,749.33
Middle-school sparsity	£84,221.76	£84,633.49	0.5%	£82,517.65	£86,749.33
All-through sparsity	£84,221.76	£84,633.49	0.5%	£82,517.65	£86,749.33
Split sites basic eligibility funding	£54,490.46	£54,798.66	0.6%	£53,428.69	£56,168.63
Split sites distance funding	£27,295.97	£27,399.33	0.4%	£26,714.35	£28,084.31
London fringe	1.00	1.00		1.00	1.00

2.9 Local authorities will again be able to transfer up to 0.5% of their total schools block allocations to other blocks of the DSG, with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval.

### 3. High Need Block Update 2025-26

3.1 The budget announcement on 30<sup>th</sup> of October 2024 included national increases in schools funding. According to Treasury figures, £2.3bn will be allocated to the core schools budget, representing a 1.8% increase in funding nationwide. Of this £2.3bn, £1bn will be directed towards SEND and Alternative Provision, resulting in an overall real term increase of 6%.

3.2 The structure of high needs NFF will remain unchanged for 2025-26 as the government wants more time to consider what changes are needed to the NFF.

3.3 The only exception is the funding floor factor and gains limit factors these have been set to ensure all local authorities see an increase between 7% and 10% per head of local authorities' 2 to 18 year old projected population.

<u>High Need Block</u>	2024-25 Baseline Funding	Provisional schools NFF funding in 2025-26	% Change
DSG - Elements which are used in the funding floor and gains calculations	£ 42,010,177	£ 46,285,217	10%
DSG - Elements which are excluded from the funding floor and gains calculation	£ 3,782,822	£ 3,788,845	0%
<b>Total</b>	<b>£ 45,792,998</b>	<b>£ 50,074,063</b>	<b>9.3%</b>

3.4 The excluded elements are the basic entitlement factor, historic teachers' pay and pension funding factor and import/export adjustment. The provisional allocations for those elements of the HN NFF that will be subject to later changes. Figures will be updated in December 2024 and May/June 2025 to reflect 2024/25 academic year school and college data.

# BRIEFING PAPER

3.5 The minimum funding guarantee will continue to apply to special schools at the same rate as 2024-25 which is 0% and will only apply to place and top-up funding.

3.6 TPAG, TPECG and CSBG for special schools and alternative provision will be allocated through the separate outside of the high needs NFF in 2025 to 2026. These funding streams will be brought together and paid as **a single 2025 to 2026 CSBG**. Further details of this 2025 to 2026 CSBG will be published in December 2024.

## 4. Central Services Block Update 2025-26

4.1 The central schools services block (CSSB) will continue to have two distinct elements: ongoing responsibilities and historic commitments.

4.2 For 2025-26 CSSB will include additional funding for increased copyright licence costs, which was issued in the November 2024–25 DSG allocation, as well as funding for centrally employed teachers, previously provided through the Teachers’ Pension Employer Contribution Grant (TPECG) and the Core Schools Budget Grant (CSBG). The 2024–25 funding for these elements has been added to the baseline for ongoing responsibilities.

<u>CSSB</u>	2024-25 Baseline Funding	Provisional CSSB 2025-26 NFF funding	% Change
Historic commitments	£ 205,391	£ 164,313	-20.0%
Ongoing responsibilities	£ 1,583,674	£ 1,559,356	-1.5%
<i>Baseline per-pupil allocation</i>	£ 1,404,349	£ 1,544,082	-1.3%
<i>TPECG</i>	£ 54,392		
<i>CSBG</i>	£ 105,027		
<i>Copyright licences funding</i>	£ 19,906	£ 15,274	-23.3%
<b>Total</b>	<b>£ 1,789,065</b>	<b>£ 1,723,669</b>	<b>-3.7%</b>

4.3 The CSSB ongoing responsibilities allocation for 2025-26 will be based on the October 2024 Census data, which will be published as part of the Funding Settlement in December 2024. This allocation is calculated on a per-pupil basis, with 90% derived from the basic per-pupil amount and 10% from deprivation factors.

4.4 Funding for historic commitments is being reduced by 20% from LAs’ 2024-25 allocations, in line with previous years.

# BRIEFING PAPER