

Wiltshire Council

School Funding Working Group 28 November 2024

Schools Forum 12 December 2024

National Funding Formulae for Schools – 2025-26

Purpose of report

1. To seek ‘in principle’ decisions from members of Schools Forum with regards to the Wiltshire funding formula for the 2025-26 year.
2. To update members of Schools Forum on the National Funding Formula (NFF) for 2025-26. Following the General Election and the appointment of a new Government, the key funding arrangements for the 2025-26 year are still awaited and are anticipated to be published by the end of November 2024.
3. The Department for Education published the
 - a. ‘*Summary policy note for schools and high needs national funding formula 2025 to 2026*’ on 6 November 2024
 - b. ‘*The national funding formulae for schools and high needs 2025-26*’ on 28 November 2024
 - c. ‘*Schools Operational Guide 2025 to 2026*’ on 28 November 2024.
4. Prior to the funding settlement being announced in mid-December, a number of ‘in principle’ decisions are sought to help with the school budget preparations. Separate papers have been prepared relating to the De-delegation consultation, funding to support the School Improvement services and the transfer of funding from the Schools Block to support the High Needs Block.

Background

5. The 2025-26 year represents another year where the Government has pledged to boost schools funding, with an increase of £2.3bn into the overall Core Schools funding compared to the 2024-25 year. This will be split with a boost of £1.3bn to the Schools Block and £1bn to the High Needs Block.
6. The DfE will allocate school funding based on the National Funding Formula (NFF) to local authorities. The funding is then run through the local funding formula, taking account of Schools Forum decisions to create individual school budgets.
7. The 2025-26 year will be another ‘soft’ year with local Schools’ Forum still retaining its role in determining the school funding allocation methodology. The DfE have confirmed their intention to move to a ‘hard’ national funding formula and are proposing a move to the full hard formula by 2027-28. In the meantime, there will continue to be a tightening towards the full NFF.
8. The 2025 to 2026 schools NFF will use the same funding factors as the 2024 to 2025 NFF, with some ‘tightening’ of the formula for those authorities not following the NFF.

Draft Proposals for 2025-26

9. The DfE published draft funding proposals on 6 and 28 November 2024 to confirm key elements of the NFF ahead of issuing finalised guidance by the end of November and then detailed funding allocations in December 2024.

Schools Block Proposals for 2025-26

10. The main formula for the 2025-26 year is broadly similar to the formula for the 2024-25 year however there are some changes, as detailed below.
 - a. Overall, funding through the NFF will increase by £1.3bn
 - b. Funding the full 12 months of the teachers pay award
 - c. Teachers Pay Additional Grant (TPAG) for the September 2023 pay award being rolled into core funding
 - d. Teachers Pension Employers Contribution Grant (TPECG) being rolled into core funding
 - e. Core Schools Budget Grant (CSBG) will be uplifted from being a 7 month grant to a 12 month grant with the whole grant being rolled into core funding
 - f. Further funding in respect of the increase in employers' National Insurance contributions, will be provided in 2025 to 2026, by a grant outside the NFF
 - g. A transfer of up to 0.5% of Schools Block funding to the High Needs Block will be permitted, subject to Schools Forum approval
 - h. All NFF factors must be used in the formula
 - i. The Minimum Funding Guarantee (MFG) must be set between -0.5% and 0%
 - j. The provisional 2025-26 NFF funding values, incorporating the rolling in of TPAG, TPECG, CSBG and NFF Uplift are detailed in **Appendix 1**
 - k. The movement in NFF funding since 2019-20 to the provisional 2025-26 values are set out in **Appendix 2**

The Minimum Funding Guarantee

11. The 'Minimum Funding Guarantee' (MFG) is a protection mechanism within the funding formula which means that schools are guaranteed a certain amount of per-pupil funding each year. Since the introduction of the NFF, schools have been guaranteed at least the same amount of per-pupil funding, plus 0.5%, year on year. In other words, the NFF has confirmed a minimum uplift of 0.5% in per pupil funding.
12. Unlike previous years where the NFF rate has been mandated between 0% and +0.5%, for the 2025-26 year Schools Forum can set the rate between -0.5% and 0%.
13. The MFG is calculated by taking the total School Budget Share and removing any 'school or premises' funding, including Lump Sum, Rates and Sparsity and then dividing the remaining funding by the number of pupils on roll. This then provides the MFG rate per pupil.
14. Funding through the MFG used to exceed £2.2m in the Wiltshire funding formula, however since moving to the NFF in 2018-19, the total quantum has not exceeded £250,000 and in the 2024-25 formula was £212,664.
15. Setting the MFG at 0.0% would ensure that all schools received a guarantee that their per pupil funding would at least be consistent with previous years, if not higher.

Role of Schools Forum and the Local Authority

16. The government has stated its intention to move to a single direct NFF by 2027-28 and to determine every school's budget centrally. For the 2025-26 year, the DfE have confirmed it will be another 'soft' year, with each LA along with its Schools Forum being able to determine its school funding formula, subject to any NFF requirements and constraints.
17. All NFF factors have been mandatory since 2023-24 and the formula for Wiltshire will be presented to Schools Forum when the final allocations have been confirmed in mid-December and then to the LA for political ratification and approval in February 2024.

Key Funding Decisions to be taken by Schools Forum for the 2025-26 year

18. A number of funding decisions need to be taken by Schools Forum for the 2025-26 year including.
- To apply all the NFF factors in full
 - To set the Minimum Funding Guarantee between -0.5% and 0%
 - To transfer funding from the Schools Block to High Needs Block

Budget Setting Process 2025-26

19. The timeline for setting the 2025-26 budget is expected to follow.

12 December 2024	Schools Forum agree in principle decisions for funding, de-delegation and block transfers
20 December	DfE issue funding allocations
23 January 2025	Schools Forum confirm and 'sign off' school budgets for the 2025-26 financial year
25 February	School budgets signed off at Full Council meeting
By 28 February	All schools notified of funding for 2025-26

20. In terms of setting the budgets for schools for 2025-26, the amount of funding available for distribution to schools will be calculated as follows.

DSG Schools Block Allocation	£xxx,xxx,xxx
Less: Growth Fund	x,xxx,xxx
Less: Transfer to Other Blocks	x,xxx,xxx
Total available for School Funding	xxx,xxx,xxx

Initial Modelling

21. Initial modelling of the Schools Block demonstrates that the NFF is affordable, based upon the October 2023 census and therefore the full NFF could be implemented.

Proposal

22. Schools Forum to make 'in principle' decisions for the following formula factors to enable school budgets to be prepared ready for the January 2025 meeting.
- To apply all the NFF factors in full
 - To set the Minimum Funding Guarantee between -0.5% and 0%, in line with NFF and subject to affordability.

Appendix 1

Factor	2024-25 NFF Values	TPAG	TPECG	CSBG (7 months)	CSBG Uplift (5 months)	Provisional NFF Uplift	Provisional 2025-26 NFF Values
Primary KS1&2 AWPU	£3,562	£62	£75	£76	£51	£21	£3,847
Secondary KS3 AWPU	£5,022	£86	£106	£108	£71	£29	£5,422
Secondary KS4 AWPU	£5,661	£98	£119	£122	£80	£33	£6,113
Primary & Secondary FSM	£490					£5	£495
Primary FSM6	£820	£53	£65	£70	£45	£7	£1,060
Secondary FSM6	£1,200	£77	£100	£100	£68	£10	£1,555
IDACI Primary Band A	£680					£5	£685
IDACI Primary Band B	£515					£5	£520
IDACI Primary Band C	£485					£5	£490
IDACI Primary Band D	£445					£0	£445
IDACI Primary Band E	£285					£0	£285
IDACI Primary Band F	£235					£0	£235
IDACI Secondary Band A	£945					£5	£950
IDACI Secondary Band B	£740					£5	£745
IDACI Secondary Band C	£690					£5	£695
IDACI Secondary Band D	£630					£5	£635
IDACI Secondary Band E	£450					£0	£450
IDACI Secondary Band F	£340					£0	£340
Prior Attainment – Primary	£1,170					£5	£1,175
Prior Attainment – Secondary	£1,775					£10	£1,785
EAL – Primary	£590					£5	£595
EAL - Secondary	£1,585					£10	£1,595
Mobility – Primary	£960					£5	£965
Mobility – Secondary	£1,380					£5	£1,385
Lump Sum	£134,400	£2,306	£2,800	£2,900	£1,915	£779	£145,100
Sparsity – Primary (Max.)	£57,100					£300	£57,400
Sparsity – Secondary (Max.)	£83,000					£400	£83,400
Split Sites	£80,600					£400	£81,000
Primary - MPPFL	£4,610					£345	£4,955
Secondary – MPPFL	£5,995					£470	£6,465

Appendix 2

Factor	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 Provisional
Primary KS1&2 AWPU	£2,747	£2,857	£3,123*	£3,217	£3,394**	£3,562***	£3,847****
Secondary KS3 AWPU	£3,863	£4,018	£4,404*	£4,536	£4,785**	£5,022***	£5,422****
Secondary KS4 AWPU	£4,386	£4,561	£4,963*	£5,112	£5,393**	£5,661***	£6,113****
Primary & Secondary FSM	£440	£450	£460	£470	£480	£490	£495
Primary FSM6	£540	£560	£575	£590	£705**	£820***	£1,060****
Secondary FSM6	£785	£815	£840	£865	£1,030**	£1,200***	£1,555****
IDACI Primary Band A	£575	£600	£620	£640	£670	£680	£685
IDACI Primary Band B	£420	£435	£475	£490	£510	£515	£520
IDACI Primary Band C	£390	£405	£445	£460	£480	£485	£490
IDACI Primary Band D	£360	£375	£410	£420	£440	£445	£445
IDACI Primary Band E	£240	£250	£260	£270	£280	£285	£285
IDACI Primary Band F	£200	£210	£215	£220	£230	£235	£235
IDACI Secondary Band A	£810	£840	£865	£890	£930	£945	£950
IDACI Secondary Band B	£600	£625	£680	£700	£730	£740	£745
IDACI Secondary Band C	£560	£580	£630	£650	£680	£690	£695
IDACI Secondary Band D	£515	£535	£580	£595	£620	£630	£635
IDACI Secondary Band E	£390	£405	£415	£425	£445	£450	£450
IDACI Secondary Band F	£290	£300	£310	£320	£335	£340	£340
Prior Attainment – Primary	£1,022	£1,065	£1,095	£1,130	£1,155	£1,170	£1,175
Prior Attainment – Secondary	£1,550	£1,610	£1,660	£1,710	£1,750	£1,775	£1,785
EAL – Primary	£515	£535	£550	£565	£580	£590	£595
EAL - Secondary	£1,385	£1,440	£1,485	£1,530	£1,565	£1,585	£1,595
Mobility – Primary	£0	£875	£900	£925	£945	£960	£965
Mobility – Secondary	£0	£1,250	£1,290	£1,330	£1,360	£1,380	£1,385
Lump Sum	£110,000	£114,400	£117,800	£121,300	£128,000**	£134,400***	£145,100****
Sparsity – Primary (Max.)	£25,000	£26,000	£45,000	£55,000	£56,300	£57,100	£57,400
Sparsity – Secondary (Max.)	£65,000	£67,500	£70,000	£80,000	£81,900	£83,000	£83,400
Split Sites						£80,600	£81,000
Primary - MPPFL	£3,500	£3,750	£4,180	£4,265	£4,405	£4,610	£4,955
Secondary – MPPFL	£4,800	£5,000	£5,415	£5,525	£5,715	£5,995	£6,465

* - Includes the Teachers Pay and Pension Grants of £180 for Primary and £265 for Secondary

** - Incorporates the Schools Supplementary Grant funding for 2022-23 for AWPU, FSM6 and Lump Sum

*** - Incorporates the Mainstream Schools Additional Grant for 2024-25 for AWPU, FSM6 and Lump Sum

**** - Incorporates the Teachers Pay Grant, the Teachers Pension Grant and the Core Schools Budget Grant